§4c] Trend of conc-n
(esp. farm land)

'50 Census, v. V, pt 9. 'Ec. Type & Class of Fm.' Get actual no. of fms. - are fewer now.

p. 10. Cfs 1920 vs 1950. Showing clearly the % of land in small farms has declined much more than the % of ~~fms~~ small fms.

(But this is partly due to expanding irrig. in west, small fm i.e. But even in S&N., same holds)

"The shift of land to larger farms has been more pronounced than the change in "no. of fms."

over

	% of Fms		% of Land in Fms	
	1920	1950	1920	1950
Under 10	4.5	9.0	~~1~~ 0.2	~~0~~ 0.2
10 -	~~31~~ 31.2	27.5	~~6~~ 5.8	~~3~~ 3.4
50 -	~~21~~ 22.9	19.5	11.1	~~4~~ 6.5
100 -	~~23~~ 22.5	20.5	20.4	~~13~~ 12.9
180 -	8.2	9.1	~~12~~ 11.8	9.1
260 -	7.4	8.9	17.2	~~15~~ 14.4
500 -	2.3	3.4	~~11~~ 10.6	~~12~~ 10.9
~~1~~ 1,000 & over	1.0	2.3	23.1	~~41~~ 42.6
	100.0	100.2	100.2	100.0

(exact data from p. 774, S139 (v. II ch. X, size of fm.)

(also, 1880 - 1945, % of fms 7,000 has grown steadily. p. 114, S136. Tho one wd expect more intensive ag. to reduce.)

LCR	
1920	.60
1950	.70

So drift not just at extremes, but all along the line.

Reading figs from graph. Try to get data on small ~~fms~~ ~~exp~~

(For 1920 figs, breaking pt is 175 instead of 180. Otherwise all same)

In all the groups under 1,000, there is an increase of farms relative to land. Shows fms in those groups are drifting toward bottom of group. While over 1,000, Δ of land almost as great as Δ of fms. Now many of the Δ are doubtless from smaller group who just drifted over line. They wd. lower ave size over 1,000. So much of Δ must be in highest group.

Needn't put it that way. Say if techn. explanation correct, over 1,000 group wd grow from bottom, lower its ave. size. But evidently it is larger ones that are growing.

Break down all over 1,000. Data available only 1930 to '45

S139, p. 774, Table 4.

	% of Fms		% Land	
	1930	1945	1930	1945
1,000 - 4,999	1.1	1.7	12.9	15.9
5,000 - 9,999	0.1	0.2	3.6	5.4
10,000 & over	0.1	0.1	11.5	19.0

The very largest have done the growing.

Get actual figures, figure %s accurately

Rather tricky to interpret. But important.

Land has shifted from small groups to big groups. Small groups have lost more land than farms, clearly — the under 10 group has even gained farms.

That means the ave fm in those low groups is smaller.

That is even true of 500-1,000 group.

Only group to gain land is over 1,000. It also gained farms. (But those probly drifted over line from just below.)

In absolute terms, it probly gained about same % of fms as of land. Thus while ave fm getting smaller in lower groups, ~~gets~~ stays same in >1,000. (Can't be, as ave. fm getting larger, overall. Figure out absolutely)

Figure ave. acreage for ea. group, '20 & '50, show conclusively.

S136
p.114 Drift away from middle sizes. Census changed units, so some confusion.

Fact is, only fms under 3 acres had more land. Otherwise, is less land in small fms, until c. 180-380, those groups hold down. Larger ones gain land. 135-145, p. 74, p. 66.

Census has data on apiaries, domestic animals classified by age & sex, blueberries, Mules & asses, t-phones, radios. (indoor plumbing)

---

p. 70. 1900-50

land in fms < 500 a. decreased by 6%. (But 90 of fms < 500. Δd, I think)

" " 500-999 a Δ from 68 m to 126 m a. — over ½ Δ in N. S137

" " " 1,000 a. & over Δ fm 198 m to 494 m. a. — ¾ Δ in W.

Only 3 sets of figs go all the way from 1900 to 1950

	1900	1950	Increase — $\frac{1950}{1900}$
50-99	$ 28.64	$106.67	$\frac{107}{29} = 3.7$
500-999	13.97	57.53	$\frac{58}{14} = 4.1$
1,000 & over	5.18	24.23	$\frac{24}{5} = 4.8$

Ave v/a/acre by size of fm, 1900-50, S139 p 776

Bigger fms have Δd more, % wise.

As to abs. value, big fms doubtless understated. Regressive ass., etc. Data by class of fm. also show it.

S 136
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Ave vlu/acre by size of fm, 1900-50, S139 p 776

Bigger fms have Δd more, % wise.

Conc & Trend (Interesting that the higher the value of Eng. farm land went, the hi k.v. more concentrated it became -- big estates grew by purchase. e.g. p. 376) S116

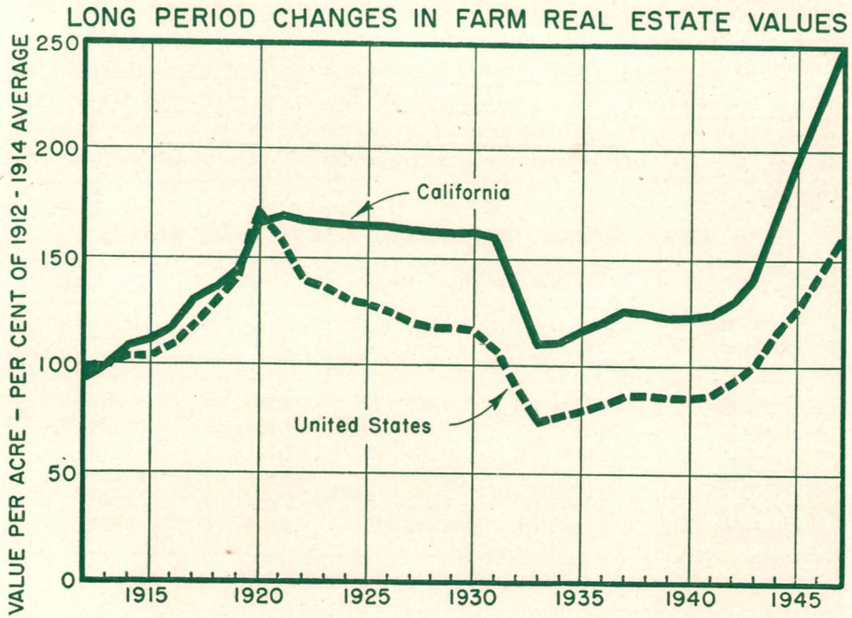
Bob Brownlee, from central Mont., says wheat there — he is just on w-n fringe. — is movg into colossal holdgs, while pewar there were many "little" fellows -- c. 400 acres.

AGRICULTURAL DEVELOPMENT AND FUTURE LAND VALUES

In the foregoing pages it has been shown that in the 1920's there had been a rapid increase in the California acreage of intensive crops, a sharp rise in the proportion of those crops irrigated, and an increase in the proportion of small size farms. All of these resulted in a level of farm real estate values which was higher than earlier peace-time values and which had a certain degree of permanence.

Before 1930, expansion of orchards and vineyards had come to an abrupt stop, and increases in the expansion of intensive field crops had been checked. The proportion of the total cropland acreage irrigated increased thereafter at a greatly reduced rate, and the percentage of small farms in the total ceased to increase. Rates of development were somewhat increased again by World War II and may be a partial explanation of the more rapid rise of California land values compared with those of the United States. However, no such expansion took place as was characteristic of the 1920's.

As we look forward to future land values, this difference in agricultural development in the two war periods is important. *As a great and lasting influence upon land values, agricultural development cannot be expected to be as important during the period immediately following World War II as it was in the corresponding years following World War I.* The completion of the Central Valley Project may create such an influence, but at a later time.



HOW DO PRICES RECEIVED BY FARMERS AFFECT LAND PRICES?

Commodity Prices are basic in accounting for changes in farm land values. The relation between farm commodity prices and land values, however, is not precise. The reasons are complex but are about as follows:

Gross Returns from farming are made up from commodity prices and the physical volume of production. A portion of gross returns is used to defray cash costs of production. (At the end of October 1947 gross marketings of California farm products were still increasing rapidly as shown in table 8).

Costs of Production including wages and prices of materials and equipment which farmers buy, tend to lag behind the rise and fall of farm commodity prices. Costs often reach their peak after farm commodity prices begin to fall. In the later stages of a period of inflation and during price decline, therefore, costs of production tend to become a larger and larger proportion of gross returns.

Net Farm Income is the remainder after cash costs of production are paid. It is the return to the farmer for his own labor and management, interest on his operating capital and payment for the use of his land. Net farm income temporarily becomes a greater-than-normal proportion of the gross return when farm commodity prices are rising. When farm commodity prices are declining, the opposite happens and net returns may be entirely eliminated.

Net Land Income is the most important basis of farm land value. It is seldom measured statistically, however, except where land is rented. In the case of owner-operated farms, buyers and sellers can make only rough estimates of the portion of net farm income that can be considered as net income of the land and fixed improvements. That they do make some such estimate, however, is indicated by the fact that only a portion of the large net farm incomes of inflationary periods has been reflected in land prices.

Other Factors tend to bring land prices into line with commodity prices. In times of high prices, money for the purchase of farms becomes plentiful from both agricultural and nonagricultural sources. The general purchasing power of money declines and farm land price trends tend to resemble those of commodity prices. However, buyers and sellers of farm real estate probably recognize the temporary character of extremely high and extremely low commodity prices, and in the later stages of such extreme periods tend to become more conservative in real estate transactions. As a result average land prices, though following the same general trend, are inclined to be less variable over a period of time than are commodity prices. Farm land prices, thus, tend to be based more upon expected future returns than upon current abnormal commodity prices.

SELLING PRICES OF LAND
COMPARED WITH SELLING PRICES OF PRODUCTS
(PER CENT OF THE 1935 - 1939 AVERAGE)

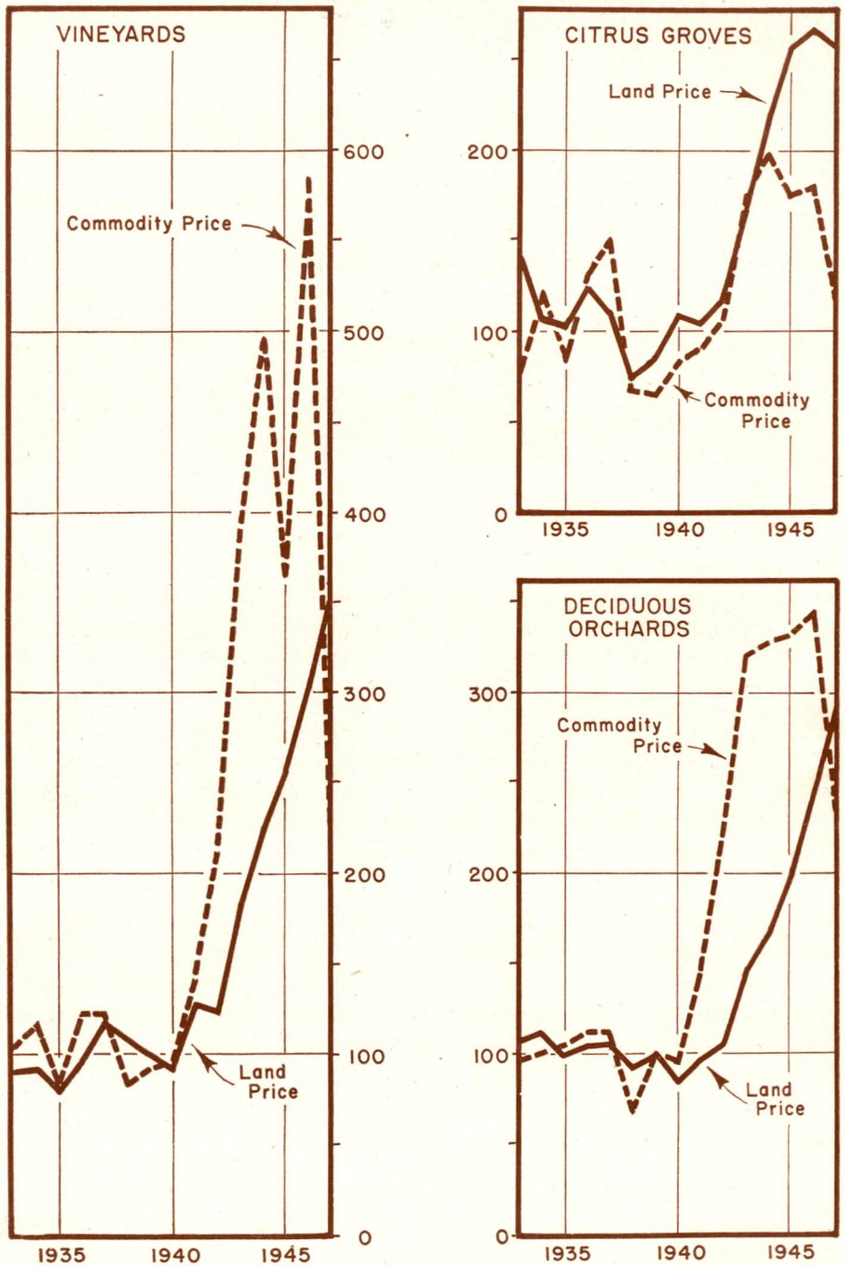


Table 6: CALIFORNIA FARMS—THE RELATION OF SIZE TO VALUE

Class of farms by size (acres)	Average size of farm (acres)	Average value per acre	Number of farms
3–9	5	$1,559	27,673
10–29	16	853	37,223
30–49	38	503	16,314
50–69	58	453	7,246
70–99	81	335	8,262
100–139	115	299	5,548
140–179	157	201	5,442
180–219	197	216	2,535
220–259	237	190	1,988
260–379	314	157	4,113
380–499	433	126	2,333
500–699	587	107	2,533
700–999	826	85	2,019
1,000–4,999	2,030	47	4,869
5,000–9,999	6,774	27	653
10,000 and over	24,835	18	417
Total number of farms	.....	.....	129,168

Source: United States Census of Agriculture 1945.

The relation of size of California farms to their average 1946 value per acre is shown in table 6. Farms of three to nine acres averaged in value $1559 an acre; the per-acre value decreases as the size increases until farms in the 700-to-999 acre class were valued at $85 an acre, while farms of 10,000 acres averaged only $18 an acre.

This development of the smaller farm was a trend of the first world war period, but not of the second war period. In the period 1910–1920 the percentage of farms under 50 acres increased from 49 per cent to 56 per cent. During the decade 1935–1945 the percentage of farms under 50 acres, 66 per cent, did not change.

Table 7: NUMBER OF FARMS BY SIZE IN CALIFORNIA

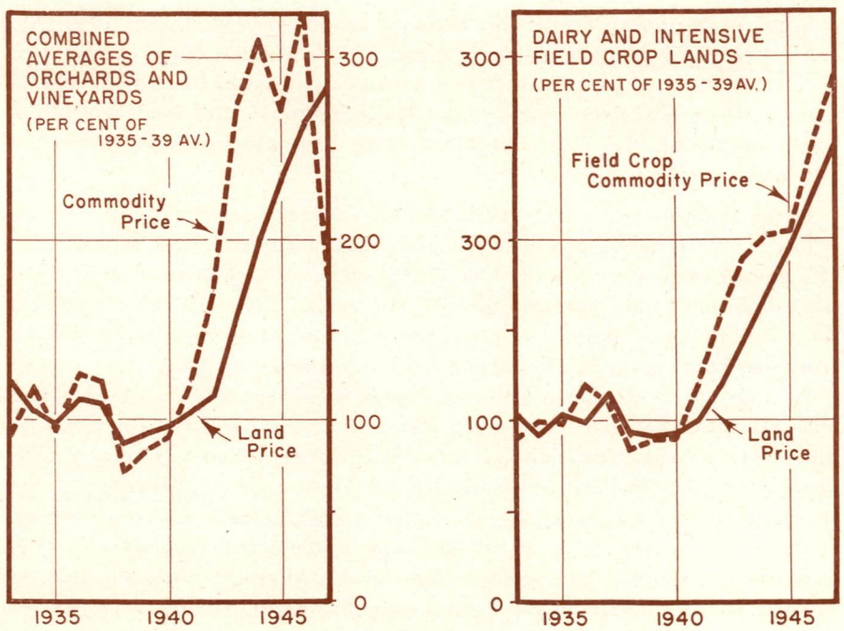
Size of farm	1910		1920		1935		1945	
	Number of farms	Per cent of all farms	Number of farms	Per cent of all farms	Number of farms	Per cent of all farms	Number of farms	Per cent of all farms
Under 10 acres	10,593	12	16,697	14	34,076	23	37,422	27
10–49 acres	32,546	37 (49)	49,093	42 (56)	64,752	43 (66)	53,537	39 (66)
50–99 acres	10,680	12	15,034	13	17,121	11	15,508	11
100–499 acres	24,566	28 (51)	26,888	23 (44)	24,243	16 (34)	21,959	16 (34)
500–999 acres	5,119	6	5,052	4	4,913	3	4,552	3
1,000 acres and over	4,693	5	4,906	4	5,255	4	5,939	4

Source: Calculated from data in the United States Census of Agriculture, Dept. of Commerce.

farm land values include the phenomenal suburban development of Southern California, stimulated by population growth and increased industrialization. In 1947 average citrus fruit prices declined sharply and citrus farm land prices also turned downward. There has been much local variation from the general trends described above. This variation has been due to many causes including differences in the behavior of the prices of lemons, grapefruit and oranges. The price of each of these fruits has deviated considerably from the general average.

Prices of Intensive Field Crops were still rising in the closing months of 1947—as were the prices of field crop and dairy farm lands. The final character of inflationary trends within this type of farming may not have been completed at that time. The upward trends were similar, however, to those of other types of farming. If prices of intensive field crops and their effect upon land prices follow the same pattern as that of fruit crop prices, the land prices would continue upward for a time after the crop prices begin to fall. But there seems to be a shorter lag of field crop land prices behind field crop prices than has been indicated for the fruit industries.

Trends in the combined average prices of orchard and vineyard fruits and of intensive field crops are presented in the charts on this page. The trends in the prices of farm lands on which these commodities are grown are also shown. These charts emphasize the fact that certain dominant relations between land and commodity prices indicated for the different types of farming pertain in general to all types.



per acre. In 1944 the average per-acre value of the crop produced on orchard and vineyard lands was $385, on vegetable lands $251, on intensive field crop lands $105, and on grain and unirrigated hay land $28. High returns per acre serve to raise the value of the land. As the agriculture of California has matured, the proportion of the more highly productive and therefore more valuable lands has increased.

Table 3: VALUE OF CALIFORNIA'S MAJOR HARVESTED CROPS

Major crops harvested 1944	Total value of crop	Per cent of total	Thousands of acres	Per cent of total	Per acre value of crop
	1,000 dollars				dollars
INTENSIVE CROPS:					
Fruits and nuts	578,534	54	1,503	20	385
Vegetables sold	136,048	13	543	7	251
Intensive field crops[a]	268,181	25	2,554	35	105
EXTENSIVE CROPS:					
Small grain and grain and wild hay[b]	79,752	8	2,855	38	28
TOTAL	1,062,515	100	7,455	100	

Source: Calculated from data in the United States Census of Agriculture, 1945. [a] Includes all corn and sorghums. [b] Includes mixed grains and oats cut and fed unthreshed.

The period during and after the first world war was marked by a shift to more-intensive farming not equaled before or since. This shift was more than three times greater during the World War I period than during the World War II period. The total acreage of orchards, vineyards, and eleven intensive field crops, highly representative of California agriculture, increased 59 per cent in the decade 1910–1920, but just over 18 per cent in the decade 1935–1945.

Table 4: TRENDS IN AGRICULTURAL LAND UTILIZATION IN CALIFORNIA

Type of crop	Census year						
	1910	1920	1925	1930	1935	1940	1945
	(Thousands of acres)						
Small grains and wild and grain hay	3,730	3,502	2,156	2,668	2,664	2,676	2,578
Eleven intensive field crops[a]	1,060	2,016	1,662	1,861	1,778	1,993	2,426
Orchards and vineyards	949	1,168	1,386	1,603	1,561	1,415	1,503
Other Cropland	5,451	4,972	6,231	5,333	5,628	6,811	4,856
Total Cropland	11,190	11,658	11,435	11,465	11,631	12,895	11,363

Source: Calculated and estimated on the basis of the United States Census of Agriculture. Minor deficiencies have been supplied from other sources. Land utilization for any given census year is representative of the previous year. [a] The eleven intensive field crops are: Corn harvested for grain, sorghums harvested for grain, flax, rice, beans, cultivated hay crops excluding grain hay, potatoes, cotton, sweet potatoes and yams, sugar beets, hops.

Increase in Irrigated Acreage

Irrigation of California farm lands has accompanied the increase of intensive farming. The decade 1910–1920 saw an increase in irrigated acreage of 140 per cent, whereas in the decade 1935–1945 such an increase amounted to but 27 per cent. Much of the increased irrigation of the earlier period was of the highly intensive crops, such as orchards and vineyards, while the smaller recent increase has been primarily an expansion of field crops, also intensive, but not so much so as the expansion of orchards and vineyards during the earlier period.

A study of selling prices of farm land in seven western states clearly points out the relationship of irrigation to selling price. Results of the study, tabulated below, show the large difference in market price between irrigated and non-irrigated lands, and also show the more rapid rise in market prices of irrigated lands compared with non-irrigated lands. In the early years of the period studied, irrigated land in the seven western states was valued by the buyers and sellers at about two and one-half times that of non-irrigated cultivated land. During the last two years, when land values had more than doubled, the value of irrigated land had increased to three and one-half times that of non-irrigated land.

Table 5: SAMPLE COUNTIES OF SEVEN WESTERN STATES—AVERAGE SELLING PRICES PER ACRE OF RANGE LAND AND CULTIVATED LAND

Year	Selling price per acre					
	Range land		Cultivated land			
			Non-irrigated		Irrigated	
	Dollars	Per cent of 1941 price	Dollars	Per cent of 1941 price	Dollars	Per cent of 1941 price
1941	11	100	60	100	148	100
1942	11	100	70	117	171	116
1943	15	136	88	147	243	164
1944	16	145	106	177	324	219
1945	21	191	112	187	386	261
1946	25	227	137	228	444	300

Source: Farm Real Estate Market Activity, United States Dept. of Agr.

Subdivision of Land

Smaller farms increase in number with intensification of agriculture. They have an important effect upon the average price of farm land. Each of the smaller farms requires an individual set of buildings, wells, and all the other improvements. Spread over the smaller acreage the value of these improvements adds to the per-acre land value. For these and other reasons, small farms in general sell for higher prices per acre.

RELATION OF COMMODITY PRICES TO FARM REAL ESTATE PRICES IN CALIFORNIA

The important effect of commodity prices upon farm land prices has been explained. Now it is necessary to observe the actual relationship existing between trends of commodity prices and trends of land prices in California.

California land prices followed roughly the trends of farm commodity prices, but land prices increased later than, and in general did not increase or decrease so much as did farm commodity prices.

DIFFERENT TYPES OF FARMING have shown in general similar responses of land price to commodity price. Both have been rising sharply. There have been differences, however. The charts on pages 12 and 14 show how prices both of farm lands and of commodities produced on them have moved upward under the influences of inflation. They also show how commodity and land prices have differed in their relations to each other in the different types of farming.

Grape Prices in 1946 were nearly six times as great as the 1935–1939 average. Vineyard land prices on the other hand, had reached in that year a level just over three times their 1935–1939 average. A part of this difference between the rises in commodity price and land price is explained by the fact that land prices lag behind commodity prices. On the other hand, grape prices increased at a much greater rate than did land prices. In 1947 grape prices had turned sharply downward. Up to the middle of 1947 a corresponding downward turn in vineyard farm real estate values had not taken place.

Prices of Deciduous Fruits, like those of grapes, increased after 1940 more rapidly than did the prices of land on which they were produced. Like grapes, deciduous fruit prices turned sharply downward in 1947 but not to such an extent. Like those of vineyards, prices of deciduous orchard lands had not up to the middle of 1947 indicated the pending drop which may be expected if commodity prices continue to decline.

Prices of Citrus Fruits from 1939 to 1943 increased more rapidly than did prices of citrus farm lands. The trends of commodity and land prices during this period were similar to those of grapes and deciduous fruits and the lands on which they were produced. During the period 1944–1947 the relation of farm land prices to commodity prices in the citrus industry was quite different from that in the grape and deciduous fruit industries.

Average citrus fruit prices reached a peak in 1944 nearly double their pre-war average. Citrus farm real estate prices, on the other hand, continued sharply upward to a peak more than two and a half times the pre-war average. This peak was reached in 1946. Thus, relative to pre-war averages, citrus land values increased a greater amount than did prices of citrus fruit. Although average citrus fruit prices were lower in 1945 and in 1946 than they were in 1944, they still remained at a sufficiently high level to support continued increases in citrus farm real estate prices. Factors contributing to these increases in citrus

Price Trends Summarized

A SUMMARY OF THE RELATION of changes in prices of farm commodities to changes in prices of farm lands can now be made.

- Fruit prices have tended to increase and decrease relatively more rapidly than have prices of fruit lands.
- Trends in fruit prices are similar to subsequent trends in fruit land prices.
- Fruit prices, with a notable exception in the citrus industry, have tended to reach relatively higher levels in times of inflation than have fruit land prices.
- Fruit prices without exception have tended to reach relatively lower levels in times of depression than have fruit land prices.
- Field crop commodity prices were the only major group of California crop prices that had not turned downward before the end of 1947. Increasing field crop land values at that time were supported by increasing commodity prices.

Commodity Prices as a Barometer

Commodity prices are an important aid where judgment must be made with respect to future trends in the farm real estate situation. Such judgments are limited in accuracy by the fact that the future trend of commodity prices itself is uncertain. There is some advantage in the fact that commodity price changes usually precede those of land prices. The lag of farm land prices behind those of commodity prices, however, is not invariable. Accuracy in judging future trends may be increased by taking into consideration the similarities and differences noted in the discussion above between trends of commodity prices and those of farm real estate prices.

Abnormally high land prices, supported by abnormally high commodity prices, are quite certain to be temporary.

THE TREND IN FARM FINANCING . . . .

The Decrease in Farm Debt

The farm mortgage debt increased tremendously in World War I; in the World War II period it has decreased. In 1920 the farm mortgage debt in California was 376 per cent of that in 1910, while in 1945 it was only 69 per cent of that in 1935.

On January 1, 1946 the downward trend appeared to be at an end, for the decrease in 1945 was less than a million dollars—the least of any year since 1940. The total farm mortgage debt on January 1, 1946 was $317,962,000 com-

Table 1: INCREASE IN SELLING PRICES OF CALIFORNIA FARMS, SHOWING VARIATION BY CROP

Year	Expressed in percentages of the 1935–1939 average					
	Citrus farms	Deciduous orchard farms	Vineyard farms	All orchard and vineyard farms	Field crop and dairy[a] farms	All intensive types[b]
1933	143	107	90	121	103	111
1934	107	112	91	106	92	100
1935	103	99	80	98	103	100
1936	124	104	96	112	99	105
1937	111	105	116	109	114	110
1938	76	93	106	87	93	91
1939	86	100	99	93	91	92
1940	108	86	92	97	92	96
1941	104	97	127	105	100	99
1942	117	106	122	114	120	119
1943	166	146	183	161	146	157
1944	218	167	224	200	170	188
1945	257	200	256	235	194	220
1946	266	247	302	264	225	249
1947 (Jan.–June)	257	292	350	285	251	261

Source: Calculated from data of the Farm Credit Administration. [a] Excludes dry grain farms. [b] Excludes dry grain and range lands. Table 2: Calculated from data of the Farm Credit Administration.

Table 2: INCREASE IN SELLING PRICES OF CALIFORNIA FARMS, SHOWING VARIATION BY AREA

Year	Expressed in percentages of the 1935–1939 average							
	Sacramento Valley	San Joaquin Valley	Combined Central Valley	Central Coast area	Southern Coastal Plain	Combined Coastal areas	Imperial Valley	State
1933	78	98	95	113	124	121	145	111
1934	80	93	91	114	105	107	90	100
1935	86	90	89	104	106	106	80	100
1936	92	96	95	112	112	112	104	105
1937	110	114	113	102	110	108	102	110
1938	108	109	109	82	82	82	107	91
1939	106	94	96	98	88	90	109	92
1940	91	100	99	90	99	102	117	96
1941	102	115	113	89	99	102	96	99
1942	115	123	122	106	120	117	122	119
1943	129	159	154	144	163	158	144	157
1944	147	190	183	165	200	191	176	188
1945	168	225	216	201	231	224	211	220
1946	203	254	246	264	247	251	211	249
1947 (Jan.–June)	219	279	269	278	235	245	206	261

national situation together with plans for aiding foreign countries, the public monetary policy, legislative supports to agriculture, and, perhaps most important of all, the general level of national employment and income.

FACTORS THAT ADD *PERMANENT VALUE* TO LAND

. . and that held California's farm land prices up after World War I

Improvements in Farm Real Estate

Land improvements have increased the productivity of California farm land many-fold. New vineyard plantings, orchards, irrigation systems, and other improvements have brought a higher gross and net return per acre. During the decade of World War I, compared with that of World War II a relatively greater part of the total rise in land prices was represented by land improvements resulting from important shifts in the use of land.

Shift to More-Intensive Farming

The shift from less- to more-intensive farming has been a shift from low to high gross returns per acre. Intensive farming produces more valuable crops

TRENDS IN AGRICULTURAL LAND UTILIZATION IN CALIFORNIA

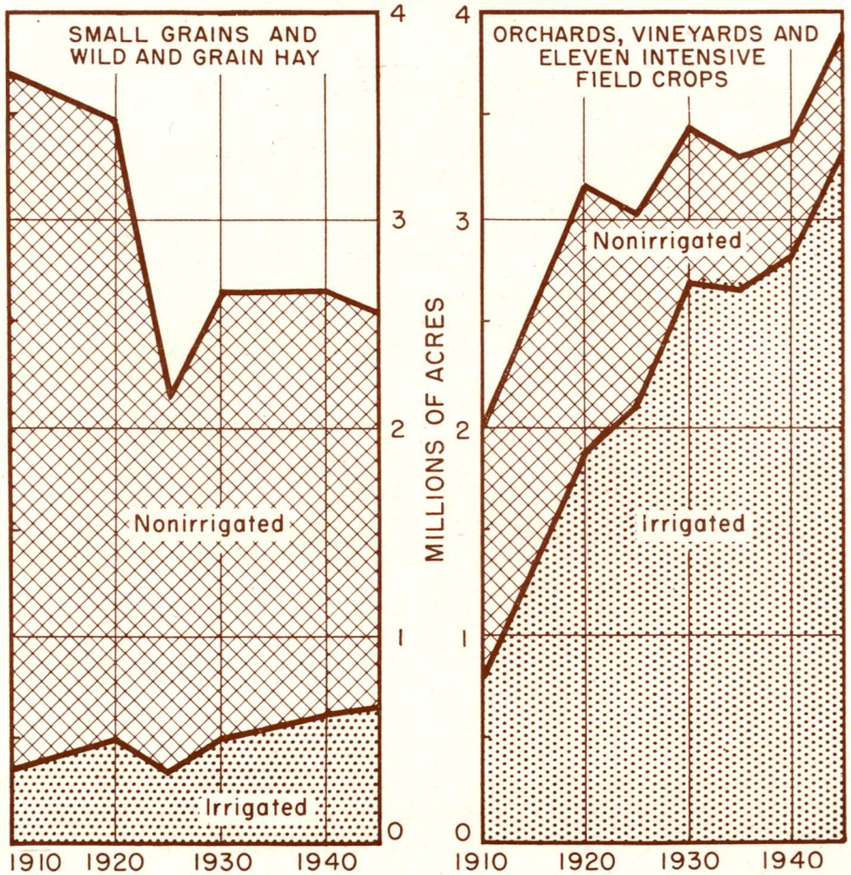


Table 8: GROSS RETURNS FROM FARM MARKETINGS IN CALIFORNIA 1935 TO 1947

Year	Cash receipts	Percentage of 1935–1939 average
	Thousand dollars	
1935	566,177	90
1936	653,493	104
1937	726,113	116
1938	579,472	93
1939	606,007	97
1940	651,116	104
1941	860,437	137
1942	1,148,351	183
1943	1,575,165	252
1944	1,726,347	276
1945	1,832,668	293
1946	2,075,557	331
1947	2,131,597*	340*

Source: 1935–1946, United States Dept. of Agr., Bur. of Agr. Econ. * 1947, Estimated for the year on basis of January–October figures, and their percentage applied to 1946 receipts.

Table 9: PRICES OF CALIFORNIA ORCHARD AND VINEYARD FRUITS AND FIELD CROPS 1933–1947

	Prices by crop group in dollars per ton				Percentages by crop group of the 1935–1939 average				
	Citrus	Deciduous tree fruits	Grapes	All tree fruits and grapes	Citrus	Deciduous tree fruits	Grapes	All tree fruits and grapes	Field crops
1933	32	25	16	24	78	97	103	92	90
1934	50	29	18	31	121	112	115	118	100
1935	35	27	13	25	85	105	83	95	98
1936	54	29	19	33	131	112	122	126	119
1937	62	29	19	32	150	112	122	122	110
1938	28	18	13	19	68	70	83	73	84
1939	27	26	14	22	66	101	90	84	89
1940	34	25	15	24	83	97	96	92	90
1941	37	38	22	32	90	147	141	122	121
1942	44	59	33	45	107	229	212	172	158
1943	72	83	61	71	175	322	391	271	189
1944	82	85	77	81	199	329	494	309	202
1945	72	86	57	71	175	333	365	271	204
1946	74	89	91	85	180	345	583	324	252[a]
1947	51	61	35	48	124[a]	236[a]	224[a]	183[a]	291[a]

Source: From compilations of S. W. Shear and G. M. Kuznets, Giannini Foundation of Agricultural Economics, Univ. of Calif. [a] Preliminary estimates.

Records show that the size of loan held by individuals has more than doubled in recent years. In California in 1940 the average size of loans held by individuals was $3476 and in 1946 was $7274, an increase of 109 per cent. This is borne out in studies of farm loans in certain counties. In Tulare County, for example, mortgages represented 76 per cent of the sale price of encumbered farms in both 1941 and 1946. Inasmuch as in this period land prices have doubled, the amount of the average mortgage has doubled also.

What would be the attitude of individual lenders in case of a collapse of farm land values? It often happens when depression comes that the seller who holds the mortgage is unable to be as lenient as he had intended and the buyer had expected. The terms then are apt to be more severe than those of a credit institution. Many of these loans have to be refinanced on a falling market when credit is hard to get and the credit institutions also are less lenient.

Should You Buy?

This discussion indicates that this is a poor time to buy land even though earnings are still good. Net income margins are decreasing. It usually takes many years to pay for a farm, and most of the price has to be paid out of future earnings. As farm commodity prices rise and earnings increase, farmers tend to misjudge the prospects for long-term average earnings from the farm. To purchase now means a shrinkage of capital as well as income when the price level falls. Even where the farm is too small to be an economic unit this principle may still apply. A farmer may find himself in a much stronger bargaining position in a few years if he has accumulated his funds with a view to future land purchase.

Should You Borrow?

Purchasers of land who borrow more than the normal value of the land should realize that they are gambling on their ability to repay the difference before prices fall. If 1942 values be considered normal, the California market price of all land has already advanced 91 per cent. Since credit institutions can lend but 60 or 65 per cent of normal, the purchaser must have an equity of 65 to 70 per cent of the present market price before he can be sure of refinancing when prices fall.

Values of fruit and truck land have advanced much more than the average value of all land, and farmers who have borrowed to buy this land must have an even larger equity in the property to be sure of refinancing later if necessary.

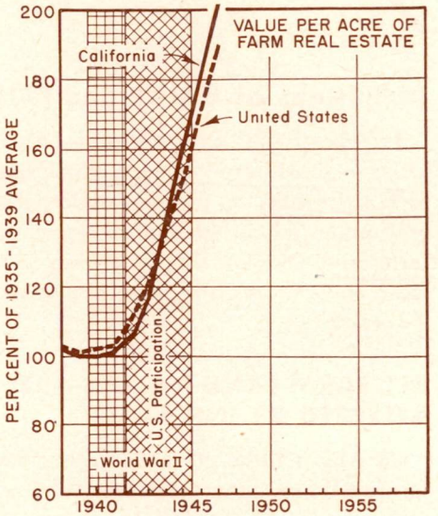
If good progress in paying for the land has not been made, sale of part of the property may be desirable to protect the owner's equity in the balance. Sale should not be delayed too long, for real estate activity is decreasing. The number of sales per thousand farms is fewer each year. This tends to make the sale price lower the longer the delay in selling.

SITUATION . . . . .

during two wars

CHARLES H. WEST[2]

IN RECENT YEARS California farm real estate values, again in common with United States farm real estate values, have climbed to even higher levels than before. On March 1, 1947, farm real estate values in California were 45 per cent above their World War I peak, a greater increase than in any other state. Up to the closing months of 1947, land values were still rising but there were signs of an approaching end to this rise and some indication of a probable decline.



BEFORE WORLD WAR II

After recovering from the depression, farm land prices moved upward to 1937, then showed little change except a slight depression until America's entry into the war.

DURING WORLD WAR II

Even after the entry of the United States into the war, California increase in values got under way slowly. Finally California farm land values overtook those of United States, then after 1942 rose more rapidly. By the end of hostilities, California values reached 69 per cent above prewar average, while those of the United States reached 64 per cent above.

AFTER WORLD WAR II

Both the United States and California values continue their upward trend. By March, 1947, California values reached 102 per cent above prewar level, while United States values had advanced 92 per cent.

WHAT WILL HAPPEN NEXT?

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WHAT MAKES FARM LAND VALUES RISE?

Definitions of VALUE and PRICE

In this circular we are concerned with the market value of farm land and all of its fixed improvements which together may be more precisely described as farm real estate. For any indicated time or area the market value of farm real estate has the same meaning as the average price per acre of improved farm land. (For the sake of brevity, where the intended meaning has seemed clear, these longer and more precise expressions have been indicated by only a word or two.)

ALL FARM LAND VALUES ARE AFFECTED BY INFLATION

IN ALL TYPES OF FARMING inflation is present, but different types of farming have shown different rates of increase in land values. Up to 1947 orchard and vineyard lands have increased the most in price; dry farmed grain lands and range lands the least. Field crops and dairy lands have experienced an increase intermediate between these extremes. Table 1 shows how the different types of intensively cropped lands of California have increased in value.

IN ALL FARMING AREAS inflation is present, but the various areas of California have shown different rates of increase. In table 2 it will be seen that for the period tabulated, selling prices in the central valleys began lower and increased farther than in other areas, and continued their increase in 1947. On the other hand, Imperial Valley began at a higher point, showed less over-all increase, and even shows a decline in 1947.

PERMANENT RISES are caused by—

- Farm real estate improvements
- More acreage put into intensive crops
- Increase in land irrigated.
- Subdivision of land into small farms.

TEMPORARY RISES are caused by—

- Commodity prices, through their relation to land income.

These are the factors we are able to measure.

THERE ARE OTHER INFLUENCES at work which are more difficult to measure. Among these are California's population increase, cost-reducing improvements in methods of farming, and construction of the Central Valley Project. In addition to these influences there are the uncertainties of the inter-

pared to a peak of $615,322,000 in 1931, although the total value of farm land in 1946 was considerably higher than at the earlier date. By January 1, 1947 the debt had increased to $342,608,000 as shown in table 10.

Table 10: CALIFORNIA'S FARM MORTGAGE DEBT, BY TYPE OF LENDER

Jan. 1	Land bank and commissioner	Joint stock land bank	Life insurance companies	Insured commercial banks	Individuals and others	Farm Security Adm.	Total farm mortgage debt
	(Thousands of dollars)						
1930	29,373	29,185	22,809	(a)	533,443	.....	614,810
1931	28,869	27,655	22,280	(a)	536,518	.....	615,322
1932	28,236	26,166	22,126	(a)	518,322	.....	594,850
1933	27,242	23,565	20,884	(a)	487,869	.....	559,560
1934	44,953	20,098	19,414	(a)	419,933	.....	504,398
1935	129,036	10,280	16,809	115,563	189,047	.....	460,735
1936	144,859	4,658	15,675	109,986	170,129	.....	445,307
1937	148,897	2,533	15,197	107,078	166,031	.....	439,736
1938	148,452	392	17,371	105,602	160,985	.....	432,802
1939	146,133	1	16,366	105,416	154,931	91	422,938
1940	139,312	1	15,241	103,471	149,237	323	407,585
1941	137,168	1	14,810	97,231	148,197	679	398,086
1942	131,368	(b)	14,067	86,910	147,863	1,208	381,416
1943	118,992	(b)	13,869	72,769	148,374	1,643	355,647
1944	94,929	0	11,766	53,718	165,902	1,843	328,158
1945	77,267	0	14,099	48,007	177,700	1,772	318,845
1946	67,556	0	16,246	49,383	183,150	1,627	317,962
1947	.....	.....	.....	.....	.....	.....	342,608

Source: Data in Agr. Finance Review, and later revisions in Farm Mortgage Debt, both published by United States Dept. of Agr. [a] Included in "individuals and others." [b] Less than $500.

One characteristic difference in the situation is that in World War I most farmers were going heavily into debt and expanding their operations. Not only mortgage, but short-term credit was greatly expanded. Farmers still remember the price drop which followed World War I and have made a serious effort to get out of debt while prices were good. This fact is evidenced by the great number of loans paid off during the War. Most of the loans now outstanding are new loans, just beginning to be paid off. Earlier in the 1940's the farm mortgage debt was larger, but a far greater proportion of the loans had been paid down below the danger point.

The Swing to Individual Loans

As an inflationary period advances, financial institutions can handle a smaller and smaller proportion of the necessary loans because the amount required to finance the purchase of a farm is too great a proportion of the normal value of the security for them to lend. As a result, more and more of the financing must be handled by individuals, usually the sellers. In 1939 individuals held 37 per cent of the farm mortgage debt in California and in 1946 they held 58 per cent.

The table below presents the source data from which charts on pages 2, 3, and 10 were drawn. Farm real estate values associated with World War I have been calculated as percentages of the 1912–1914 average. Those associated with World War II have been calculated as percentages of the 1935–1939 average. Long period changes in farm real estate values through both wars and the intervening years have been discussed in terms of percentages of the 1912–1914 average.

Table 11: FARM REAL ESTATE VALUES OVER THE PERIODS OF TWO WARS

Year	Changes in average values per acre as of March 1 of each year			
	Expressed in percentages of 1912–1914 average		Expressed in percentages of 1935–1939 average	
	California	United States	California	United States
1912	93	97	77	117
1913	99	100	82	121
1914	108	103	90	124
1915	111	103	92	124
1916	116	108	96	131
1917	130	117	108	142
1918	136	129	113	156
1919	142	140	118	169
1920	167	170	139	205
1921	168	157	139	190
1922	166	139	138	168
1923	165	135	137	163
1924	164	130	136	157
1925	164	127	136	153
1926	163	124	135	150
1927	162	119	134	144
1928	161	117	134	142
1929	160	116	133	140
1930	160	115	133	138
1931	158	106	131	128
1932	133	89	110	107
1933	109	73	90	88
1934	110	76	91	92
1935	115	79	96	95
1936	119	82	99	99
1937	124	85	103	102
1938	123	85	102	103
1939	121	84	100	101
1940	121	84	100	102
1941	122	85	101	103
1942	128	91	106	110
1943	141	99	117	120
1944	168	114	139	138
1945	193	126	160	152
1946	219	142	182	171
1947	244	159	202*	192*

These are plotted on page 2

These are plotted on page 10

These are plotted on page 3

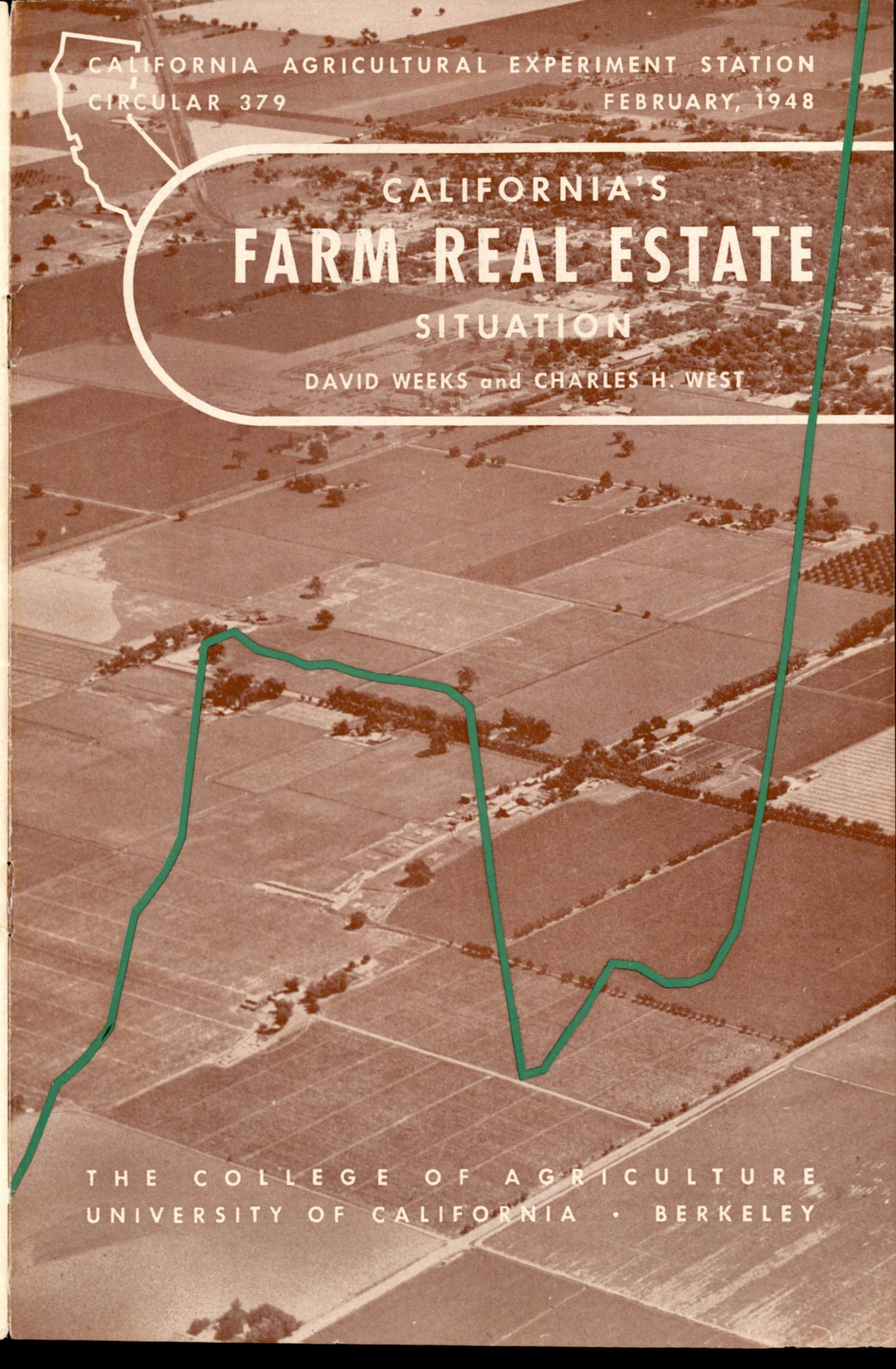
Source: United States Dept. of Agr., Bureau of Agricultural Economics. * Data calculated by writers from 1912–1914 base data.

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CALIFORNIA AGRICULTURAL EXPERIMENT STATION
CIRCULAR 379 FEBRUARY, 1948

CALIFORNIA'S FARM REAL ESTATE SITUATION

DAVID WEEKS and CHARLES H. WEST

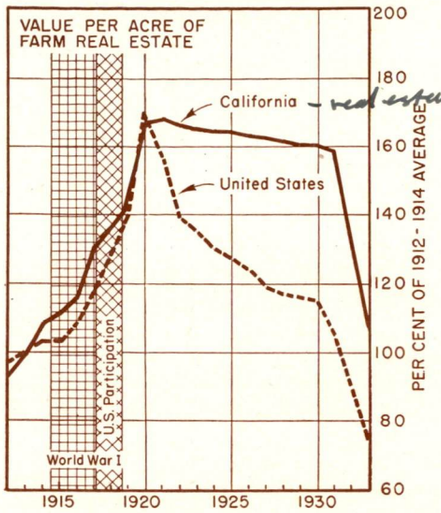


THE COLLEGE OF AGRICULTURE
UNIVERSITY OF CALIFORNIA • BERKELEY

CALIFORNIA'S FARM REAL ESTATE

A study of land values

DAVID WEEKS[1] AND



THE AVERAGE PRICE of farm land in California is higher than it has ever been. Californians want to know what will happen next. In the early twenties, California real estate values had climbed to new heights. Within two years after war's end, United States real estate values tumbled abruptly and to new lows, but California farm real estate remained nearly on its war-time high level for ten years, dropping then with the major general depression.

BEFORE WORLD WAR I

At the outbreak of World War I in 1914, land values in California and in the United States generally were rising.

DURING WORLD WAR I

Under influence of military action in Europe, inflation of United States real estate values set in before this country entered the war. Rate of increase of values in California paralleled those of the United States. After six years of inflation, California values had risen to 68 per cent above their prewar average, the United States to 70 per cent above.

AFTER WORLD WAR I

California differed greatly from the United States in behavior of land prices. United States prices dropped abruptly during the first two years, then continued downward until in 1930 they were only 69 per cent of the 1920 peak. California prices dropped very slightly until 1931 when values were still 95 per cent of their 1921 peak.

From 1930 to 1933 land values in the entire country fell to the lowest point reached between the two wars. At this low point in 1933, California values were but 65 per cent of their 1921 high, still 9 per cent higher than their prewar level. United States land values in the same year were only 43 per cent of their 1920 high point and were 27 per cent below their prewar level.

WHAT CONCLUSIONS MAY WE DRAW?

Forecasts are hazardous. The future always is uncertain. The facts of the foregoing discussion lead to these conclusions:

The factors making for permanent increases in land values, which were so notable after World War I are present in far smaller degree in the present situation.

Fruit prices, a factor of major importance in California farm land prices, have turned downward. Prices of other farm commodities in California are abnormally high compared with those of historical experience. If fruit prices should remain at 1947 levels, and if field crop prices should turn downward, then California farm land prices undoubtedly would decline.

There are certain factors at work in California's economy which might, however, tend to work against a sharp drop in farm land values. These may be enumerated as follows:

- *Increased demand for California farm products and therefore for farm land, through population increase;* (California's population increase is greater than that of any other state. The rapid growth of population is causing also an increased use of California farm lands for residential purposes.)
- *Cost-reducing improvements;*
- *Increased irrigation development;*
- *Continued aid to Europe;* (Direct benefits to California farmers from this source will be less than for the other states because California products do not enter to such a great extent into foreign relief.)
- *Legislative props to agriculture and to the general economy;* (Here again, California does not enjoy the same protection from price supports as do other states. Only 25 per cent of the commodities produced in California are included in price-support commitments, while 60 per cent of those in the United States as a whole come under such protection.)
- *Maintenance of a high level of employment throughout the United States*—the most important market for California products.

California farm land values in certain areas late in 1947 were leveling off and even showing a slight decline.

The present is clearly not the time to buy farm land, especially if a large part of the purchase price is to be borrowed.

5136 Already summarized?

1945 Census of Agr. v. II. p. 66. (Return from p. 63)

	% of farm land	% of fms.	Ave acreage per fm 194.8	Cropland, ave acreage per farm. Farmland for crops, ave/fm.		% cropland harvstd.	Value of land & Bldgs Per fm	Per Acre
				84.0	62.0		7,917	40.63
U.S. Ave.								
Under 3 acres	<0.05	1.7	1.4	1.2	0.6	50%	2,909	2,038
3 - 9	0.2	8.5	5.4	4.1	2.5		2,885	536.
10 - 29	1.5	16.1	18	13.8	10.5		2,9 -	163
30 - 49	2.4	12.1	38	25	19		3,3 -	86
50 - 69	2.4	8.1	58	34	25		4,0 -	71
70 - 99	4.9	11.7	82	48	36		5,3 -	65
100 - 139	6.4	10.8	118	65	50		6,9 -	60
140 - 179	7.8	9.7	158	95	77	80%	9,7 -	61
180 - 219	4.9	4.8	197	112	89		11,5 -	58
220 - 259	4.4.	3.6	238	143	118		14,6 -	62
260 - 379	9.0	5.7	311	182	150		16, —	53
380 - 499	5.4	2.4	435	250	205	80%	19, —	44
500 - 699	5.5	1.8	590	317	250		22 —	37
700 - 999	5.0	1.2	829	416	319	76%	25 —	30
1000 - 4,999	15.9	1.7	1,881	636	423	65%	38 —	20.
5,000 - 9,999	5.4	0.2	6,840	976	503	51%	77 —	11
10,000 & up	19%	0.1%	30,259 acres	1,545	612	40%	189 —	6

(see over for breakdown over 10,000 — but it adds little.

LCR = .70

Census shows that op. units get bigger as farm land gets cheaper, in gnrl. also shows they rise in value as land gets cheaper. - for whole U.S. (opp. of city)

p. 59 & 64, on comparability of data.

On comparability of cnsts-45 & post '45

Indian reservations: formerly took ea. coop. esterprise, split among indiv. Ind.'s. But in '45 listed as one "fm." Gave appearance of more cons. of opns. - orig. & N.A. esp. Give no est. of how much affected — better subtract NM & Ariz. from b'g.s.

Leasing range: '40-'45, "land in fms" reptd in West Δ 60.5 m acres. - almost all the Δ, 59 m, was in over 10,000 a. This is leasing what was formerly open range. From Fed, State, "r.r., oil cos, lumber cos, cattle & land cos, etc.". p 64.

'45, "more rigid procedure .... to exclude large tracts of non-agr. lands from the Census repts."

'45, new emphasis on unified reporting of "large farms" - so that many large holdings, esp. multi-county holdgs, previously reptd as separate fms, were in '45 reptd as one fm - even tho opns not integrated.

	Total cropland	Land Used for Crops	Ave acreage per Fm.
10,000 - 19,999	1,234.	519	13,650.
40,000 - 49,999	1,954	676	44,381
50,000 - 74,999	3,432	~~439~~ 940	60,220
75,000 - 99,999	3,651	835	84,733
100,000 & over	2,838	1,198	238,467

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p. 16. '45, Indians, added grazg lands formerly excluded to 'land in fms.'

Indian Res. fms: - major Indian cties in S.W.

fms		acres	
'45	'40	'45	'40
2,585	13,748	26 m	13 m

Land grazed under Fed. Permits not counted as in fms. But leased land is.

Under Taylor Act, 7.4 m a. leased in '40, 11.3 m in '45.

'45, rigider procedures excluded much woodland formerly counted with fms. (i.e. held, not used)

——— Rep't land in the cty of fm H.Q., not always where land is.

'40 - '45, alluvial Miss areas, loss of croppers, home fms took over (i.e. op-n unit grew toward comm-p unit)

———

Acreage from which crops harvested, probly a better indicator than 'land in fms'. Is quite uniform regionally - ~~60 - 75 acres. Even in West, stays so.~~ So., 35 a; No., 85.5 a; We., 77.3 a.

p. 17. 1920 was peak in no. of fms. Has declined since. Except for temporary blip in early '30s, back to fm movemt.

———

I say: data on fm size overstate conc. of op-ns considerably, bcs. they often take hold'g unit as "fm", accordg to text.

Even so, am disappt'd to see conc. of opns is, by figures, greater than conc. of hold'gs. Suggest'g tncy is device to split small hld'gs into smaller op-ns; & consolidate large hldgs into larger op-ns. Hardly possible.

Dakota-Txs tier, drought-risk great, values fluctuate greatly. (so no wonder more tncy here - risk, calls for strong spec.)

May not mean much that large fms have more idle. Are in areas of dry-fmg, e.g., where harvest only one ea. 2-3 yrs.

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145 Census, cont.

p. 19 Map shows location of fm implements & machnry. Not conc. where fms large; but in SE Wisc, S. shore L. Ont., SE Pa, L. I., NW Wash, notably — & Sta Clara Valley fruit areas!?

p. 20. ave vlu land & bldgs / fm. Around N.Y., highest. Best, as in 50, more in W.

Also map of ave vlu / acre, land & bldgs. E. of ~~Miss~~ prairie tier, notable correlation of vlu / acre & vlu / fm.

But in that tier, & West, no such correlation. & of's W vs E, inverse correlation. Can exclude W., bcs of complications w Indians, public domain leasing, ~~etc., too~~ extreme disparity betw. opt size of irrig. & vs grazg ag. Draw conclusions from east.

~~p. 23~~

Figs show, 2 trends: As fms get ~~bigger~~ more area, get more vble. Also, get on worse land. 2 trends all mixed together, so national figs no good for analysis problem. Take figs for Ia., homog. state, get something.

I wd say ~~WH~~ holdg units do not get less vble with size as fast as do op-g units. (1920 data support this)

also census shows to some extent holdg, not op-g, units, in large sizes. — for much not used — so how cd ~~shows~~ be part of op unit?

p 65, Table 6. Farms of 10,000 acres & over, classified by use. 216 m acres to account for, they only account for c. 12m cropland, 19 m woodland, no more. So is rest ~~unused~~? Grazed, they don't list.

Over 10,000, trend continues, get more vble & less vble / acre. per farm.

1945, 216 m acres ~~over 10,000~~ in fms over 10,000 a.
1940, 149 m " " " " " (changed enum. probly accts for most)

p. 64. Increase of very small op-ns due to victory gardens, pt-time fms, & Δ p level caused enum. of places previously ignored.

But, fms under 10 a. Δd in no., but declined in cropland hvstd. (Shows them to be more for fun & inv., less fmd.)

si36 '45 Census, v. II, cont.

p 65. Fms over 1,000 a; land in them Ad by ~~45 96~~ 96 m. a., or 26%.
Cropland hvstd in such fms Ad by 16 m a. These fms have 2/5 land in fms, &
1/8 cropland hvstd.

~~p. 82.~~ p. 82. In Ia; larger op'ns on slightly more vble [land + bldgs.]

(We get a clue of how much bldgs influence matter by not'g how very fast value/acre rises as fms get very small)

p. 113.
From 100 up to 260 acres, for U.S., no fall of ave value/acre with size.
Stays const., c. $60.

In N.J., fms over 10,000 a. worth $125/acre, & 1,000 - 5,000 @ $132./acre, which are more than for smaller fms until get down to below 100 a.

If ignore very small, as being mostly bldgs, & take small states, get somewhere. Del., Md., good, acreage vlu As w size. R.I. fair. Ct too. Mass. excellent. Ky. Miss. (not Ala) La.

So, take U.S. figs, mention ~~trend. Then,~~ are 2 oppos'g trends. As take more homog. region, I shd stand out more. Take small states. Ignore very small. Show data on states above.

If elim. mt. & plains states, very diff. picture.

Get dip in med. sizes, many states — very good.
Take E. No. Central as homog. group, good.

~~Returns~~.

Ave. value of fm higher in mts & plains west. But doesn't mean the big ones there are bigger — may just mean are fewer very small, because fewer cities, & fewer opps for part time & resid. fms.

So figs suggest more vble land op. in very small & very big bldgs, cheaper land tends to medium sizes. Which shows influence of opt. bldg unit on op-ns.

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When get down to regions & states, regions more uniform than states. Because some states vary one way, others the other

So cf. U.S. as whole vs regions.

	No. of farms.		Area		Ave. per fm	
	1920	1950	1920	1950	1920	1950
Total	6.5m.	5.4m	956ma.	1,160m		
Under 10	292.5t	486.0t				
10-50	2,041.5t	1,485.0				
50-100	1,488.5t	1,053				
100-	1,462.5t					
180-	533.0t					
260-	481.0					
500-	149.5					
1,000 & over	65.0					

My point: the smallest fms have lost in no.s; but they have lost more in land than no.s. So while there is some consolidation, is more a change at margins, more land from small to large.

Go to Census. ~~Figure~~ See just what was ave. acres per fm in ea. size group.

Drift away from middle op. sizes?

1. No continuous stat., since 1900 save for 3 size groups. But they show it?
2. Get % of land & of fms.

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p. 114. Drift away from middle sizes.

5136

U.S. % dist. of fms in various size groups.

	1945	'40	'35	'30	'25	'20	'10	1900
Under 10	10%	8	8	6	6	4	5	5
10-29	16	17	18	-	-	-	-	-
30-49	12	13	13	-	-	-	-	-
50-99	20	21	21	22	22	23	23	24
100-~~179~~ ~~199~~								
180-259								
260-499	8.1	7.5	6.9	7.2	6.9	7.4	7.0	6.6
500-999	3.0	2.7	2.5	2.5	2.3	2.3	2.0	1.8
1,000 & over	1.9	1.6	1.3	1.3	1.0	1.0	0.8	0.8
			% of Land in fms					
~~10-19~~								
~~20-49~~ ~~50-99~~								
50-99	7.3	8.8	9.9	10.0	11.0	11.1	11.7	11.8
~~500-999~~								
	10.4	10.6	10.8	11.0	10.5	10.6	9.5	8.1
1,000 & over	40.	34	29	28	24	23	19	27
~~10,000 & over~~	19	14	12	11				

% of land in fms under 10 has fallen, while no. of fms ↓d, that means ave. fm there is smaller, corroborates ↓ of small units.

Trouble is, this partly due to increased enumeration of very small, thru infl. — but that only accounts for 140-45 — has occurred since 1900 or more.

But just one small group. ~~probably retirement fms~~

5136.p74 Land in fms has fallen, '35-'45, for all classes under 380 acres (except #L3a, & that due to fuller enum.) & negligible anyway)

No. of fms has also fallen. — about as much as land in fms, I'd say, under 380.

But as total no. of fms has fallen, % of fms under 380 has fallen less than acreage — much less. In 4-5 classes it has risen.

& over 1,000, {land in fms has risen 150%, (& cropland over 200%)} no. of fms only c. 25%.

S 139, p 774, Table 4

Test idea of drift to smaller sizes within groups under 1,000.

Most data only '35 to '45

	% Fms			% Land		
	1935	1945	1950	1935	1945	1950
260-~~499~~	6.9	8.1	8.9	15.6	14.4	14.4
260-379	5.0	5.7		10.0	9.0	
380-499	2.0	2.4		5.6	5.4	
180-259	7.4	8.4	9.1	10.3	9.3	9.1
180-219	4.3	4.8	5.1	5.5	4.9	4.7
220-259	3.1	3.6	3.9	4.8	4.4	4.4
100-179	21.1	20.5	20.5	18.5	14.2	12.9
100-139	11.1	10.8	10.8	8.2	6.4	5.8
140-179	10.0	9.7	9.7	10.2	7.8	7.1

S 139 p. 774

~~S 139~~

No. of fms in U.S.	Area of fm Land
1880 4m	~~839 m.a.~~
1900 5.7m	839 m.a.
1920 6.5m	956
1930 6.3m	981
1935 6.8m	1,054
1940 6.1m	1,06~~8~~1
1945 5.9m	1,142
1950 5.4m	1,160

Leg: Raper, Arthur F., "Graphic Presentation of rural trends"

US Ext Service & BAE, 1952. p. 13, on large scale farms.

Probly just Census data — might be good for students

Prelim. releases of 1954 Census Ag, by states, suggest higher land prices, defl.
& a good deal -- 10% or so, or 20%, in Nev. even 30%.

Trend & drastic fall in no. of all fms except those ~~under~~ over 500a.

& under 3a, & fall in no. of fms.

% of tney hasn't changed much, perhaps declined a little.

This shows for U.S, even if move farther toward Eng-type soc-sm, won't stop trend over

Britton, D.K., "Are Holdgs Becoming Larger or Smaller?", (5199)
The Farm Economist, Vol VI #7, 1950. pp 188-96.

In Eng, collect data by holdgs, but not by farms!

He shows that, despite death duties that people thought were breaking up estates, the no. & area of small holdgs is ~~—~~ declining, & ~~of big ones~~ area of big ones Δs. 1895-49 Large holdgs – over 300 a. – have ↑ % total acreage. Since 1939 has gained ground, all smaller groups lost.

So can't fall back on old
sop about "New Deal
reforms have taken care
of all that sort of thing."

Trend of conc. of fm land in Eng.

Taylor, H.C., 'Decline of Landowng Farmers in Eng', Madison: 1904

p. 60. 1700, >½ Eng fms owned their land. 1900, c. ⅒.

Occurred mainly 1820-75 (after enclosure mvmt .. 729 J. Cobden)

p. 61 Typical owner, wealthy man, trvg to build up estate, family. Entailed.

(So hi l.v. brought conc.)

add Britton: & Labour govt did O about it.

Dale Johnson says U.S. farms not getting more conc.!
Cites article by Bachman, '51-54 JFE. Check him on that.

Bachman, K. L. "Changes in Scale in Commercial Fm's & their Implications": XXXIV JFE 151-72. Date?

S 409

~~p. 159.~~

p. 163. The no. of fms w. very li output has bn fall'g, '30-'50, (while no. w. large acreages has bn Δ'g). The fall is discovered by deflat'g figs for ΔP, & also for Δ output/man in ag. in gnrl, in some way not made clear.

Concludes that the larger fms. have bn subst. land & cap. for labor, & not Δ'g output. (but reduc'g output/acre, implied)

5361 Warren, S. W. "Size of Fm in the No. East." XXX JFE 596-8

In No. Ea., Δ of fms under 10 a. are "largely" rural resid. & pt. time fms; & some poultry, veg. & grnhse.

✓ In recent yrs census enum. of very small fms has bn incomplete, understates Δ of no.s.

Is Δ in use of transient seasonal labor, in spec. fruit & veg.

'54 Census Shows . . .

NUMBER OF FARMS SHRINKING

The previous Census of Agriculture, taken on April 1, 1950, revealed that nearly half a million farms had disappeared in the five-year period since 1945. What will the current census show? Preliminary returns now being released for particular counties indicate that even more drastic changes may be disclosed in the latest enumeration.

Not until after a three-year delay did the government release the final returns of the 1950 Census of Agriculture. The latest enumeration was made in the first week of October, 1954 — a different date from previous counts, thereby making comparisons more difficult — and no date has been set for the publication of final figures on a national, state and regional basis.

Full Returns Not Available

On a county basis, however, some of the tabulations are now being made public, but almost no county returns have yet been issued for the South or the West Coast. While recognizing the inadequacies of the available figures, **Facts for Farmers** has reprinted some of these preliminary county figures because the trends are so striking.

In reporting the drop in the number of farms from a U.S. total of 5,859,169 in 1945 to 5,382,162 in 1950, the Census Bureau argued that the shrinkage "resulted partly from a change in the definition of a farm." It estimated "that 150,000 to 170,000 of the decrease of 477,007 was the result of the change in the definition."

Instead of what appeared to be an 8% drop in the number of farms from 1945 to 1950, the Census Bureau therefore held that the actual decline was only 5% or less. If this argument is taken at face value, then the 1954 figures are even more startling, for the shrinkage is by official admission much larger than the figures themselves indicate. Irrespective of differences in interpretation, however, the figures certainly show that the number of farms has continued to shrink and the size of farms to increase, perhaps at a more rapid rate or on a larger scale than ever before.

Trends In Sample Counties

In Marquette County, Mich. there were only 387 farms in 1954 as compared with 1,030 in 1940, and the average size of farm had increased 80% in this 15-year period.

In Sawyer County, Wisc., the number of farms in '54 was little more than half the 1940 total, and the average size of farm had increased 69%.

In Pine and Cass Counties, Minn., the number of farms has shrunk 30% and 40% respectively, while the size of farm increased 40% and 50%.

In Burleigh and Benson Counties, N.D., the number of farms has dropped about 20% since 1940, and in Divide County the drop is over 30%.

Concentration Growing Rapidly

Perkins County, S.D., has lost 242 farms since 1940; Gregory County, 275; and Edmunds County, 225. The average size of farms in these counties has increased 60%, 33% and 30% respectively.

In Glacier County, Montana, the number of farms has dropped only 20% since 1940, but the average size of farm in this dry land country has more than doubled — from 1,661 acres in '40 to 3,555 acres in '54.

Another example of the arithmetic of dry land farming is that of Campbell County, Wyoming. More than 40% of its farms have been swallowed up since 1940, and the average size of farm has increased from 3,400 to 6,520 acres.

Capital Investment Has Increased

In a recent study titled "The Growth of Physical Capital in Agriculture, 1870-1950," Alvin S. Tostlebe estimates that farm capital "rose by 172 percent between 1870 and 1950." Speaking of U.S. agriculture as a whole, he says, "In 1870 capital per worker (in 1910-14 dollars) was valued at $2,900; by 1950 it had risen to $7,800."

Figured in 1950 dollars, the value of capital per worker in agriculture rose to $15,600 at the end of the period under study. However, the number of persons engaged in agriculture reached a peak in 1910, and by 1950 was only 1% above the 1870 level.

Changes Not Uniform

These changes have not been uniform for all regions of the country or for all farms, large and small, within a particular region. Although the Pacific Coast had the highest ratio of capital investment per worker at the turn of the century, it is now in fourth place with the Great Plains, Mountain and Corn Belt regions ahead of it. In recent years, the most marked expansion of capital in agriculture has occurred in the Mountain region, which in 1950 showed an average investment per farm of $42,800, the highest in the U.S.

Especially marked has been the expansion of farm capital invested in machinery, and with the trend toward larger and more efficient machinery, big farms have been buying up or renting more land in order to increase their size of operation. Most of the farm land which has been sold in recent years, according to the Department of Agriculture, has gone to buyers seeking to consolidate and enlarge their existing operations.

Doane Testifes for Chamber

The U.S. Chamber of Commerce testified against a return to mandatory farm price supports at a fixed level and endorsed the Administration's flexible program. D. Howard Doane of St. Louis, speaking in behalf of the Chamber of Commerce, told the Senate Agriculture subcommittee that fixed price supports should be rejected as "too expensive, amounting ultimately to a subsidy in income" and resulting in a "waste of human and natural resources."

Agriculture is "out of balance," Doane reportedly stated, "because it has not yet made the adjustments that the situation requires of it."

COMPARISON OF COUNTIES, 1950-54

County	No. of Farms		Av. Size, in Acres	
	1954	1950	1954	1950
Marquette, Mich.	387	584	184	136
Dickinson, Mich.	420	483	174	145
Alger, Mich.	290	429	160	122
Washburn, Wisc.	999	1175	192	179
Sawyer, Wisc.	739	1016	169	140
Cass, Minn.	1487	1948	193	172
Pine, Minn.	2452	2941	160	146
Clearwater, Minn.	1305	1516	208	183
Sioux, N. Dak.	318	419	2022	1461
Burleigh, N. Dak.	1026	1136	972	883
Benson, N. Dak.	1331	1531	607	539
Divide, N. Dak.	907	1047	852	731
Lawrence, S. Dak.	339	389	686	494
Perkins, S. Dak.	855	933	1946	1808
Edmunds, S. Dak.	978	1020	723	668
Washabaugh, S. Dak.	173	223	3190	2583
Gregory, S. Dak.	1086	1165	597	563
Pratt, Kans.	860	941	520	468
Ellsworth, Kans.	858	953	496	449
Richland, Mont.	1004	1057	1239	1153
Hill, Mont.	899	959	1910	1711
Madison, Mont.	508	630	2325	1754
Glacier, Mont.	385	452	3555	2257
Washington, Ida.	776	926	716	629
Lewis, Ida.	391	437	597	518
Park, Wyo.	891	978	1015	746
Uinta, Wyo.	301	349	2897	1962
Sheridan, Wyo.	760	830	2031	1478
Campbell, Wyo.	509	584	6520	5299
Conejos, Colo.	732	872	691	504
Huerfano, Colo.	353	459	2228	1662
Douglas, Colo.	350	410	1041	871
Chelan, Wash.	1875	1924	131	99

Source: Preliminary Reports, 1954 Census of Agriculture

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FACTS FOR FARMERS

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Farm Opinion Opposed . . .
UMT BECOMES LAW

For the first time in its history, the U.S. now has what is unmistakably a program of Universal Military Training. In spite of widespread opposition, Congress suddenly jammed through the President's compulsory military training and reserve program, the excuse given for the pell-mell speed being that Eisenhower should go fully armed to the peace conference "at the summit."

Farm opinion has continued to run heavily against UMT, as indicated by the strong stand taken by rural churches and farm organizations in opposing the President's latest measure. Also significant were the thousands of letters written by individuals who protested strongly against UMT. Several congressmen admitted that the outpouring of mail on this issue was greater than on any recent piece of legislation.

National Grange Position

Roy Battles, assistant to the National Master of the Grange, declared:

"This much is now certain — taking the 'U' out of UMT is not a simple matter. It may take years. Farmers and others who feel that a Universal Draft smacks of militarism of the Hitler type, now find themselves fighting the technique of the militarist and the dictator."

National Grange Master, Herschel D. Newsom, charged advocates of UMT with "being willing to inject confusion and uncertainty into the life of every young man between the ages of 18 and 35 years, and keep(ing) it there perpetually." The Grange had asked Congress "to remove the **universal** feature of the law" and substitute "a system of **selective** service."

National Farmers Union

The National Farmers Union also opposed the compulsory military service and reserve law. James G. Patton, president, said in a statement presented to the Senate Armed Services Committee by his assistant, John A. Baker, that action should be delayed "until adequate study can be made of means other than compulsion for building a reserve force."

The Farmers Union urged a "voluntary reserve program" and told the Senate Committee that, if legislation is needed, it should strengthen the present voluntary reserve plan instead of turning to "an entirely new program based on compulsion as a means of increasing the number of reservists." It stated:

"Operators of family farms would be severely handicapped under the mandatory or compulsory reserve provisions . . . ; 48 drill periods coupled with active duty training for 17 days annually would seriously interfere with farm work . . . "

Labor Groups Voice Objections

Patton stated that "universal military or compulsory reserve training would begin gnawing away at our most fundamental and vital democratic processes." "It would almost surely weaken the political structure of the U.S.," he added.

The CIO opposed the Administration's measure saying that "steps toward universal military training actually weaken our national vitality by imposing arbitrary military jurisdiction on young men during a period in their lives when they should be awakening with their maturity to the fuller dimensions of American life."

The **United Mine Workers Journal** charged editorially that "military brass hats want more and more power to dictate to free Americans." Although none of the national labor and farm organizations specifically supported the Powell antisegregation amendment, which had delayed the House's passage of UMT for a month and a half, the United Mine Workers did, pointing out that Rep. Powell, Harlem Democrat, "is simply agreeing" with the Constitution and that the Dixiecrats are opposing it.

Jim Crow Fight Called "Key"

The **New York Times** (July 2) called "the racial issue" the "key" to the whole fight in Congress. Although the Dixiecrats supported UMT, they would not vote for any bill that provided for ending jimcrow in the National Guard units.

To placate the Dixiecrats, President Eisenhower intervened and denounced the antisegregation amendment as "extraneous," demanding prompt passage of the UMT measure without it. In a maneuver pre-arranged by the leaders of the Democratic as well as the Republican Party, the House introduced a new bill (HR 7000) which did not mention the National Guard, and when an antisegregation amandment was again offered, the House rejected it by a vote of 156 to 105. It did this on a teller count, with no record taken of how individual congressmen voted.

After riding roughshod over the rights of Negroes, the House lost no time in enacting UMT. Party whips were cracked in bipartisan unity and with such vigor that no roll-call vote was taken — just a voice vote, without even counting how many "for" or "against." It was quite apparent that, with the 1956 elections coming, congressmen did not want to stand up and be counted.

Bipartisan Steamroller At Work

Acting swiftly to head off protest, the Senate passed the measure just one day after it was reported out by the Senate Armed Forces Committee. The vote was 80 to 1, with Senator William Langer (D-N.D.) casting the only dissenting vote.

Senators Herbert H. Lehman (D-N.Y.) and Wayne Morse (D-Ore.) raised the antisegragation issue during the debate but offered no specific amendment. Lehman said the measure was filled with "injustices and inequities," but he as well as Morse later voted for it.

While the fight against jimcrow in the National Guard got its chief support from Negro groups, particularly the NAACP, other organizations — such as the Church of the Brethren, Quakers, United Mine Workers and Americans for Democratic Action — also joined in. If the major farm and labor organizations had taken a similar stand and done so at the outset of the fight, some observers believe that UMT could have been defeated.

Protests Force Concessions

Even so, Congress was forced to soften the provisions originally submitted by the President. Chief compromises were: (1) Making reserve service voluntary instead of compulsory for men already in the armed forces and (2) Allowing youths from 17 to 20 to volunteer for a special six-month active training program to be followed by 7½ years in the reserves, instead of 17 to 18½ as the Administration wanted.

The new law is nevertheless another big step in the direction of militarization. It is intended to increase the size of the present ready military reserves from 800,000 to 2,900,000 in four years, and of course the top brass in the Pentagon will be constantly trying to boost this figure.

Meanwhile, the youth of the nation are being forced to turn over six or eight years of their lives to the military. If drafted, a young man must serve two years in the armed forces and four years in the Ready Reserves, while if he volunteers, he must spend six months in the armed forces and 7½ years in the Ready Reserves. His time is no longer his own, for even in the Ready Reserves he must be prepared to attend 48 drills a year and spend 17 days in camp, making himself available whenever the bugle blows.

The Friends Committee of National Legislation said of the act, "Passage of such a measure at this time would raise serious doubts as to U.S. sincerity in regard to peace and possible steps toward disarmament . . . "

School Lunch Program Hit

Though Sec'y of Agriculture Benson says that his department is trying hard to find uses for surplus commodities, the figures show a one-third cut in the value of surplus foods made available for the school lunch program. During the fiscal year ending June 30, 1955 schools received $66.8 million of surplus foods as compared with $94.2 million the previous year.

When hearings on the school lunch program were being held, however, the Administration argued against proposals for increased appropriations on the ground that larger quantities of surplus foods would be donated to the schools this year.

Ch. 2 1950 Census of Agr.; Graphic Summary, Vol. V., pt 6 5137

p. 72 1950, 3,089,583 fms op. by 'full owners'. That slightly less than in 1900. But 1900, all full time op.s. 1950, 2/5 'full owners' were mainly occup. elsewhere — ~~op. by~~ 2/5 of full owner farms 'op.' by fm op.-rs whose principle employment was not directly connected with any farm,' — cash inc. was more off fm than on it.

Ch. 3. → Here is new kind of land problem. for chap. 3. But is it a problem?

→ So they est. real full time owner fms declined 1/3, by 1m, fms 1900.

$$
\begin{array}{r}
74. \\
19\overline{)1424.} \\
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57 \\
\times\ .59 \\
\hline
513 \\
285 \\
\hline
3363
\end{array}
$$

Trend

Schultz: "The surprising fact is that the enlargement in farm size and the higher production per acre which occurred during the fourties are development which have in large part by-passed this large group of farm families." Speaks of the underemployed.

5173
p. 289

"

1920-50, no. of farms has declined. So I must def. get absolute no. of farms before interpreting stat.

1920, we had 3.5m farms, 10-99 acres; now c. 2.5m.
" " " 1.5m " 100-179 " " 1.1m.

5172

It's true.
~~(I don't believe it)~~ He gives impression, states, that small farms are declining in no. "The big cut in farm numbers has come from consolidation of smaller units", then cites 10-179 acre groups, as above. I'd say the big cut has been consolidating medium units. (p. 88)

Trend

As time passes, fmj becomes less exploitive, at least opt. fmj does, & that calls for smaller units. But they get larger.

T. end of Conc.

"Farmers are putting less money into houses, barns & other bldgs. This is in line w. the drop in fm income & the amalgamation of fms into larger, more economical units."

USN&WR 7-15-55, p. 89

S 370

D1,2 Buena Vista Rancho, near Sprecklers, shows how subdivision a long time ago is not adequate explanation of subdivision today. It was divided into 20 acre lots, but since the c. 1900 - they have agglomerated into big farms. Ave. size hereabouts is clearly mammoth - 300-400 acres or more. Many Co.s, Italians, Spaniards.

AES, S.D. State College, Brookings: Pop. trends in relation to resources development in S.D. Bull. 440, Aug. '54. (John P. Johansen, (research ass. in rural soc)

p. 25-26: 1930-'50, no. of farms fell all over state, but mostly in west of Mo., range area. ~~on~~ ~~Black Corridor~~ In SE corner, much less decline. Gently, moving e. to w., no. of fms has declined more. Also, in w., much Δ land in fms, ~~as~~ by 50%, as "quasi-public domain" was incorp (what? how? He doesn't say)

He interprets as premature subdiv-n of w. plains, ff. by working back toward right size.

(note a ~~cum~~ cum. process: when small fms go, social amenities etc. go, land becomes less residentially (& gently ecly) desirable, but probly still a good inv., becomes commercial more.)

(Poor land, or where labor & cap. intensive production feasible, ea. has less land than he individ. wd. have if = svs. But the congregation thus facilitated makes area better. (unless erosion)

as w. ~~non~~ fms got larger, '30-'40, no. of tractors declined, per farm!

(p. 28)

5363

Black, J.D. Intro. to Ec. for Ag. NY: Macmillan, '53

p. 227 1950 census, change of def. elim. c. 300,000 small farms

Fallacies

p. 19 "The system of landownership in the US permits both the accumulation and maintenance of large landed estates and excessive subdivision into uneconomic-sized units. Altho nation-wide statistical information does not shed much light on trends in farm sizes at thses two extremes, it was generally agreed that there has been an increase in both land concentration and parcellation. Concentration isheightened when foreclosure by landing agencies is widespread and when city investors are making extensive purchases. Both f these movement have been observed during the last fifteen years; the latter is particularly evident in many good land areas."

"On the other hand, there has been much parcellation, particularly on poor land where population pressure has been great and where estates have divided among several heirs." (both ed.s, summary)

ch. 3

5152

pp. 57-58: "In spite of the fact that most farms in the U.S. are smaller than optimum according to economic standards, the situation is far from hopeless. The average size of farm operated by a family on a full-time basis is increasing quite rapidly in all sections of the U.S. .... There are sound economic reasons why we should permit and encourage these trends toward larger farming units to continue at an accerlerated rate."

Cite, re trends, as e.g. of error. "Nor is this error confined to the uninitiated..."

5168

p. 59. "At the same time tha t farms are being subdivided into inadequate-sized units, the trend toward larger-than-family-sized farms continues." ed.s

5152

Ch. 3 p 353 Where farm op size > own. size 'this indicates that the economic farm unit is tending to increase & is being reluctantly followed by the land ownership pattern.' ~~No cons. that maybe v.~~

Own-p unit vs op-g unit.

(I say often ownership pattern pushes op-g pattern)

566

Me - "Just how reluctantly appears in fact that no. of small holdgs has Δd."

Indices of Acre values of all farms, and of all farms over 1,000 acres, 1900 to 1950.

a. Land alone, 1900 - 1940

		1900	1910	1920	1930	1940	1945	1950
all farms	Acre Value	$15.54	32.40	57.36	35.39	21.90		
	Index (1900=100)	100				140		
~~All~~ Farms over 1,000 a.	Index (1900=100)	100				171		
	Acre Value	$4.86	12.92	18.95	12.76	8.29		

b. Land & ~~Bldg~~ Buildings 1900 - 1950

all farms	Acre Value	$19.81	39.60	69.38	48.51	31.71	40.63	66.75
	Index (1900=100)	100				160		337
~~All~~ Farms over 1,000 a.	Index (1900=100)	100				182		468
	Acre Value	5.18	13.92	20.53	14.30	9.42	12.46	24.23

Trend, value of large

1940 Census Ag, vol. III, p 78-9, shows trend in value of land conc., w/o bldgs, by value, by acreage size defs. Get it. Good, for showing trend to conc. is even greater than I showed so far.

p. 79 shows that bldgs became a higher % of land + bldgs, 1900-1940 (actually this occurred from 1920-40; 1900-20, trend was opposite)

The smaller the size group, the more pronounced the shift. In largest group, only a very small shift.

That means that largest group, cfd to smaller, came to contain a higher % of l.v. in the pd.

I won't get actual figs, but they are there, cite them.

Ch. 9

a thought – probly not develop.

Where op-ns on fm land are very exploitive, opt. op. ~~scale~~ average much greater. For what ties a mngr down is constructive projects – improv'g the land, check'g gullies, irrig-g, etc.

Same time, where exploitive fm'g ec, means future fertility not imp – either bes i.n. hi, or future demand for fert. thought to be low. So wd. be little influence of fmg ec's on size – i.e. op'g size wd be more imp. So to avoid disec. of tncy, ~~wd~~ hld'g unit wd follow op'g unit.

So wd. then be little divergence of op. & hld'g. Hence little tncy.

U.S., 19th.

Conc.

General recent drift: away from middle size. Very small, very large. e.g. Coolumbia Bas Jt Investigations Problem 6, Farm Size, p. 62, fig 9 shows on Boise project drift from middle sizes since sstablished. -op.s. or ownership?

ch. 8

& get more comprehensive dope -- from census, for whole nation, already have them somewhere.

& lvt stops this, show. By stopping spec, & also by untaxing improvements, & otherwise encouraging cap fmtn, more cap intensive use, lowers opt size in acres.

Spec. & concentr.

p2

When demand for 'veg.-crop land' A. absent. A, because operators pay very hi rent for such land, & when they do, 'investors' buy it, or residents rent & depart.

Trend of conc. ch. 3

Medium size ownerships reduced, 1910-36, large & small Ad

Both resid & non, more so in res

592

Of absentees, 15% were corps, holding 33% of absentee land.

Others mostly lived along SC coast

1/3 non resid have lived in valley, or farmed there. Mostly retired of old age, visit land several x annu. Originally got by homestead or buy. Don't sell easy.

Non resid who never were resid have poorer land, with less improvement & glad to sell, rapid transfer

p 3

Non resid in general have (very slightly) poorer land than resid -- counter my generalization. But his 'residents' include corps with office in ID. & is young, no time to shake out yet)

By 'resident' mean one who lives in Imp valley, not nec one who runs farm. Many don't.

Conc. H. G. on Census

The issue as I see it was that while from 1870-80 ave. farm size may have dropped a little, distribution of size was less equal. Ave. farm size means little. If you have 2 farmers owning 100 a. each; & later 2 farms owning 1 a. each & 1 owning 198 a.; ave is smaller. But distrib. more ~~some~~ concentr. This [Neither mentions ownership vs op. units matter] what HG means, but he kept saying this meant 'ave.' was rising.

Walker is blustering ass.

p 136 absentee ownership in s, growth of trans, farm & factory, by 'bankers & financial groups in the N.' S 100

Trend

p. 6 present trend: more large & small, fewer medium. Yet medium is most efficient! (I can't establish ~~any~~ such trend for U.S. – they are getting just bigger, all sizes save <3 acres)

1946

589

Concentration, facts:

All over country, last 20 yrs, large increase in rurban farms, many over 2 acres, or $500, or whatever it was, the census min. So you'd expect no of farms in U.S. to have increased, But it's fallen.

Trend

p. 17 Size of ownership units has declined, from civil war to 1910. But while some large holdings were subdivided, thus increasing vastly no. of small holdings, many remained intact. S180

p. 19 But, due to multiple ownership, & poor data, they don't know really if size of holdings has risen or fallen.

Lenin, V. I. Theory of the Agrarian Question

Slaves > opt size

(shows high cap. values & opt size?)

p. 202 After Civil War, farm size in SE fell much, because slaves gone.

Gives Census figures.

Shows how cheap labor affects opt size.

Big farms less used.

p. 204, farms over 1000 a. in S, only 8.5% land 'improved'

Timmons, John F. 'Land Tenure Policy Goals' pp165-79. JLPUE, May '43

Crude errors on farm size.

175 "... whatever trend there has been toward larger-sized farm units has been largely motivated by greater efficiency of production."

176 Cites Schultz, JPE June '40, that tenant operation is more efficient than owner operation -- misinterprets him as meaning more ec-ly efficient, rather than more convenient for tenant.

167 Goals of tenure from Pres's Rept (Might list, show LVT secures)

June '52 Review of FRB. of/57
p. 51,

Says higher farmprices
~~make larger units~~ A opt. size.

If so, AAA bad

'Girls in the Night' at Golden Gate

By LUTHER NICHOLS

"Clouds are made to dream on, baby, not to live on."

This disillusioning remark, from a lower East Side mother to her daughter, sets the tone for the crudely made, but honest and interesting, little film surprise now running at the RKO Golden Gate. Misleadingly titled "Girls in the Night," it very effectively substitutes unpainted realism for costly production gloss in showing the hard times of a family in a New York slum area, and it brings to the screen some promising new talent.

The story isn't new. A family is beset by poverty, accident and temptations to crime; tries to struggle free of the neighborhood that denies it opportunities for better things, and finally succeeds.

It's the treatment that makes this Universal - International film different enough to hold your in-



Riverboat Gal

Hedda Hopper's Hollywood

Karloff Doing Dr. Jekyll; Then a Jules Verne and TV

Hollywood

When Boris Karloff finishes "Abbott and Coste Meet Dr. Jekyll and Mr. Hyde," he goes to England star in a Jules Verne story for Michael Powell and Eme Pressburger; then plunges into a series of television film Boris made three TV films tit "Department of Queer Co plaints," based on odd Scotla Yard cases, playing a chief inspe tor. He says material for t series is endless.

Tyrone Power's "Mississippi Gam bler" is U. I.'s biggest money mak since "The Egg and I." Ty stan to collect $750,000 for his percen age. Ty turned down "The Cai Mutiny," and is now reading t scripts from Dore Schary. But next picture will be "The Beng Rifle" for U. I.

☆ ☆ ☆

It pays to advertise. Lucil Ball and Desi Arnaz are gettin a quarter of a million for mak ing "The Long, Long Traile at Metro. Wonder if the pri includes their baby boy? Lu cille deserves her succes When picture jobs were scarc she went East to do "Drea Girl" on the subway circui She told Metro's Tom Roge she would take any radio shou no matter at what hour o what price. She worked stead ily, and prepared herself fo TV.

☆ ☆ ☆

Greer Garson's picture based o the life of Marjorie Lawrence ha been canceled. It was a story o courage; but the big boys decide that a heroine cannot spend three fourths of a picture in a whe chair.

Chuck Connors, first basem Los Angeles, may forsake ba "I figure I'

Mississippi River Tale At Orpheum

Tyrone Power will turn up on the Orpheum screen today as an honest gambler who plies his trade aboard river boats in Universal-International's "The Mississippi Gambler." His leading lady in this Technicolor river life adventure is young Piper Laurie.

The script is said to mount an engaging reproduction of the life [illegible] 18th Century St. [illegible]

States Farm Output Set Record in '52

SACRAMENTO, Feb. 5 (AP)—Californians produced $1,796,394,000 worth of agricultural crops during 1952, more than ever before, the State Agriculture Department announced today.

The figure is 2 per cent over the 1951 farm value crop total, said George A. Scott, chief of the California Crop and Livestock Reporting Service. The 1953 total exceeded the 1947-51 average by 24 per cent and the 1942-46 average by 47 per cent.

The high total of the farm value of the crops, said Scott, does not mean farmers had a higher net income.

"Costs of producing and marketing farm products have increased very rapidly during recent years and continued to increase during 1952," said Scott.

Other facts and figures on 1952 California agriculture:

The combined crop production totaled 25,800,000 tons, more than ever before and 1 per cent higher than either 1950 or 1951.

Field crop tonnage gained over 1951 , but was 8 per cent below 1950.

Fruit and nut production declined 9 per cent from the record high of 1951.

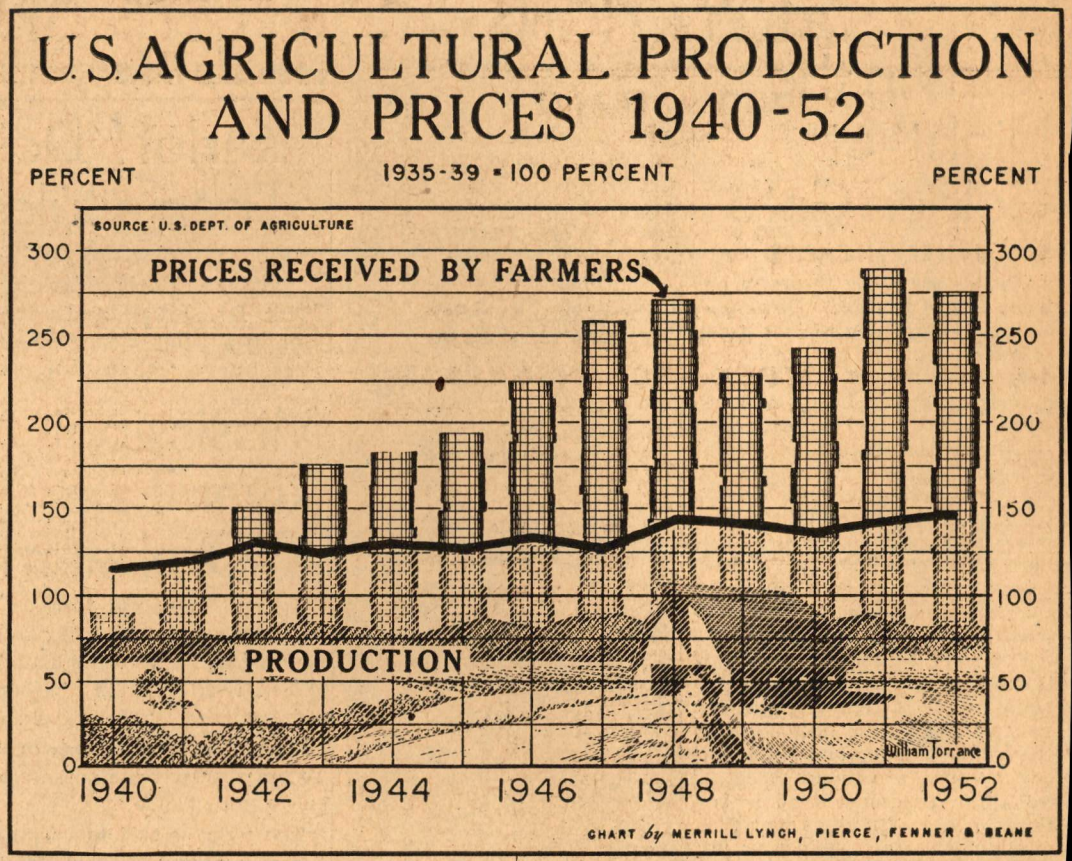
Vegetable production was 6 per cent less than the 1951 record.

The value of fruits and nuts declined 11 per cent from that of 1951.

The value of vegetables fell off 3 per cent from the 1951 record.

The combined value of all field crops was up 1% per cent over the 1951 record and was twice the 1953-46 average.

Sam B. Stewa[illegible]



2. Conc., 1920, v Conc., 1945, v. 1900.

None of figures comparable, so comparisons dangerous. 1900 vs 1920, latter done w/o taking account of overlapping. 1945 concerns different group. Any comparison dangerous, so many factors.

But take holdings over 1,000 acres. 41% all non-corp. held for land (& 5.6% US for land corp, 1945, but not so subtle probly) held in over 1,000 a, '45. p51, 564

18% all landlord land, over 1,000 a., ~~1920~~; 1900; & 12.5%, 1920

More comparable: Ave land, had, 1900, 1.54 tnt fms
1920 1.65
1945 about 2 — well over 2

— 135 ave tnt opn, 280 ave hldg. by landlord.

& if include land-ops, with their 437, more? Not nec: maybe less. Can't know. but won't affect much.

See Turner clip. in

'op units tend to medium' file.

For 1920 data on rented farms

Concentration: FRBSF, Jun'52 mthly rev, ~~xxx~~

56 1920-50, land area devoted to farming in u.s. changed little, but no. of farms fell, 6.4m to 5.4m. Trend was only reversed in early depression, back-to-farm movement temporary. Ave farm size, 1920: 148; '50, 211 a. Consolidation.

'50 figure, farms kept growing

One wd expect opposite, with extension of cities. More need for garden crops. Meat consumption going down, big ranches less ec.

Higher wages, too, shd make smaller (tho they say high wages contribute to consolidation, not saying why) (Tnts left, mechanization took over)

56 Census showed a great increase in ~~xxxxxxxx~~ in the land of farms which were over 10,000 a, '20-50, but this wasn't change in scale really; but domain formerly used as open range, or on permit basis, now leased. & when leased, census includes it as land in farms. & most of this incr. was farms over 10,000. (might be some truth, even so, that farms were increasing, but by pol. not ec. causes) Ariz Nev & Utah mainly affected.

'45, changed method of enumerating Indian res. also tended to overstate increase in ~~xxxx~~ land, in large units'.

Cite, to refute conc. due to new methods.

Land in Farms,	12th FR dist,	& U.S.
1920	77.7m a.	955.9m a.
1950	145.2m a.	1133.4m a.
Increase	67.5m a.	177.5

(So was increase elsewhere than west. So it wasn't that western increase offset eastern decrease.

(Motheral says the increase of ave. farm size was due to change in census practise in west. Could this increase of 67m a. raise ave farm from 148 to 211 a.? Suppose it added nothing to no. of farms. By how much wd it increase ave? 6m farms, split 67 m acres among them, about 10 per farm. Enough to note; but not to account for much. Motheral trying to mislead.

What we clearly have is an increase in land in farms, even not counting grazing lands; and fewer farms.

Remember, tho, that census data are just for operating units. They do not check size of ownership units. So they don't tell what I need to know. So I must rely on local studies by others.

An Alarming Trend . . .

FARMING ON-AND-OFF THE LAND

Many farm operators in the United States are being forced to work off their farms a major part of the time. The only way that they can stay on their farms is by finding work somewhere else. Moreover, this highly significant but little noticed trend toward off-the-farm work shows a sharp increase.

Nearly one-out-of-every-four farm operators works off his farm 100 days or more a year, according to the 1950 Census of Agriculture. Only one-out-of-nine did so fifteen years earlier.

Farm Operators Working Off Their Farms 100 Days Or More A Year,

	Number 1934-49	% of All Farms in U.S.
1934	760,772	11.5
1939	943,581	16.8
1944	1,079,054	18.4
1949	1,254,610	23.9

Source: U.S. Census of Agriculture

Formerly, it was the young people in the farm family who went off in search of work. Now, even the farm operator must get work off the farm to make ends meet.

The average size of these farms is larger than might be supposed. According to the Census, 42% of them, the so-called "residential" (value of sales of farm products less than $250), averaged fifty acres each. The "part-time farms" (value of farm products sold $250 to $1,199 and farm operator worked 100 days or more off his farm, or non-farm income received by him and his family exceeded value of farm products sold), constitute 31% of those working 100 days or more off farms and average 76 acres each. The remaining 27% of farm operators working 100 days or more off their farms have still larger average holdings.

Working off the farm has become quite widespread. It is no longer limited to New England and to the textile or mining areas in the South. It prevails wherever there is industry nearby, and as industry has continued to push into the rural areas, the trend toward off-the-farm work has accelerated.

Most Prevalent in West

A larger percentage of farmers in the West work off their farms than in the other two Census-designated regions, the North and South. Each of these regions shows a marked increase in the number of farm operators working off their farms 100 days or more a year, however, with the most rapid increase occurring in the South.

In California, 33% of all the farm operators work off their farms 100 days or more a year; in Oregon 40%; and in the State of Washington 41%.

Contrary to what many people might suppose, it is not the tenant farmers or part owners or even the sharecroppers who most commonly work off the farm. It is chiefly the **full owners,** the tenure group that has long been regarded as the backbone of U.S. agriculture.

Of the 1¼ million farm operators who work off their farms 100 days or more a year, 937,489 are full owners — about three out of every four.

The accompanying table shows the percentage of farmers in selected states who work off their farms 100 days or more and indicates that it is chiefly the full owners who are affected. In New York, for example, 31.3% of all the farmers work off their farms 100 days or more, whereas 35.1% of the full owners do so.

In absolute numbers, the effect is even more striking. Of the 38,000 farm operators in New York State who work off their farms 100 days or more, 33,000 are full owners. In Minnesota, 16,000 out of 22,000 are full owners; in Ohio, 52,000 out of 63,000; and in California, 36,000 out of 44,000. For other states the pattern is much the same, even though the ratio is somewhat lower in the South where tenant farmers also do considerable off-the-farm work.

Percent of Farmers Working Off Their Farms 100 Days or More in 1949

	All Farmers	Full Owners	Share-Croppers
Mass.	40.9%	44.2%	—
N. Y.	31.3	35.1	—
Penna.	38.3	41.7	—
Ohio	32.9	39.7	—
Ind.	28.7	36.6	—
Ill.	18.0	28.0	—
Mich.	33.1	37.6	—
Minn.	12.3	15.6	—
Tenn.	23.9	30.9	11.2%
Miss.	17.7	26.7	9.5
N. C.	21.4	31.1	8.2
Wash.	40.9	46.9	—
Ore.	40.4	45.0	—
Calif.	33.0	37.1	—

Source. U.S. Census of Agriculture, 1950

Rapid Growth in South

In the South the trend toward work-off-the-farm has in recent years accelerated at a particularly rapid rate. The South has also been the region which has been experiencing the greatest shrinkage in the number of farms. More than a quarter of a million farms disappeared in the South between the Census of 1940 and that of 1950. And, the number of farm operators working 100 or more days off their farms has nearly doubled in a 15-year period — increasing from 345,181 in 1934 to 629,-152 in 1949.

Sharecroppers in the South have been the chief victims of displacement, but relatively few of the sharecroppers do much off-the-farm work. A decade ago they did almost none, however. In Tennessee where 30% of the full owners work off their farms 100 days or more, 11% of sharecroppers were also reported as working off the farm 100 days or more in 1949. In Mississippi, the figure is 26.7% for full owners and only 9.5% for sharecroppers; and in North Carolina, 31.1% for full owners and 8.2% for sharecroppers.

Farmers Become Workers

The number of farms in the United States has been rapidly diminishing. The 1935 Census reported 6.8 million but the latest Census found less than 5.4 million — a loss of nearly 1½ million farms. At the same time the number of farm operators working off their farms 100 days or more has increased almost half a million.

Both trends reflect the mounting pressure on the farmers and show how they are being pushed into the ranks of labor, part-time or full-time. This is true even though the growth of part-time farming represents a double movement: farmers taking jobs in industry and workers, many of whom had farm backgrounds, taking up a small plot of land to supplement their meager earnings.

The Census does not try to determine how much of this increase in part-time farming represents a movement "off" the land and how much is "to" the land. In any case, however, it discloses that the overwhelming number (three out of every four) of these farm operators who work off their farms 100 days or more actually work off their farms 200 days or more. In short, this hybrid group of farmer-workers, irrespective of origin, is predominantly of a "worker" character.

In spite of all the ballyhoo about workers buying up small farms and hoping eventually to become full-time farmers, it is evident that few indeed are able to make the grade. The dominant trend in U.S. agriculture is from "farmer" to "worker" and the rate at which this has been happening is nothing short of appalling.

2 Million Farms Lost

Some 2 million farms have accordingly been squeezed out, or nearly so, in the 15-year period, 1935-50. During this same period, the large farms have continued to increase their holdings.

In its special study of large farms, the 1950 Census reported that 71,328 farms comprising only 1.3% of all farms in the U.S. operated 33.1% of the land in farms. The land in farms of 1,000 acres or more increased from 220 million acres in 1920 to 494 million in 1950.

A new census is now being taken, and in view of the speed with which changes are taking place in agriculture, marked variations from the previous enumeration can be expected. However, it is evident that the pressure on the small and family-size farms has continued to increase, while big agriculture has insisted that federal farm programs be designed exclusively for its benefit.

Labor Also Has a Stake

Labor cannot afford to continue a policy of ignoring the problem of the farmers, and some of the trade unions have already begun to realize this. The fact that over 1¼ million farm operators work off their farms 100 days or more each year indicates how closely the problems of the two groups are linked. Similarly, as unemployment increases, the "job" problem is of no less concern to hundreds of thousands of farm families than to the workers themselves.

The Department of Agriculture has ignored the special problems of the hybrid farmer-workers ever since the Farm Security Administration was eliminated. As a result, it has also tended more and more to disregard the problems of the family-farms and to con-

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FACTS FOR FARMERS

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More for Military; Less for Agriculture

IKE'S NEW BUDGET

The President's latest budget calls for sharp cuts in federal farm programs, chiefly in CCC's price support operations, but a big hike — $2.4 billion — in "cold war" spending. Two-thirds of the total $62.4 billion would go for military or so-called "national security" programs, but in his Budget Message Eisenhower said, "I am proposing a reduction in the total . . . for all other government programs."

Once again the nation is offered a budget that sacrifices welfare needs to the "cold war." It proposes a cut in old-age assistance benefits, ignores the housing problem, cuts funds for the conservation and development of natural resources, and even the President's much-publicized $100 billion highway plan is sidetracked.

Re-arming of Germany

Congress is asked to appropriate $3½ billion to re-arm Germany and to supply more "military assistance" under the Mutual Security Program. Of this amount, $1½ billion is labeled "non-military," but the budget clearly indicates that the purpose is "military" even though the actual shipments might consist of machinery and other capital goods.

The President said in his Budget Message:

"During the past 5 years we have delivered more than 6,000 airplanes, almost 900 naval vessels of all types, 36,000 tanks and combat vehicles, nearly 200,000 transport vehicles, billions of rounds of ammunition, and many other items."

For the period ahead, he added:

"The mutual military assistance proposed for the fiscal year 1956 will further help our allies to complete equipping and training the equivalent of more than 180 divisions, 551 combat vessels, 278 air squadrons and related supporting units."

Farm Funds Cut

The farm parity ratio sank to a 14-year low before the President sent his fiscal 1956 (July 1, 1955 to June 30, 1956) budget to Congress. Not a word did he say about the farm crisis or about the need for anti-crisis programs.

Further slashes in price support and other farm programs are projected on the doubtful assumption of "a stable, prosperous and free agriculture." Here Eisenhower attributes the prosperity outlook to "the basic agricultural legislation which I recommended and which the Congress enacted last year."

Somewhat more realistically, however, Eisenhower indicates that the saving on price supports will come as a result of flexing and removing price floors as well as shifting to a "modernized parity" base. He, therefore, urges that net expenditures of the Commodity Credit Corporation be cut in half, the most drastic cut in the agricultural budget.

While the President's Budget Message did not deal with the problem of building more schools, he sent a separate message to Congress on Feb. 8 recommending that the federal government purchase school bonds from local communities. Senator Wayne Morse called it "window dressing."

Some Major Changes

Here are some of the major budgetary changes recommended by the President:

CCC's Price Support, Loan and Purchase Program — Net expenditures in fiscal '56 would be limited to $968 million as compared with $1,934 in '55.

Federal Crop Insurance — Net expenditures in '56 set at $3 million as compared with $12 million in '55.

Disaster Loans and Emergency Feed — Collections on old loans are expected to exceed new outlays. Gross expenditures amounted to $255 million in '54 and are being held to only $101 million this year, despite widespread drought, but for '56 would be cut to $88 million.

FHA — Already much-slashed, its net expenditures in '56 would be pared to $172 million as compared with $178 million in '55. Farm housing loans to be completely eliminated.

SCS and Flood Control — Net expenditures would be reduced to $74 million in '56 as compared with $76 million in '55.

TVA — Net expenditures would be slashed to $2 million (a drop in the bucket!) as compared with $214 million in '55.

School Lunch Program — Net expenditures cut to $8 million as compared with $84 million in '55.

FBI Gets More Money

On the other hand, the new budget would increase the FBI's funds from $79 million to $91 million. It also provides a slight increase for the Immigration and Naturalization Service for enforcing the hob-nailed McCarran-Walter Act.

"No new appropriations have been recommended for new power generation units in the fiscal years 1955 or 1956 for the Tennessee Valley Authority," the President declared. He urged that TVA's net expenditures in '56 be limited to $2 million on the ground that the Dixon-Yates deal will take care of expansion needs.

TVA Under Fire

Eisenhower made it clear that he intends to press the fight not only for approval of the weakening of TVA. He indicated that TVA has been denied federal funds for further expansion and that "legislation will also be presented to the Congress" compelling TVA to pay interest on federal funds invested in it. Lobbyists for the private power interests have been pushing these proposals in order to raise electric rates.

As a result of the stiff fight put up by farmers in the REA co-ops, Eisenhower found it necessary to restore some of the cuts previously made. For rural electrification and telephone programs, he accordingly recommended $233 million in '56 as compared with $217 million in '55.

Budget Jolts Wall St. Journal

The **Wall Street Journal,** accustomed as it is to arithmetic of high finance, said that the new budget came "as something of a jolt." Declaring that it could see no reason for another boost in foreign aid, which it terms "mostly military," it stated editorially:

"For these purposes the American taxpayer has already put out some $48 billion since the end of the war, not counting the new requests. It defies belief that nearly half a hundred billion has not given the allies enough political, military and economic strength to carry on. . . . If it has not, then it is extremely doubtful that any amount ever will. And if there is any thought of attempting to bring political, military and economic stability to . . . Asia, then it is questionable that $50 billion or $100 billion or any figure will suffice." — Jan. 19

The **Wall Street Journal** (Jan. 18) asserts that, if allowance is made for obvious figure-juggling, the "real military appropriation" sought in the new budget is "almost $5 billion more than the present year."

"Slippages" Are Slippery

A new technique in budget-making has been introduced by the President. The sum of the parts does not always equal the total. Thus, the sums listed individually for the Army, Navy and Air Force add up to $37,750 million, but for all three, taken together, the President fixes the total at only $34 billion. His explanation is that "slippages" and "changes" make it impossible to anticipate where the economies will be found.

A loud burst of laughter was evoked at the President's press conference on Jan. 19 by the correspondent for the **El Paso Times** who remarked that "the congressmen" say that even if "they can find a copy of the budget to read . . , they can't understand it." "Particularly, they say," added the correspondent, "the military budget is couched in such general terms that they can't find where the money is to be spent."

Even on the basis of such assumptions, described as "optimistic" by Treasury Secretary George Humphrey, the President's 1,224 page budget adds up to a forecast deficit of $2.4 billion for the fiscal year '56. Therefore, Eisenhower urged Congress to make no tax cuts, notwithstanding election promises to the contrary, but he did not rule out the possibility of further tax increases.

WHO GETS BIG PAYMENTS?

Safeguards for small farms or cut-off limits on big payments are not being pressed in Congress by the Administration, the Democrats or any national farm organization. Yet, the record shows that the top 1.9 percent of the farms got 25% of the price support benefits, and the top 9% of the farms got over half of the money paid out.

The figures below on the biggest '53 payments appeared in the Congressional Record, May 5, 1955.

Biggest Wheat, Corn and Cotton Loans Made on 1953 Crops

Wheat	Amount
Horrigan Farms, Prosser, Wash.	$354,339.00
U.S. Wheat Corp., Hardin, Mont.	348,646.20
Monoghan Farms Co., Derby, Colo.	338,535.55
Cunningham Sheep Co., Pendleton, Ore.	270,607.00
H. B. and Allen Kolstad, Chester, Mont.	232,527.90
Wesson Farms, Inc., Victoria, Ark.	209,034.31
Horrigan Investment Co., Seattle, Wash.	201,832.00
Marion T. Weatherford, Arlington, Ore.	197,939.00
The Sheffels Co., Govan, Wash.	182,756.00
Don Damon, Cunningham, Wash.	182,717.00
E. C. Hay, Tekoa, Wash.	178,196.00
Hill Ranches, Pendleton, Ore.	178,070.00
Waggoner Trust Estate, Vernon, Tex.	175,660.71
Merrit Meacham & Sons, Culdesac, Idaho	172,677.00
Box Elder Farms Co., Denver, Colo.	171,801.82
Jackson & Reinert, Paso Robles, Calif.	147,007.24
Carl Smith, Goodland, Kans.	139,237.00
Witteman Co., Mohall, N. D.	127,281.48
Fred Schields, Goodland, Kans.	125,198.00
H. A. Miller, Bond, Ore.	119,445.00
E. R. McCanse, La Grande, Ore.	116,631.00
Ira McIntosh & Sons, Lewiston, Idaho	112,401.00
A. E. Bott, Newdale, Idaho	109,158.00
Garvey Farms, Colby, Kans.	104,263.00
J. R. Katzenberger, Highwood, Mont.	101,982.80
Roy Killenbeck, Scobey, Mont.	101,675.83
J. E. Cheek, Pierre, S. D.	101,530.00

Corn	Amount
Adams Bros. & Co., Odebolt, Iowa	$190,944.00
Emil Savich, Rensselaer, Ind.	116,289.76
Lester Pfister, El Paso, Ill.	116,173.44

Cotton	Amount
Delta & Pine Land Co., Scott, Miss.	$1,269,492.66
Giffen, Inc., Huron, Calif.	1,246,516.46
E. P. Coleman, Sikeston, Mo.	643,993.37
Charles Schwartz, Stratford, Calif.	604,321.89
Bogle Farms, Chandler, Ariz.	503,908.11
Wheller Farms, Bakersfield, Calif.	499,008.22
Roberts Farms, McFarland, Calif.	456,133.74
A. Shrier & Sons, Delano, Calif.	440,695.56
B. C. Land Co., Leachville, Ark.	412,361.10
Bledsoe Plantation, Greenwood, Miss.	394,351.03
Harbert & Co., Robinsonville, Miss.	359,204.39
Ralph Farms, San Elizario, Tex.	323,686.78
B. F. Youngker, Buckeye, Ariz.	298,129.46
McColl Realty Co., Bennettsville, S. C.	208,475.24
J. E. Porter, Caldwell, Tex.	208,139.36
Carl Clawson, Lubbock, Tex.	201,492.05
Dooley & Hendricks, Roscoe, Tex.	201,007.43
J. G. Boswell, Lichfield Pk., Ariz.	198,972.82
St. Francis Valley Farms, Marked Tree, Ark.	192,072.15
Sturdivant, Yandell & Wilburn, Vance, Miss.	191,256.48
Circle X Plantation, Indianola, Miss.	183,371.69
J. B. Hain & Co., Sardis, Ala.	178,171.35
Hayner Ranch, Las Cruces, N. M.	177,836.37
Collins & Wilson, El Paso, Tex.	162,875.03
Ray P. Oden, Shreveport, La.	153,339.43
Lee Wilson & Co., Wilson, Ark.	152,462.98
Thigpen & Funk, Lake Arthur, N. M.	149,009.93
J. A. Minter & Son, Tyler, Ala.	146,525.75
J. P. White, Jr. Roswell, N. M.	139,704.31
Hal Bogle, Dexter, N. M.	131,510.28
Bowman & Son, Artesia, N. M.	126,112.63
H. S. Mitchell, Millington, Tenn.	109,277.77
Roy Chaney, Coy, Ark.	103,499.10
L. W. Rodgers, West Memphis, Ark.	102,191.50

COTTON TENANTS EVICTED

As a result of cuts made in cotton acreage allotments, widespread displacement is taking place. Thousands of sharecropper and tenant families, Negro and white, have been forced onto the highways, and many small cotton growers have been reduced below a subsistence level.

Here are excerpts from letters received by Rep. Jamie L. Whitten (D-Miss.) which he inserted in a hearing before the House Subcommittee on Appropriations:

Stanton A. Pepper, Blytheville, Ark. — Roads, are full of croppers and renters who don't know where to go or what to do. Please get us more cotton acreage.

Ralph Redditt, Sidon, Miss. — Six to seven hundred farmers in (Carroll) County planted 5 acres last year and will have from 1 to 4 acres this year.

Miss Josephine Goodwin, Sarah, Miss. — I have been living on my 173 acre farm for about 12 years. I was allowed to plant only 6 acres of cotton this year and can't get by on that.

Ellis E. Randle, County Agent, Hazelhurst, Miss. — We have 1,199 farmers whose cotton allotment is less than 5 acres. These farmers are in bad shape.

L. W. Maxwell, Pope, Miss. — Eight people to make a living on 8.4 acres of cotton. Just can't do it.

Harry Turpin, Taylor, Miss. — Owns 184 acres of land, paid for by 12 years of sweat and muscle. Allotted 5.8 acres of cotton. Can't live on this.

J. P. Sansing, Warehouseman, Newton, Miss. — Small farmers in this area getting cotton acreage of 1.2 acres and 0.7 acres; banks cannot . . . lend money.

C. E. Wingo, Cotton Plant, Miss. — Allotted 3 acres. Owe $2,800. Can't possibly pay it off with this small acreage.

Jack A. Warren, Jr., Magee Cooperative AAL, Magee, Miss. — Many farms with allotment of less than 5 acres for cotton. Present situation in this locality will drive hundreds . . . from farms, and ranks of unemployed will increase.

Among the letters to Rep. Whitten were many from cotton planters who bluntly stated that they were passing the cuts onto their sharecropper and tenant families. One said that he was letting the "majority" of his 26 renter families go; another that Negro families who had been on the farm for 15 years were being fired; and another that evicted families face starvation.

The U.S. Dep't of Agriculture told Congress that 55,348 renter families would be forced out as a result of this year's cut in cotton acreage and that 293,101 farms would have an acreage allotment of less than 5 acres in 1955.

Can You Introduce Us To A Neighbor?

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Flexible Supports Lose in House . . .
A FARMER-LABOR VICTORY

Farmer-labor teamwork won the vote in the House to repeal the Administration's flexible parity program. It was the backing of the AFL and CIO that lined up sufficient votes from city Democrats to squeeze through by a vote of 206 to 201 the bill to restore price supports at 90% of parity.

This initial victory scored by farmer-labor cooperation has thrown a scare into the Administration. While it can, of course, veto this particular measure, it is afraid that farmer-labor unity may become a habit, carrying over to other legislative issues and extending into the '56 elections.

Republicans Attack Labor

During the House debate on price supports, GOP congressmen bitterly assailed the labor unions for daring to make common cause with the small farmers. Rep. Clare Hoffman (R-Mich.) accused Walter Reuther, CIO president, of plotting "the domination of the government by labor organizations," of advocating "the Russian philosophy," and of seeking to become "the president . . , or perhaps more accurately, a dictator of the United States."

Republican spokesmen were vexed because the House Committee on Agriculture printed and distributed 58,000 copies of a 16-page pamphlet, entitled "Price Support Program on Basic Commodities." The pamphlet contained the statements of labor leaders, including George Meany of the AFL and Walter Reuther of the CIO, who endorsed the bill (HR 12) to restore 90% of parity price supports.

Rep. Harold Cooley (D-N.C.) took "full responsibility" for having invited labor spokesmen to present their views before the House Committee on Agriculture, of which he is chairman. He challenged anyone to say this was "evil, unholy, vicious, sinister or un-American" and said:

"These labor leaders have 'nailed to the cross' these wild and wooly arguments to the effect that city consumers are revolting against the farmers of America."

Rep. Cooley Defends Position

In defending labor's right to speak on farm and other legislation, Cooley declared:

"Some people are so proud and some are so arrogant and some are so blind that they do not seem to understand that the working men and women of America are making a contribution to the welfare and prosperity of our nation."

Cooley chided the Republicans, saying that perhaps they did not "want the industrial workers" to vote for them and certainly they "did not want congressmen from industrial districts to vote for this bill." Then, turning to an analysis of Benson's farm policies, he concluded:

"All he wants to do is to plow under, to starve out, and to bankrupt the little farmers of America, and turn over the agriculture of our country to the farmers who have been able to mechanize their farming operations, and to bring in mass production."

High-Pressure Methods Used

To offset labor's support, the Administration got all-out editorial backing from metropolitan newspapers, which urged readers to write their congressmen to uphold Benson's program for "low-cost food." Farm Bureau officials also plied congressmen with letters endorsing flexible supports, and the food trades sent an army of lobbyists to Washington.

GOP strategists nearly defeated HR 12 in the House. By a vote of 186 to 150, they added an amendment dropping peanuts from the list of "basic" commodities.

Next day, however, the Democrats displayed greater strength and reversed the "anti-peanut" amendment by a vote of 215 to 193. Then, by a vote of 212 to 199, they checked a GOP move to send the bill back to committee and thus assured its passage by the House.

Democrats Sitting on Hands

In the form approved by the House, this measure would restore 90% of parity supports for wheat, cotton, corn, rice and peanuts. It would also provide 80% of parity supports for dairy products instead of the present 75% level.

Instead of quickly following up their success in the House, Democratic leaders have shown little disposition to move in the Senate. Senator Allen J. Ellender (D-La.), who is chairman of the Senate Agriculture Committee, said "it would be a mistake" to try anything this year.

With the help of the Republicans, Ellender got the Senate Committee to vote (8 to 7) against fixing any date on which to report out the measure. Unless pressure is applied, this means the bill will be bottled up in the committee.

Ellender Blocking Hearings

It is wellknown in Washington that Ellender is trying to arrange a deal with Benson to revise the cotton support program. Apparently this is the real reason for his lack of interest in HR 12, especially since the latter faces a White House veto even if passed by the Senate.

Most Democratic leaders in the Senate are keeping silent. Some, like Clinton Anderson (D-N.M.), are taking this occasion to knife the whole fight for firm price supports. If the Republicans succeed in blocking action in the Senate, it will be no exaggeration to say that the Democrats deserve a major share of the "credit."

Ike on Drought Program

When asked at his press conference on May 12 whether the Administration had given any thought to a long-range drought program, Pres. Eisenhower replied:

"We have done what we can, and I don't really know how you can take up really long-range plans for — of such kinds, because you hope that the drought doesn't last forever. A drought is supposed to be an emergency."

Alliance Worries Administration

Irrespective of the immediate effect, however, the threat of a farmer-labor alliance is worrying many Republicans and some Democrats in Washington. The **N. Y. Times** (May 8) admits "such an alliance . . . put the House on record as favoring a return to high price supports." It goes on to say:

"Now the CIO is trying to do what only Mr. Roosevelt himself was ever able to do — unite organized labor pressure and organized farm pressure into a single political force capable of swinging a given number of votes on Capitol Hill."

The **Times** consoles itself with the thought that Roosevelt is no longer alive and that stable alliances are not easy to maintain. Benson told a TV audience on May 8 that he did not believe any farmer-labor alliance is "going to hold."

Benson's wishful-thinking probably will not be shared by small farmers. Now that farmer-labor unity has been tried and found effective, they have every reason for desiring more of it — not less. It is necessary if they are to get the Democratic leaders in the Senate and the House to wage a more vigorous fight on price support as well as other legislation.

SURPLUS FOOD DISTRIBUTION

In spite of the Administration's complaints over mounting "surpluses," it has been quite reluctant to make these foods available to victims of drought and flood or to unemployed families. In fact, the Administration has given out little information about the distribution of "surplus" foods and is currently trying to prevent Congress from passing a bill that would authorize the processing of "surplus" grains into flour for distribution among needy families.

True D. Morse, president of the CCC, told a House subcommittee that the surplus distribution program operates in only 33 states and Alaska. He said that during 1954 "about 2,620,000 needy persons living outside institutions . . . had been certified by states to receive commodities." This means "about 655,000 families."

Operation Is Uneven

The spotty operation of the program is indicated by the information, meager as it is, that Morse supplied to Congress. He said:

"Pennsylvania had the largest number of persons certified to receive food, over 950,000. Mississippi, Alabama, West Virginia, and Kentucky — in that order — all had close to or above 200,000 persons certified. Others having more than 25,000 persons certified were Michigan, Oklahoma, Iowa, Virginia, Ohio, California and Utah."

A few states are extending surplus food distribution to families that are on public assistance rolls. However, according to Morse's statement, "three-fourths of those (families) certified for commodities receive no other form of public assistance." Only where the needy families happen to hear about this program and get their local or state officials to ask for it are surplus foods made available.

ch. 8

How explain A conc?

Growth of progressive inc. tax a factor.

as gp tax deductible, makes landholdg cheaper yet for big.

Also, int. cost is lower, since alternative use of funds wd bring an inc. that wd. be taxed at hi rate.

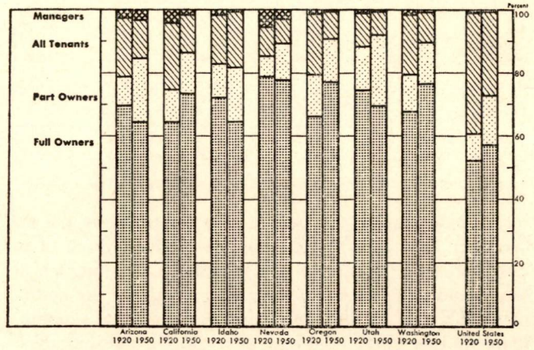
big boom in cotton production raised the state's average, but by 1950 the average size of farming unit was only 17 acres larger than the 250 acres of 1920.

Farm ownership increasing

The ownership pattern of farms in the West has long been different from that for most other areas of the United States. The original method of land settlement, soil and climatic differences, and the variety of crops which could be grown all tended to keep tenancy at lower levels than in the rest of the country. The greater proportion of large farming units in the District, particularly ranching operations, has also resulted in a greater use of managers.

Since 1920 the principal cause of shifts in farm ownership patterns has been changes in economic activity. During a depression or when farm prices are relatively low, farm tenancy increases and ownership decreases. Many farmers cannot keep up mortgage payments and must give up their farms and become tenants. In addition, most of those who move back to the farm during depression years do not have the capital necessary to purchase a farm and must rent instead. From 1925 to 1935 the number of farms operated by tenants increased in all District states. Since 1935, however, both the number and the proportion of tenants have dropped sharply. In all states except Idaho farm tenancy was much less important in 1950 than in 1920. The proportion of tenant-operated farms in 1950 ranged from 7 percent in Utah to 18 percent in Idaho compared with 27 percent for the entire country.

ALL FARM OPERATORS—PERCENTAGE DISTRIBUTION BY TENURE—TWELFTH DISTRICT, 1920 AND 1950



The proportion of farms operated by either full or part owners[1] has shown the largest increase since 1920 in California, Oregon, and Washington, over 10 percent in each state. In 1950 between 85 and 90 percent of all farms in these three Pacific Coast states were farmed by either full or part owners. The increase in the percentage of part ownerships in all District states would tend to indicate that much of the expansion in operations in recent years has been through renting rather than purchase. The proportion of full ownership has decreased in Arizona, Idaho, Nevada, and Utah even though full and part ownerships combined increased.

[1] The Census defines full owners as those who own all the land they operate and part owners as those owning a part and renting the remaining part of the land they operate.

REGULATION X LIBERALIZED

On June 9 the Board of Governors of the Federal Reserve System and the Housing and Home Finance Agency jointly announced a relaxation in the terms of Regulation X and related restrictions to be effective June 11. A brief summary of the changes is given below.

The revision in mortgage credit controls applies only to residential properties. No change was made in terms affecting nonresidential properties, although changes in this area are under consideration.

More liberal credit terms were authorized by lowering the down payments required for the purchase of residential properties. No change was made in the maximum time allowed for paying off mortgage credit subject to any of the restrictions.

The lowered down payments apply in varying degrees from the lowest to the highest priced homes. In the case of FHA and conventional loans on 1- to 4-family residences, the down payment has been reduced from 10% to 5% on houses costing $7,000 or less. At the other end of the scale, the down payment has been reduced from 50% to 40% for houses costing $25,000 or more. In the range of $7,000 to $25,000 the new down payment schedule represents a gradual curve rising from 10% to the 40% maximum.

No down payment is required on veterans housing costing up to $7,000, although closing costs must be paid in cash. The down payment required for houses costing $25,000 or more financed with a VA mortgage is 35% compared with the previous maximum of 45%.

The minimum down payment requirements for multi-unit housing have been revised downward. The range is from 10% to 40% for such housing as compared with a range of from 17% to 50% under the previous schedule.

REGULATION X AND THE DEFENSE PRODUCTION ACT

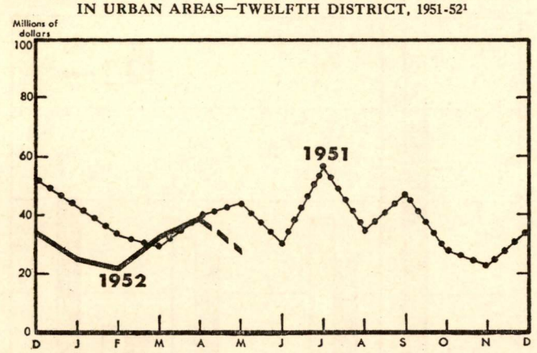
The existing terms of Regulation X and the companion real estate credit regulations have not been changed by the provisions of the Defense Production Act Amendments of 1952 that became effective July 1, 1952.

The nature of the authority under which these controls operate was modified, however, by the new amendments. The President is directed to have estimates made of the number of permanent, nonfarm, family dwelling units started each month. On the basis of these data, estimates shall be made of the annual rate of construction starts during each month, after making reasonable allowance for seasonal variations in construction activity. If for any three consecutive months the annual rate of construction starts falls below 1,200,000 starts per year for each of the three months, the President shall announce the beginning of a "period of residential credit control relaxation." Such a period shall begin not later than the first day of the second calendar month following such three consecutive months.

During such a relaxation period, the authority derived from the Defense Production Act to impose credit regulations on residential property may not be used to require down payments in excess of 5 percent of the transaction price.

The President may terminate each such relaxation period at any time after the annual rate of residential construction starts for each of any three consecutive months exceeds 1,200,000.

VALUE OF PERMITS ISSUED FOR OTHER NEW CONSTRUCTION IN URBAN AREAS—TWELFTH DISTRICT, 1951-52[1]



[1] May 1952 figure estimated.

the carpenters' walkout this spring in northern California delayed the start of some projects. These factors tend to obscure the effect that demand for nonresidential building may have had on the level of activity. It appears likely that this demand may still be fairly good though not so strong as in some earlier years. In fact the dollar volume through May does not compare too unfavorably with that of the same period in 1950.

As might be expected commercial buildings show one of the largest decreases—55 percent—from last year when materials were still being granted to projects on which considerable planning and preparation expenditures had been made prior to the introduction of restrictions on materials. Factories and office buildings also were off sharply. Amusement places were off about 25 percent from last year's level which was already low because of direct prohibitions by the National Production Authority. In contrast, the volume of public buildings increased 50 percent, and school construction continued in large volume—just slightly ahead of 1951.

THE CHANGING PATTERN OF TWELFTH DISTRICT FARMING[1]

Of all the Twelfth District states, Arizona has the largest total acreage in farms and ranches; Utah has the lowest percentage of tenant-operated farms; in Oregon one-third of the total land area is in farms while in Nevada only 10 percent is in farms; in California more than half the total number of farms are under 30 acres in size; and in Idaho a greater proportion of farms use hired labor than in any other Twelfth District state. These are some of the facts recently revealed by the 1950 Census of Agriculture, and there are hundreds more. For each county in each of the states or territories one can find such diverse information as the number of farms that have home freezers or electric washing machines, whether or not the farm is located on a dirt or hard surfaced road, how many farms irrigate with sprinklers, the total amount spent by the county's farmers on tractor repairs, and the number of sheep shorn or cattle butchered. All this is in addition to the usual information on the number of farms, land use, number and value of farm products sold, and classifications of farms by type of products raised, by size, by tenure of operator, and by value of products sold.

A census of agriculture is taken every ten years in conjunction with the census of population, the first having been taken with the 1840 Census. Beginning in 1925 mid-decennial censuses of agriculture were taken so that data are now recorded for each fifth year beginning with 1920. Improvements, revisions, and additions have been made from census to census, but these changes have not destroyed the usefulness of the data in describing the broad changes in the structure of American agriculture. The 1950 Census is of particular interest since that date marked the close of a significant decade for the nation's farmers. From 1940 to 1950, and more particularly from 1945 to 1950, relatively full employment and prosperity existed, mechanization was speeded because of labor shortages, our agricultural plant was called upon for maximum production, and record high farm incomes permitted debt reduction, expansion, and purchase of new farms as well as new equipment and facilities.

[1] A second article dealing with the present day structure of Twelfth District agriculture will appear in the July *Monthly Review*.

Structure of agriculture differs in District

The seven western states have long been one of the major farming regions of the United States. Last year almost one-fourth of the agricultural output of the nation and 14 percent of the cash farm receipts originated in these states. In spite of the fact that almost every major agricultural commodity is raised in the Twelfth District, the structure of our agricultural industry is different from most other farming regions of the country. In addition to range and pasture and dry land farming areas, which are common to many other areas in the country, the District has a much greater number of irrigated sections. Because of the historical pattern of development, the natural resources available, and the types of crops grown, the size and ownership of farms differ in the District from most other areas.

The Twelfth District has kept ahead of the rest of the nation in many respects in the over-all progress and development of agriculture. The present day structure, which forms the base from which further progress will be made, is extremely important to this District for two reasons. First, a sound condition in agriculture is vital to a prosperous economy in the District because it is one of the major industries of each of the seven western states. Secondly, and perhaps more important, the rapidly increasing population in the West will make more and more demands on our western agricultural plant. A

balanced and healthy farming industry will be necessary to meet these increased demands for food and fiber.

Agricultural expansion from 1920 to 1950

The period from 1920 to 1950 was one of dynamic changes in agricultural production and of pronounced readjustments in the utilization of the nation's land resources. About 1920 agriculture was at the crossroads between the old and the new. Prior to that date the expansion of agricultural production and the character of the country's farming were primarily influenced by the extension of the physical frontier. By the beginning of World War I, however, new land was no longer readily available. As a result, agricultural expansion during the last 30 years represented an extension within the new technological frontier.

The total land area devoted to farming in the United States changed little from 1920 to 1950. Except in the West there have been no major irrigation projects and no new land available. The total number of farms in the United States, however, has shown a definite downward trend since 1920 except during the early depression years when the back-to-the-farm movement temporarily reversed this trend. Principal reasons for the reduction from 6.4 to 5.4 million farms have been the movement of population to cities and the scarcity of labor, consolidation of farms because of drought, depression, mechanization, abandonment of low-grade farms, and the extension of cities. With land in farms remaining relatively constant and numbers decreasing, the average size of farm in the country as a whole has increased since 1920 from 148 to 211 acres.

District farm land has increased

Changes in the number and acreage of farms in the Twelfth District over the last 30 years have not followed the same pattern as that for the country as a whole. Agricultural development in the West lagged behind that in other parts of the nation because the western states were the last to become settled. In addition, there has been some new land available and several major irrigation projects have been developed. As a result, land area in farms in the seven western states has steadily increased since 1920. Though the Census figures report that land in farms in the Twelfth District almost doubled from 1920 to 1950, the actual increase in land used for agricultural operations has not been so great. Of the 67.4 million acre total increase, 4.5 million was added cropland, developed primarily as a result of irrigation projects. Most of the balance of the increase was in land pastured, and it is in these figures that the false impression as to the increase in farm land is created. This results from the Census definition of grazing land to be included in land in farms.[1] A change in the 1945 enumeration method for Indian reservations also tended to overstate actual increases in land in farms in Arizona and Utah.[2]

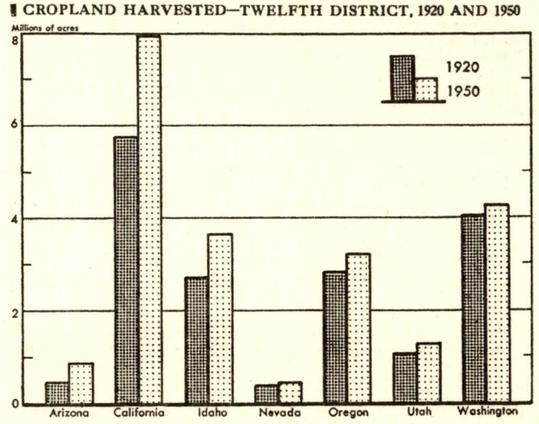
It is hard to estimate the percentage of the increase in Twelfth District land in farms that is accounted for by these two factors. The 4.5 million acre increase in cropland is undoubtedly accurate, and some portion of the increase in land pastured probably represents actual new range land brought into use. But the increases in total farming land from 1920 to 1950 as shown by the Census for each Twelfth District state do overstate actual additions to a considerable extent.

Numbers of farms decreasing

Counter to the United States trend, the number of farms in the Twelfth District increased from 1920-1935. The influences which caused reductions in numbers in other parts of the United States—scarcity of labor, consolidation, extension of cities, and abandonment of marginal farms—were not present in the western states. Some of the increase may have been caused by the bringing of new land into production as indicated by the increase in land in farms during this period. Much of it, however, was probably the result of the breaking up of large holdings into smaller farming units. In the settlement of the West the family size farms did not predominate and original holdings were larger than in most other parts of the country. Shifts to more intensive crops, development of irrigation, and the relatively low level of farm prices resulted in reductions in farm size and a consequent increase in numbers.

After 1935 the number of Twelfth District farms began decreasing as more prosperous times and increasing mechanization made larger units easier to obtain and more efficient and profitable to operate. By 1950 numbers of farms in Idaho, Nevada, and Utah had dropped below their 1920 levels, and numbers in Arizona and Washington were only moderately above. In spite of decreases since 1935, California and Oregon still had almost one-fifth more farming units than thirty years previously.

CROPLAND HARVESTED—TWELFTH DISTRICT, 1920 AND 1950



LAND IN FARMS—TWELFTH DISTRICT AND UNITED STATES
Selected Census Dates
(in thousands of acres)

	1920	1930	1940	1950
Arizona	5,802	10,527	25,651	39,916
California	29,366	30,443	30,524	36,613
Idaho	8,376	9,347	10,298	13,224
Nevada	2,357	4,081	3,785	7,064
Oregon	13,542	16,549	17,988	20,328
Utah	5,050	5,613	7,302	10,641
Washington	13,245	13,534	15,182	17,369
Twelfth District	77,738	90,094	110,730	145,155
United States	955,884	986,771	1,060,852	1,133,418

Source: United States Department of Commerce, Bureau of the Census.

[1] According to the Census definition, grazing or pasture land neither owned nor leased is not included as land in farms. Thus, vast acreages of our National Forests, Taylor Grazing land, state-owned lands, and some railroad and privately owned land were not included in earlier years because they were operated as open range or on a permit basis. In recent years, however, particularly since 1935, more and more of this range land has been leased to ranchers and thus included as land in farms. The Bureau of the Census estimates that most of the increase in land pastured is represented by this shift from open range arrangements to leases and does not indicate increases in the size of farming operations. Nearly all the increase occurred in farms of 10,000 acres or more. This situation applies particularly to the states of Arizona, Nevada, and Utah where most of this range land exists.

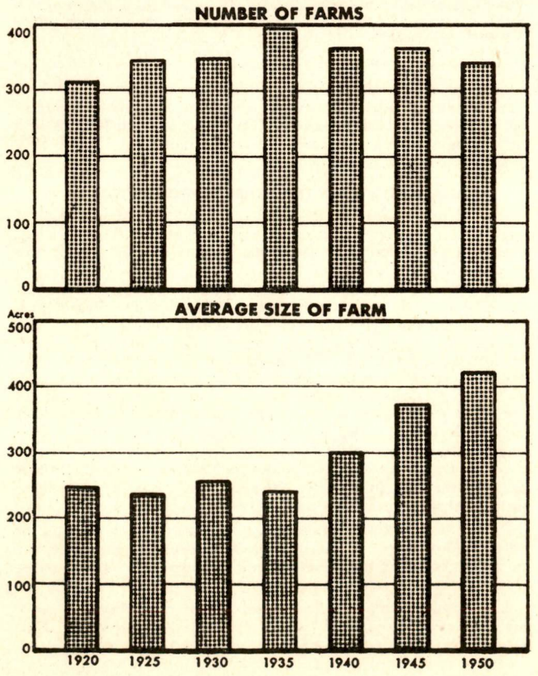
[2] Beginning in 1945, schedules were made for cooperative groups instead of for individuals. As a result, land in farms registered an increase since grazing land which may have been overlooked when returns were taken on an individual basis was now more apt to be reported.

NUMBERS OF FARMS—TWELFTH DISTRICT AND UNITED STATES
Selected Census Dates

	1920	1930	1940	1950
Arizona	9,975	14,173	18,468	10,412
California	117,670	135,676	132,658	137,168
Idaho	42,106	41,674	43,663	40,284
Nevada	3,163	3,442	3,573	3,110
Oregon	50,206	55,153	61,829	59,827
Utah	25,662	27,159	25,411	24,176
Washington	66,288	70,904	81,686	69,820
Twelfth District	315,070	348,181	367,288	344,797
United States	6,448,343	6,288,648	6,096,799	5,382,162

Source: United States Department of Commerce, Bureau of the Census.

NUMBER AND SIZE OF FARMS—TWELFTH DISTRICT
Census Years, 1920-1950



Farms getting bigger

The average size of farming units in any area depends primarily upon the type of farming enterprise, the extent of irrigation developments, and the degree of mechanization. Farms average the smallest in size where fruit and truck crops predominate and the largest in strictly grazing areas. The bringing of previously non-irrigated land under irrigation tends to decrease the size of the farming unit. With irrigation, farming becomes more intensive and crops with higher unit value can be raised, allowing a farmer to earn the same income from a smaller acreage. In addition, the increased value of irrigated land makes necessary a larger capital investment on the part of a buyer if the land is sold and thus tends to decrease the size of farming units in irrigated areas. Depression and mechanization, on the other hand, work toward a consolidation of farms into larger operating units. During the early years of a depression, from 1930 to 1935 for example, the average farm size decreases slightly as urban workers move back to the country on small acreages. After a few years, however, consolidations begin as the financially sound farmers buy the farms of those who can hang on no longer. Mechanization increases farm size because farmers find they can handle larger units with less labor; in addition, many of the new machines are not economical to operate on small acreages.

Of Twelfth District states, the range states of Arizona and Nevada have the largest average farm size and have shown the greatest increase in size over the last 30 years. Though a part of their phenomenal increases in average size (from 582 to 3,834 acres in Arizona and from 745 to 2,271 in Nevada) represents actual increases in size of operations, much of it, as previously mentioned, is accounted for by leased grazing land which was formerly not reported when used under permit or as open range. Farms in Washington, Oregon, and California, where crops predominate, have shown the smallest increases in average size since 1920. In California, with its large numbers of fruit and vegetable farms, average size did not increase appreciably from 1920 to 1945. After 1945 the

AVERAGE SIZE OF FARM—TWELFTH DISTRICT AND UNITED STATES
Selected Census Dates
(in acres)

	1920	1930	1940	1950
Arizona	582	743	1,389	3,834
California	250	224	230	267
Idaho	199	224	236	328
Nevada	745	1,186	1,059	2,271
Oregon	270	300	291	340
Utah	197	207	287	440
Washington	200	191	186	249
Twelfth District	247	259	302	421
United States	148	157	174	210

Source: United States Department of Commerce, Bureau of the Census.

NG Joe R. Mocheral, 'The Family Farm & the 3 Traditions' J FE Nov. '51.

Stresses: hard to define family farm.

The traditions: Efficiency
Agrarian non-mon.
Family

Imperfectly reconcilable. Stresses efficiency vs agrarianism fight.
(Good. It exists. I reconcile)

anti-160a:

Eff. vs reform.

p. 521

140-'45, Δ in farms over 1000 a. was 'almost solely' to 'revised methods of enum.', & was in west. So? Probly a rationalizer. Most sections, small gains in size, NE a less.

Ohio & Ill, farms smaller in 1945 than 1860. (how does he know, 1st census of agr. in 1880!)

F.R. article analysis shows Δ mainly from other causes, not mainly in W.