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TAX DELINQUENCY
Prepared by H. F. Hollands

Tax delinquencies on rural real estate differ in amount and also in permanency as is shown by a study made the past winter by the Division of Agricultural Economics in cooperation with the United States Department of Agriculture and the Federal Civil Works Administration.

Data on tax delinquency, tax sales, mortgage foreclosures, and land transfers were obtained in nineteen counties on all pieces of rural real estate of three or more acres which had been tax delinquent at any time for the tax levies of the five years, 1928-1932.

Table 1 gives the percentage of delinquency for each of the counties studied for each of the five years, and the average percentage delinquency for each of the districts into which the counties have been grouped. In addition, the district averages for each year have been expressed as relatives, with the district average for 1928 considered as 100. The grouping of counties is based on the similarity of natural conditions and of prevailing types of agricultural production.

The data in the table indicate a wide range of delinquency in each district for any given year. To illustrate, the percentage of delinquency in the southeastern district in 1928 varied from 1.0 per cent in Winona County to 11.1 per cent in Mower County.

Figure 1 has been prepared in order to show more clearly the amounts and permanency of the delinquency in each district, and to facilitate comparisons among districts. The percentage of delinquency for each district was plotted for each of the five years. Attention is directed to the fact that the percentage of delinquency in 1932 was much higher than in 1928 in all districts. For instance, in the southeastern district, the percentage of delinquency in 1928 and in 1932 were 5.6 and 19.1 respectively. The percentage in 1932 was 3.42 times higher than that for 1928. In the northeastern district, or cut-over region, the delinquency increased from 32.9 to 50.9 per cent during the five years, with the 1932 delinquency being 1.55 times higher than the 1928 figure.

The relative positions of the lines representing the different districts should be noted, since they indicate the permanency of tax delinquency. Even for the 1928 levy, when general conditions were much more favorable than they were for the 1932 levy, the delinquency in the two northern districts was very high compared with the other two districts. The delinquencies in these northern districts for the 1932 levy were 2.21 and 2.66 times the delinquency in the southeastern district, altho the latter district showed the greater per-

centage increase from 1928 to 1932. In fact, the delinquency in the southeastern district for the 1932 levy was considerably less than that in the northeastern for the 1928 levy.

Table 1 also gives the percentage of taxable rural land area for the counties included that was delinquent in each of the five years. The facts previously stressed are again emphasized, particularly the permanent nature of the delinquency problem in the northeastern district, where 48.2 per cent of the taxable land area in the counties studied was delinquent for the 1928 levy, and 63.3 per cent for the 1932 levy.

These data show that the proportion of delinquent taxes increased greatly during the depression years from 1929 to 1931, and leveled out somewhat in 1932. The delinquency problem is most serious in the northeastern part of the state, where the proportion of delinquencies is the highest. This area showed extensive delinquencies prior to 1929, indicating that the problem there is not due primarily to the acute depression, but to something of a more permanent nature. The problem in this area is largely one of land use.
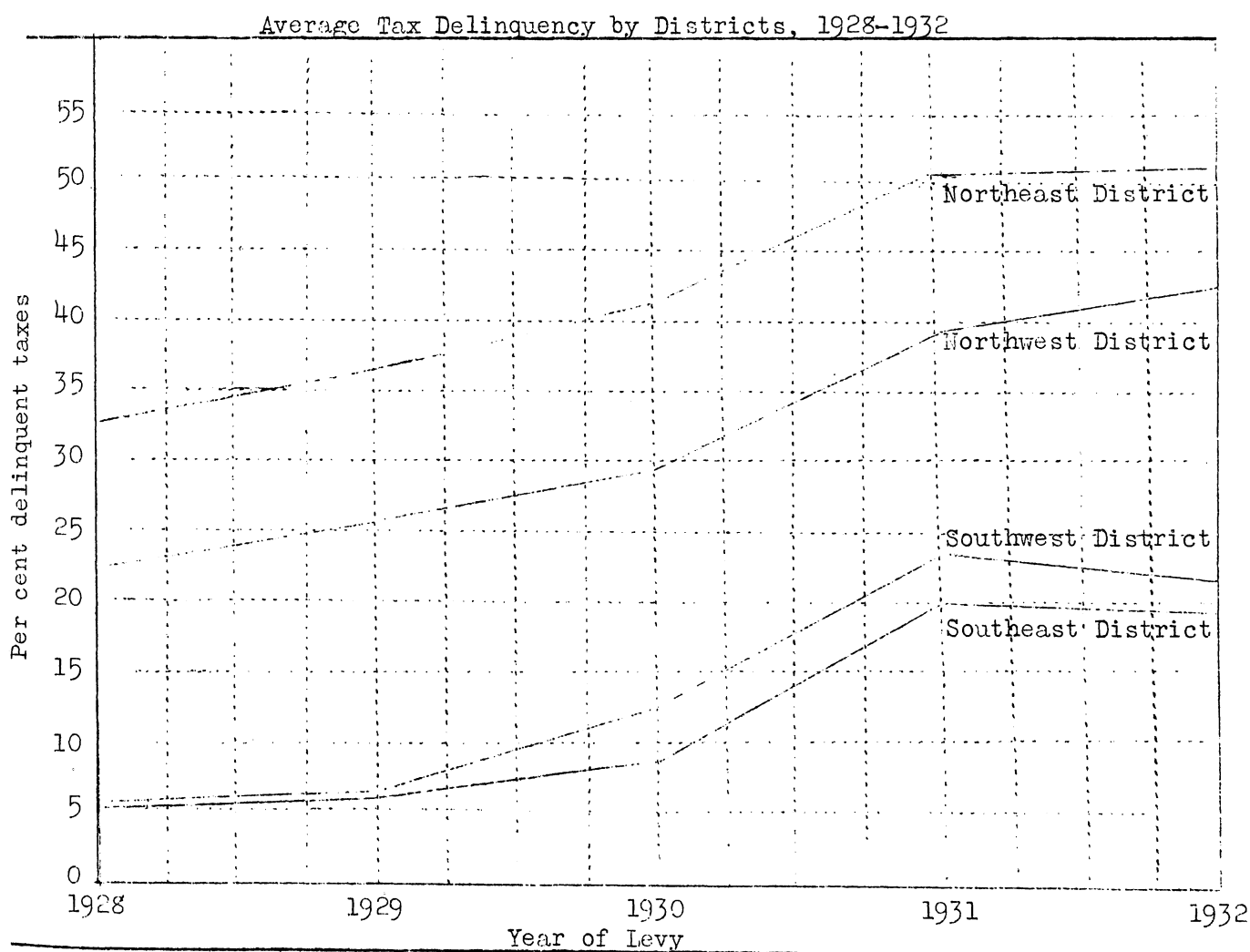
Figure 1

Average Tax Delinquency by Districts, 1928-1932

Table 1

	Per cent of Rural Real Estate Taxes Delinquent, 1928-1932*					:	Per cent of Rural Tax Paying Land Area Tax Delinquent, 1928-1932				
	1928	1929	1930	1931	1932	:	1928	1929	1930	1931	1932
Southeast District:						:					
Meeker	4.2	3.0	6.3	21.3	14.6	:	4.4	2.9	6.3	21.5	13.4
Morrison	8.7	10.7	13.7	25.6	26.9	:	13.0	15.6	19.1	30.8	32.1
Mower	11.1	19.3	16.0	27.1	26.3	:	10.8	11.8	15.4	27.3	27.0
Sherburne	8.9	9.2	14.1	34.2	36.1	:	9.7	10.5	14.5	33.4	34.6
Steele	2.0	2.4	3.2	7.6	5.9	:	2.2	2.5	3.4	8.1	6.2
Washington	1.9	2.9	4.7	14.4	16.8	:	2.4	3.5	6.1	15.3	17.6
Winona	1.0	.9	2.7	10.6	10.3	:	1.5	1.5	3.5	10.8	11.4
District average	5.6	6.1	8.8	19.9	19.1	:	7.4	8.2	11.2	22.6	22.0
Relatives (1928 = 100)	100	109	156	356	342	:	100	111	152	306	298
Southwest District:						:					
Brown	2.1	1.9	5.3	6.0	9.7	:	1.9	1.9	5.3	5.9	9.4
Lac qui Parle	15.1	15.4	27.5	45.2	43.2	:	14.9	35.9	27.5	44.7	43.2
Lyon	3.8	5.8	13.1	23.1	15.2	:	3.9	5.7	12.3	22.9	14.9
Rock	.4	.3	2.7	13.8	14.8	:	.5	.3	2.4	12.6	14.5
District average	5.7	6.2	12.8	23.2	21.3	:	6.1	12.9	13.4	23.5	22.0
Relatives (1928 = 100)	100	109	225	406	373	:	100	211	219	386	361
Northwest District:						:					
Clay	32.9	34.2	37.9	49.2	51.0	:	31.8	34.2	36.2	46.4	48.6
Ottertail	11.4	15.1	20.6	28.8	32.5	:	13.1	17.2	22.7	30.5	34.7
Polk	29.5	33.0	36.5	45.4	49.7	:	30.0	43.6	47.4	55.0	58.1
Stevens	16.1	18.9	20.8	35.8	33.4	:	16.0	17.8	20.6	35.2	32.2
District average	22.4	25.5	29.3	39.2	42.2	:	22.9	26.3	30.2	36.3	41.8
Relatives (1928 = 100)	100	114	131	175	188	:	100	115	132	159	182
Northeast District:						:					
Itasca	27.4	28.7	36.5	41.5	36.0	:	46.3	51.4	60.6	68.6	67.8
Lake	31.4	35.5	33.1	46.2	40.4	:	48.5	51.4	57.5	60.3	55.1
Lake of the Woods	58.3	60.6	65.5	69.9	81.5	:	52.6	54.9	58.7	62.5	62.4
Pine	31.9	38.0	42.4	56.7	60.1	:	37.3	44.2	49.3	61.9	64.3
District average	32.9	36.5	41.2	50.3	50.9	:	48.2	52.7	57.2	64.1	63.3
Relatives (1928 = 100)	100	111	125	153	155	:	100	109	119	133	131

*Date refers to year of levy. To illustrate, for the 1928 levy in Meeker County, 4.2 per cent of the taxes became wholly or partially delinquent at some later date.

MINNESOTA FARM PRICES FOR JUNE 1934
Prepared by Adena E. Terras

The index number of Minnesota farm prices for the month of June 1934 was 56.1. When the average of farm prices of the three Junes 1924-25-26 is represented by 100, the indexes for June of each year from 1924 to date are as follows:

June 1924 - 84.2		June 1930 - 90.3
" 1925 - 108.1		" 1931 - 57.6
" 1926 - 109.5		" 1932 - 39.0
" 1927 - 99.8		" 1933 - 47.7*
" 1928 - 109.7		" 1934 - 56.1*
" 1929 - 108.6		*Preliminary

The price index of 56.1 for the past month is the net result of increases and decreases in the prices of farm products in June 1934 over the average of June 1924-25-26 weighted according to their relative importance.

Average Farm Prices Used in Computing the Minnesota Farm Price Index, June 15, 1934, with Comparisons*

	June 15, 1934	May 15, 1934	June 15, 1933	Av. June 1924-25-26	% June 15, 1934 is of May 15, 1934	% June 15, 1934 is of June 15, 1933	% June 15, 1934 is of June 15, 1924-25-26
Wheat	$.87	$.74	$.60	$1.36	118	145	64
Corn	.47	.36	.28	.69	131	168	68
Oats	.37	.27	.20	.39	137	185	95
Barley	.62	.48	.29	.59	129	214	105
Rye	.56	.47	.46	.74	119	122	76
Flax	1.72	1.67	1.41	2.31	103	122	74
Potatoes	.50	.50	.29	.84	100	172	60
Hogs	3.45	3.00	3.90	9.87	115	88	35
Cattle	3.85	3.95	4.00	6.26	97	96	62
Calves	4.60	4.80	4.45	8.44	96	103	55
Lambs-sheep	6.39	7.05	5.32	11.28	91	120	57
Chickens	.089	.092	.078	.180	97	114	49
Eggs	.11	.12	.08	.24	92	138	46
Butterfat	.24	.24	.21	.40	100	114	60
Hay	11.32	9.18	5.88	11.57	123	192	98
Milk	1.36	1.27	1.00	1.98	107	136	69

*Except for milk, these are the average prices for Minnesota as reported by the United States Department of Agriculture.

Indexes and Ratios of Minnesota Agriculture*

	June 1934	May 1934	June 1933	Av. June 1924-26
U.S. farm price index	55.4	53.2	46.0	100.0
Minnesota farm price index	56.1	53.1	47.7	100.0
U.S. purchasing power of farm products	69.5	67.2	68.4	100.0
Minnesota purchasing power of farm products	70.4	67.1	71.2	100.0
U.S. hog-corn ratio	6.3	6.5	9.9	12.2
Minnesota hog-corn ratio	7.3	8.3	13.9	14.5
Minnesota egg-grain ratio	9.5	12.9	11.0	14.5
Minnesota butterfat-farm-grain ratio	21.6	28.8	35.5	33.2

*Explanations of the computation of these data are given in Farm Business Notes No. 126.