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THE FARM REAL ESTATE SITUATION, 1931-32

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CONTENTS

	Page		Page
The situation in general.....	1	Farm real estate values—Continued.	
Farm real estate values.....	5	Census reports facilitate cross-section study	
Values continue adjustment to lower price level.....	5	of values.....	31
Income from agriculture during 1931 back nearly to pre-war level.....	11	Changes in farm ownership.....	36
Values in North Central States drop sharply.....	21	Forced transactions increase, voluntary selling declines.....	36
Declines in Southern States continue.....	24	Total farmer bankruptcies decrease, but higher in some States.....	44
Mountain and Pacific States report severe declines.....	27	Proportion of sales to nonfarmers increases.....	46
Smallest declines reported from North Atlantic States.....	29	Farm-mortgage credit.....	48
		Farm real estate taxes.....	49
		Decreased farm real estate tax per acre indicated.....	49

THE SITUATION IN GENERAL

Significant among the developments in the farm real estate situation during the year 1931-32¹ have been the greatest declines in values since 1921-22, a further substantial increase in the number of distress sales, a continued decrease in the number of voluntary sales, a continuation of the movement to farms on the part of unemployed, and further extension of a policy of leniency toward foreclosing on the part of loaning agencies. These developments are associated with the continued decline in the price level which has accompanied the depression, and which has reduced gross income from agricultural production to very near the pre-war level. Fixed charges based upon previous valuations have augmented the depressing effects of reduced income.

Price weaknesses in farm products for the most part continued the trends of the preceding year. Prices of virtually all major farm products declined further. In March, 1932, the bureau index of grain prices was 49 per cent below the 1910-1914 average; prices of meat animals were 31 per cent below; and prices of cotton and cottonseed were 50 per cent below. Prices of dairy products, poultry products, and fruits and vegetables had reached positions of 24, 39, and 27 per cent, respectively, below those of 1910-1914. Prices of commodities farmers buy declined less, and in March, 1932, the index of prices of commodities used in production stood at 12 per cent above those of 1910-1914, and the index for commodities used for

¹The real estate "year" ordinarily covers roughly a 12-month period ending about Mar. 1. Possession of farms by lease or sale is commonly given at that time, and occupancy usually is considered to begin on that date. Unless otherwise stated, therefore, the term "1931-32" denotes the 12-month period ended on or about Mar. 1, 1932. Most of the real estate data here used pertain to that period. Other data are available for the calendar year only. The term "1931" denotes the calendar year ended Dec. 31, 1931.

consumption was 15 per cent above. As a result, the ratio of prices received by farmers to prices paid by them had declined to 54 per cent, as compared with a pre-war parity of 100 per cent. The disparity in the rates of decline of these two sets of prices, together with the lower price level generally, has brought acute financial strain upon a great number of farmers. The increased quantity of physical produce required to liquidate taxes, interest, and principal of indebtedness has been entirely disproportionate to the general decline in prices.

Gross income from farm production in 1931 declined 26 per cent from the previous year to \$6,955,000,000—practically the same as that for 1913, and \$2,000,000 lower than the low point of the 1920-21 depression. Data are not available on operating costs, wages, and taxes in 1931, but it would be surprising if they have not declined less, relatively, than has income. The net operating results on owner-operated farms reported by correspondents declined from an average of \$538 for 1930, to \$154 for 1931. As a result of the drastic cuts in income, the proportion of gross income required for interest and taxes had risen to 18.8 per cent—nearly two and a half times the average proportion during 1910-1914.

For the United States as a whole, the index² of estimated value per acre of farm real estate,³ based on reports from crop correspondents⁴ of the Bureau of Agricultural Economics, declined 17 points during 1931-32, from 106 to 89 per cent of the 1912-1914 average. (One point on the index equals 1 per cent of the average value per acre for the three pre-war years 1912, 1913, and 1914.) The United States average value per acre of farm land and buildings as measured by the bureau index is lower than at any other time in the available record, which began in 1912. The 1931-32 drop of 17 points is in contrast to declines of 9 points in 1930-31; 1 point in each of the years 1929-30 and 1928-29; 2 points during 1927-28; and 5 points during 1926-27. It lacks only 1 point of being as great as the decline of 18 points in 1921-22.

Calculated as a percentage of the values in the preceding year, rather than as a percentage of the pre-war base, the decline in values averaged approximately 16 per cent, in comparison with 8 per cent in 1930-31 and 1920-21, and 11 per cent in 1921-22.

The continued downward trend during 1931 and early 1932 brought the United States average value per acre to a point 11 per cent lower than the pre-war base. In 33 States, the index of values is now below the pre-war average, 18 States having been added to the list during the year just passed.

Land turnover, or changes in farm ownership, for the country as a whole, showed a pronounced increase during 1931-32 in the volume of all forced sales and related losses of title through financial default. The weighted average rate for all classes of such

² Preliminary State estimates of changes in values are published annually in the May issue of *Crops and Markets*.

³ The term "real estate" as used throughout this circular includes the land and buildings and other permanent improvements.

⁴ In view of the small number of bona fide sales occurring in many sections of the country during recent years, a possible bias toward holding prices may exist in the estimates of value obtained in this survey. Correspondents continue frequently to mention that voluntary sales are too few to establish much of a price base. Even though the estimates may thus require confirmation by subsequent actual voluntary sales, their trend should be significant. Estimates would seem to be prerequisite to the bids and offers out of which sale prices are made.

transactions for the country as a whole was 41.7 per 1,000 (that is, out of each 1,000 farms an average of 41.7 farms went through foreclosure, tax sale, sale in bankruptcy, or other such loss of title). This rate represented an increase from the 26.1 reported for 1930-31 to the highest point in the bureau's record, which began with the 12-month period ended March 15, 1926. The corresponding national average for 1928-29 was 19.5 farms per 1,000; for 1927-28, 22.8; for 1926-27, 23.3; and for 1925-26, 21.6. Excluding the tax-sale classification, the types of involuntary transfer (principally deeding back and mortgage foreclosures) increased during 1931-32 to 28.4 farms per 1,000 from the 18.7 indicated for the previous year. Plantations and ranches are considered as farms in these computations. In neither tax sales nor other types of forced sales are all the transfers of ownership indicated by these figures necessarily irrevocable. The laws governing such procedure in the various States customarily provide a period of redemption, during which, under certain conditions, the former owner may redeem his property. In many cases of mortgage foreclosure, the former owner probably remains on the farm as a renter, or may even enter into an agreement for the repurchase of the place. In certain cases of tax sales, also, the former owners apparently have been allowed to remain.

Voluntary sales have again declined, the national average having fallen from 19 to 16.2 farms per 1,000. Those who are not pressed to sell are not, of course, generally disposed to offer their farms at present prices.

Measured in terms of last year's levels, the declines in average value per acre for the various geographical divisions were remarkably uniform. The East North Central and West North Central States averaged a 16 per cent drop. Every State in these sections reported average values below pre-war values. Declines for individual States ranged from 12 per cent in Wisconsin to 18 per cent in Illinois, and from 14 per cent in Kansas and North Dakota, to 19 per cent in South Dakota, and to 18 per cent in Iowa. The number of voluntary sales dropped from 18.6 to 16.8 farms per 1,000 in the East North Central and from 18.9 to 14.2 in the West North Central States. Moderate increases in sale of farms by reason of tax delinquency were reported, the rate in the former group of States having risen from 4.7 to 6.5 farms per 1,000 and in the latter from 5.5 to 8.7 per 1,000. Transfers as a result of mortgage foreclosures, bankruptcy, deeding back, and related defaults rose from an average of 19.3 to 27.8 farms per 1,000 in the East North Central States, and from 25.8 to 43.8 in the West North Central. These rates are not surprising when it is considered that in the North Central States the value declines of the last few years have been of sufficient magnitude (aside from reduction of principal by payments) to seriously jeopardize owners' equities in the case of perhaps one-sixth of the farms on which there was a mortgage in 1928. A difference in the proportion of farms mortgaged accounts in part for the difference in foreclosure rates in these two sections, the West North Central group reporting the higher proportion of mortgaged farms.

Throughout the South the declines in value last year were large. The decline in value in the South Atlantic and East South Central States averaged 17 per cent from a year ago, and in the West South Central averaged 20 per cent. Declines for individual States ranged

from 11 per cent in Delaware to 22 per cent in Georgia, from 16 per cent in Kentucky and Tennessee to 21 per cent in Alabama, and from 12 per cent in Arkansas to 21 per cent in Texas. Although the relative declines of the last two years in these sections are on the whole comparable with those of the North Central States, the levels reached in 1932 are in general higher with respect to pre-war values. In only 10 out of the 16 States in these groups is the index of value lower than in 1912-1914. The group index for the South Central States is only 3 per cent below the pre-war average, and that for the South Atlantic States is 4 per cent lower than the pre-war average.

The voluntary-sale rate declined in each section, reaching 12.3 per 1,000 farms in the South Atlantic States, 17.2 in the East South Central, and 15.4 in the West South Central States. Tax sales increased greatly, reaching 21, 26, and 13.2 farms per 1,000, respectively, in these districts; and forced sales other than tax sales also increased, reaching rates of 26.1, 24.6, and 27 farms per 1,000, respectively.

The earlier strength shown by several of the Mountain and Pacific States has given way to declines of the same order as those in other States. The former group averaged an 18 per cent decline in values, the latter 16 per cent. Voluntary sales in most of the States in both regions declined, and forced sales generally increased again, reaching in many cases, but not in all, the highest points in the available record.

Values in the North Atlantic region exhibited the smallest declines, but even there some decline appears to have occurred. Voluntary sales also dropped, but the highest average rate for the country is that for New England, 24.8 farms per 1,000. The second highest average rate is in the Pacific Coast States, and the third highest was reported from the Middle Atlantic group. The North Atlantic region, however, is the only region in which, on an average, voluntary sales still exceed those of a distress nature. Values in these States are probably receiving somewhat more support from the movement back to the farm than those of any other region, owing to the close proximity to the densely populated industrial sections, a factor which makes them more accessible to those looking for farms, and in turn favors easy access to the cities again when industrial conditions improve.

The latest available statistics for farm-bankruptcy cases concluded in the courts showed a further decline. No data later than for the fiscal year ended June 30, 1931, are available, but for the 12-month period ended on that date the bankruptcy rate per 1,000 farmers declined to 0.64 from 0.71 for the preceding period. These figures compare with rates of 1.22, 1.23, and 1.22 per 1,000, respectively, for 1923-24, 1924-25, and 1925-26. The rate of 0.64 is still nearly five times the 1910-1914 average rate. All States did not share in the decline, however, and in New York, Pennsylvania, Ohio, Indiana, Delaware, and North Carolina, the number of bankruptcies involving farmers was the highest on record. It should be recognized that the time of discharge of bankruptcy cases from the courts lags considerably behind the conditions giving rise to such action; consequently the data on farmer bankruptcies can not be accepted as a strictly current indication of farm economic conditions.

Notwithstanding the reduced volume of voluntary activity, some bona fide sales on a substantial basis have been reported. The busi-

ness depression, according to dealers, is bringing considerable inquiry from city workers for small, easily accessible properties suitable for part-time farming. There is also a tendency for many, spurred by unemployment, to try to find farms. That some of these are buying is indicated by an increase in the proportion of sales made to nonlocal residents and to persons other than farmers. Nevertheless, the major part of voluntary buying, although a decreasing part, is still done by farmers. Some speculative and investment buying by nonoperators appears. Of the farms offered for sale, aside from distress deals, and farms involuntarily acquired, a large number are said to be of poor quality. The better farms, generally, are not for sale at current prices or terms.

The movement back to the farm has several aspects. Some of those leaving the city are men who left the farm during earlier years. Having experienced unemployment, they are returning to farms with the intention of making their homes. Some, being unable to buy, are disposed to rent, contributing to the distinct rental demand so frequently referred to by dealers. Another group consists of persons who have had little or no farm experience, do not realize the problems involved, or are in such straightened circumstances that little choice is left, and who, therefore, turn their attention to land that has formerly been abandoned, or to low-grade land. Comments from dealers indicate that many formerly abandoned farms have been taken up, that many of the inquiries are for small or cheap farms, and that many inquirers neither have the resources with which to buy, nor with which to operate the place if they did purchase. There has also been the comment that inexperienced persons sometimes undertake deals on terms that can not fail to bring trouble later.

The influence on value of factors other than earnings, discussed in earlier reports, continues. For example, some further increase in the ratio of current earnings to value is indicated in the Middle West. The difficulty of negotiating sales is reported to be enhanced by the general restriction of mortgage credit.

With the continued increase in volume of distress land, whether it has already been foreclosed, or whether because of delinquency it is susceptible to such action, even though the formal procedure be deferred or waived, the development of a solution to the problem of lower prices, against which is set the heavy burden of taxes and of indebtedness predicated upon a higher price level, continues as the crux of the present agricultural difficulties. It is becoming increasingly evident that legal procedure designed to protect lenders in normal times, is exceedingly cumbersome during a time when the whole process of evaluating physical wealth and the means of producing it is undergoing a radical readjustment.

A solution of this problem that will establish and preserve equitable relations between the interests of the debtor on the one hand, and the interests of the creditor on the other, challenges the ingenuity and resourcefulness of the present generation.

FARM REAL ESTATE VALUES

VALUES CONTINUE ADJUSTMENT TO LOWER PRICE LEVEL

Reflecting the continued drop in prices of farm products, farm real estate values in many sections of the country dropped to the lowest

levels in two decades. For the year ended March 1, 1932, the bureau index of estimated value per acre of farm real estate (Table 1 and fig. 1) stood at 89 per cent of the pre-war average, 17 points below the figure of 106 reported a year earlier, and 8 points below the average for 1912, the lowest level previously reported in the 20 years for which the index is available. The decline from a year ago, measured in terms of the index, lacks only 1 point of being as great as that from 1921 to 1922. Stated in another way, average values as of March 1, 1932, were 16 per cent below those of a year earlier. The decline of the past year is indicative, therefore, of the serious cumulative effects upon agriculture of the kaleidoscopic economic events of the last few years.

Striking uniformity over a large part of the agricultural sections is evident when the State figures are weighted by acreage of land in farms and averaged for the customary geographic divisions, as has been shown above.

That agriculture has not suffered alone is generally recognized, but certain comparisons are enlightening. Stock prices have fallen to a greater extent than have farm real estate values during the same period. For example⁵ the average daily closing price of 25 industrial stocks declined 51 per cent, from \$237.52 per share for March, 1931, to \$115.42 in March, 1932; an average of 25 railroad stocks declined 69 per cent from \$84.55 to \$26.14; and an average of 103 stocks dropped 60 per cent from \$40.49 to \$16.30. Even bond prices dropped sharply. An average of highest grade rails stood at 96.31 per cent of par (4 per cent bond) for March, 1931, and at 79.28 a year later, a decline of 18 per cent; an average of industrial bonds declined 30 per cent from 70.83 to 49.51; and an average of public-utility bonds registered a smaller decline—nearly 13 per cent—from 79.59 to 69.61.⁶

In comparing changes in farm real estate values with those of securities, however, it should be recalled that farm realty values have undergone deflation for more than a decade, whereas in 1929 stock prices reached peak levels. Moreover, the market for securities is highly developed and sensitive; that for farm land is highly decentralized and much less active. The result is that farm real estate prices are much more sluggish in their reaction both to favorable and to unfavorable factors, and more time is required to effect liquidation during a period of strain. The security market is so organized as to facilitate prompt adjustment to circumstances, and to expedite liquidation when the need thereof arises. Farm land, on the other hand, is to a large extent owned by the operator, and in the great majority of cases supplies both a home and a mode of life. When adversity comes, therefore, the tendency is for the farmer owner to retain possession at almost any cost, sacrificing if necessary his standard of living, and usually relinquishing his claim to ownership only when his resources have been exhausted and dispossession has been forced through legal process.

⁵ UNITED STATES DEPARTMENT OF COMMERCE, BUREAU OF FOREIGN AND DOMESTIC COMMERCE. MONTHLY BUSINESS STATISTICS. U. S. Dept. Com., Bur. Foreign and Dom. Com. Survey of Current Business 12(5): 55. 1932.

⁶ UNITED STATES DEPARTMENT OF COMMERCE. Op. cit.

TABLE 1.—Farm real estate: Index numbers of estimated value per acre, by geographic divisions and States, 1912-1932
[1912-1914=100 per cent]

Geographic division and State	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	Net change over 1931 ² 1932
United States.....	97	100	103	103	108	117	129	140	170	157	139	135	130	127	124	119	117	116	115	105	89	-17
Geographic divisions:																						
New England:																						
Maine.....	100	102	98	96	98	110	115	124	142	132	127	120	127	124	126	124	124	122	124	123	111	-12
New Hampshire.....	97	101	102	101	98	103	111	116	129	123	126	111	109	111	113	112	112	111	111	110	102	-8
Vermont.....	101	101	98	104	115	127	133	136	150	150	145	134	130	125	126	125	123	123	123	121	112	-9
Massachusetts.....	98	100	102	98	100	110	114	119	140	134	132	131	132	134	131	131	131	131	131	130	120	-10
Rhode Island.....	100	101	100	102	106	112	118	123	130	130	127	124	126	128	130	133	134	134	134	133	126	-7
Connecticut.....	98	100	102	100	102	110	116	121	137	134	140	137	140	137	137	138	139	139	140	140	133	-7
Middle Atlantic:																						
New York.....	98	100	102	100	103	109	115	118	133	123	116	115	112	111	109	108	106	105	103	96	92	-4
New Jersey.....	98	100	102	100	102	111	115	119	130	130	121	115	120	124	129	128	127	127	125	123	118	-5
Pennsylvania.....	98	100	102	100	103	114	119	124	140	131	120	118	116	114	114	112	111	110	107	101	96	-5
East North Central:																						
Ohio.....	98	100	102	107	113	119	131	135	159	134	124	122	118	110	105	99	96	94	90	82	70	-12
Indiana.....	97	100	103	102	110	116	128	135	161	148	120	116	108	102	95	87	84	85	80	72	60	-12
Illinois.....	97	100	103	102	105	111	119	130	160	153	126	133	116	115	109	99	96	95	91	80	66	-14
Michigan.....	98	99	103	105	111	120	134	137	154	152	148	145	138	133	129	127	125	124	121	115	97	-13
Wisconsin.....	97	100	103	104	117	124	133	143	171	168	154	147	139	130	125	122	120	119	117	104	91	-13
West North Central:																						
Minnesota.....	95	100	105	107	122	138	155	167	213	212	187	177	170	159	155	145	140	138	133	116	98	-18
Iowa.....	96	99	104	112	128	134	145	160	213	197	162	156	143	136	130	121	117	116	113	98	80	-18
Missouri.....	97	100	103	102	108	115	125	137	167	156	133	127	117	112	104	99	96	95	92	79	67	-12
North Dakota.....	97	100	103	103	112	118	124	130	145	141	136	128	114	109	105	100	99	98	95	85	73	-12
South Dakota.....	96	101	103	101	108	116	126	145	181	173	146	126	117	115	107	97	96	95	93	83	67	-16
Nebraska.....	98	100	102	101	104	110	127	145	179	166	144	139	128	123	123	119	117	116	113	106	90	-16
Kansas.....	101	99	99	103	109	115	122	132	151	149	130	127	118	115	113	113	113	113	113	103	89	-14

¹ All farm land with improvements as of Mar. 1. Owing to rounding of figures, 1912-1914 will not always exact 100 per cent.

² Minus (-) denotes decrease, plus (+) denotes increase.

TABLE 1.—Farm real estate: Index numbers of estimated value per acre, by geographic divisions and States, 1912-1932—Continued

[1912-1914=100 per cent]

Geographic division and State	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	Net change 1932 over 1931
South Atlantic:																						
Delaware.....	100	101	99	100	105	115	124	129	139	129	119	119	107	112	114	111	111	111	111	107	95	-12
Maryland.....	97	100	103	104	109	118	129	136	166	146	141	136	133	131	130	125	124	123	123	120	106	-14
Virginia.....	97	100	103	97	117	125	142	167	189	180	157	162	154	154	138	137	136	134	117	99	118	-18
West Virginia.....	97	99	103	101	104	112	133	154	223	141	125	125	120	120	116	110	109	108	105	98	81	-17
North Carolina.....	97	99	104	102	114	130	152	176	223	196	165	165	162	187	185	178	172	165	158	135	114	-21
South Carolina.....	101	98	101	94	98	107	122	162	230	186	126	128	136	138	128	113	110	110	104	90	73	-17
Georgia.....	98	101	101	94	105	116	131	172	217	172	136	123	123	116	112	104	102	101	100	90	70	-20
Florida.....	96	99	105	97	103	109	126	143	178	176	157	155	163	172	223	183	176	174	166	141	141	-25
East South Central:																						
Kentucky.....	97	100	103	100	111	127	146	170	200	172	151	147	141	140	139	134	130	129	127	115	97	-18
Tennessee.....	96	100	104	100	110	121	145	168	200	169	154	158	148	137	134	130	127	125	123	114	96	-18
Alabama.....	98	98	103	98	98	103	128	143	177	147	135	143	144	154	154	145	145	143	143	129	102	-27
Mississippi.....	97	102	102	97	111	121	131	155	218	150	148	143	134	136	134	126	123	122	122	112	92	-20
West South Central:																						
Arkansas.....	98	101	101	95	109	129	149	169	222	186	174	170	160	160	153	150	147	145	141	118	104	-14
Louisiana.....	99	102	99	95	106	112	143	157	198	163	140	144	137	141	143	135	132	132	132	121	103	-18
Oklahoma.....	98	101	101	95	104	114	130	140	166	160	139	133	125	131	130	128	127	127	127	116	94	-22
Texas.....	95	100	105	103	103	115	133	141	174	156	133	128	137	146	146	141	139	138	138	122	96	-26
Mountain:																						
Montana.....	97	100	103	100	94	100	106	114	126	105	96	87	81	75	72	70	71	72	70	58	58	-12
Idaho.....	100	101	99	96	99	114	130	146	172	162	136	133	130	123	119	117	116	116	114	106	96	-18
Wyoming.....	97	103	100	103	94	97	121	147	176	146	134	121	112	100	95	94	95	96	98	95	77	-18
Colorado.....	98	103	98	93	102	107	110	118	141	132	123	113	98	92	89	82	82	83	81	65	65	-16
New Mexico.....	100	104	96	100	96	111	118	127	144	125	115	110	110	108	100	108	108	109	110	109	89	-20
Arizona.....	95	100	105	97	95	105	125	140	165	148	135	124	128	121	125	123	122	123	123	123	104	-19
Utah.....	100	102	98	98	104	117	122	144	167	137	133	133	131	130	129	128	127	127	126	122	98	-24
Nevada.....	96	100	103	102	99	96	103	117	135	123	119	112	108	102	99	99	99	99	99	97	78	-19
Pacific:																						
Washington.....	98	100	103	100	102	112	118	122	140	132	124	117	115	113	112	111	110	110	110	108	91	-17
Oregon.....	97	100	103	99	100	100	112	118	130	130	122	115	113	110	107	106	106	106	107	106	88	-18
California.....	93	99	108	111	116	130	136	142	167	168	166	165	164	164	163	162	161	160	160	158	133	-25

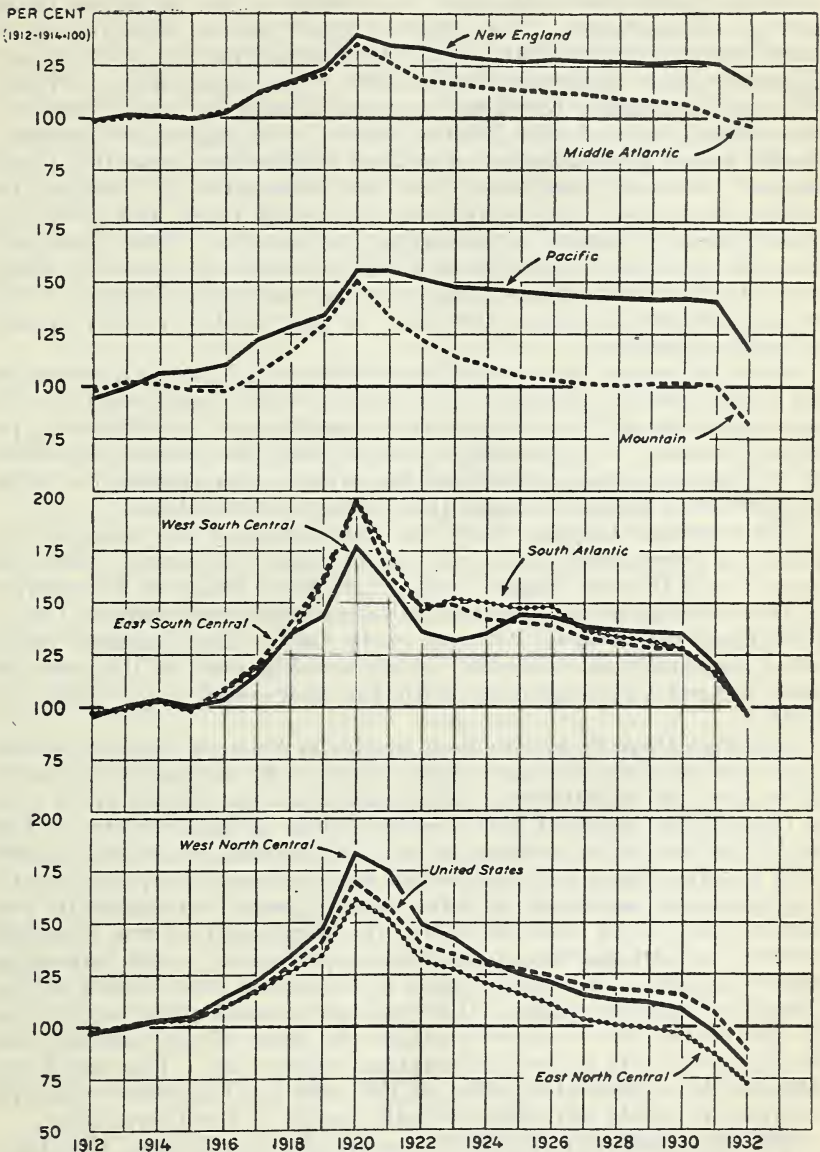


FIGURE 1.—FARM REAL ESTATE: INDEX NUMBERS OF AVERAGE VALUE PER ACRE AS OF MARCH 1, BY GEOGRAPHIC DIVISIONS, 1912-1932

Declines in farm real estate values have been greater during the year 1931-32 than during any year since 1921-22. Except in the North Atlantic States, severe declines were general. In more than two-thirds of the States, as well as for the Nation as a whole, reported average values as of March 1, 1932, were lower than the corresponding 1912-1914 averages.

Some further factors serve to emphasize the differences between real estate and securities from an investment standpoint. Recent drops in values have changed in a measure the problems facing holders of mortgages. The type of legal process that in normal times protects the mortgagee against an inefficient or negligent mortgagor, becomes rather ineffective after a prolonged drop in values. Whereas, normally, foreclosed property could be resold within a reasonable time, in a time like the present, mortgagees are frequently unable to sell the farms for an amount sufficient to cover the indebtedness. In such cases, they face the alternative of working the situation out with the debtor, or of paying taxes and providing management, or otherwise operating the property. Many new problems are presented for solution which are more or less at variance with the type of business usually carried on by the investor. The recent tendency has been, therefore, to proceed less readily against delinquent owners.

Such differences between the land market and the security market are fundamental, and must be considered when comparing the rate and amplitude of fluctuations in the market prices of different types of investment. It is possible, therefore, that the declines registered by the various types of securities for any one year represent a larger proportion of the total change than is the case with land.

The renewed decline, which was foreshadowed by weaknesses in prices of farm products as well as in farm real estate values for several mid-Western States during late 1930, began to be manifest for the country as a whole the following year, and continued at an accelerated rate during 1931 and early 1932. The sharpness of the break, especially as evidenced by the developments of the year just past, suggests a comparison with the downward trend following 1920.

Although there is some evident similarity between the two periods, there are certain differences which need to be recognized in evaluating the present situation. The earlier decline started from what is the all-time peak of farm realty values in this country. That peak was reached as a culmination of the results of several factors.

In the first place, population had been increasing rapidly and the westward trek had meant that the greater part of our naturally productive farm land was settled by the early part of the twentieth century, and we had become acutely apprehensive of an impending scarcity of land. Except for more or less minor recessions, land had always increased in value. Moreover, an upward trend in commodity prices had set in shortly before the turn of the century, continuing with only minor interruptions until 1920. This trend was climaxed by a general inflation of the price level, together with dislocations in world agriculture—both results of the World War.

The net result was the development of a psychology ripe for a boom. Instead of farm real estate values representing a capitalization of current earnings, they began to include an element based upon an expected annual increment, with the result that the ratio of current net rents to value became very much less than normal. Much the same type of attitude was present with respect to earnings of industry and commerce in 1928 and 1929, and with respect to the prices of stocks based thereon. Past increases in earnings and divi-

dends were discounted into the future, and sales activity reached high levels. In both cases, when the expected future increases in earnings failed to materialize and when current earnings declined, the boom broke, and depression ensued.

The more recent drop in land values dated from quite a different situation. Prices of farm products, following a sharp break in 1920 and 1921, recovered in part, and until the latter half of 1929, averaged about 30 to 50 per cent above 1910-1914 prices. Prices paid by farmers for commodities used for production and living became approximately stabilized between 50 and 60 per cent above the pre-war level, and farm wages between 60 and 70 per cent above the pre-war level; but taxes on farm real estate increased sharply until 1921, and more gradually after that, probably reaching a peak in 1929. The ratio of prices received by farmers to prices paid had remained lower than that of 1910-1914 during the whole period, and although wages and taxes were higher, nevertheless these unfavorable factors were doubtless offset in a measure by increased efficiency in production along a number of lines. Individuals had laid their plans for working out the situation with the result that, after considerable liquidation, the index of real estate values had leveled off appreciably, and the rate of forced sales had eased. Although the worst of the storm could, by some appearances at least, be judged to have passed, the weight of debt accumulated during the boom continued, in many cases, to press heavily, and constituted a source of potential weakness.

Just at this point, after more than a decade of deflation, a new break in the general price level occurred with prices of farm products in the forefront of the decline. Whereas what has been called the primary postwar depression brought the price level (as indicated by the Bureau of Labor wholesale price index of all commodities) down to a low of 133 per cent of the 1910-1914 average in January, 1922, the current, or secondary postwar depression brought a level of 96 in March, 1932, and 93 in June, 1932. Farm-produce prices, as indicated by the Bureau of Agricultural Economics index, fell to 110 per cent of the pre-war average in June, 1921, during the primary depression, and to 52 per cent (or approximately half) of the pre-war average in June, 1932, with the secondary depression. It is still too early to say with assurance at what level or at what time prices will reach some semblance of stability.

The effect upon farm realty values has been inevitable. Falling prices mean reduced earnings; and earnings, current and prospective, provide the basis for value.

INCOME FROM AGRICULTURE DURING 1931 BACK NEARLY TO PRE-WAR LEVEL

Declining prices during 1931 were largely responsible for reducing gross income from agricultural production in the United States to a level comparable with the pre-war level. Prices of leading commodity groups dropped to levels not experienced since before 1910. (Tables 2 and 3.) Prices paid by farmers (Table 4) dropped appreciably, but not to such an extent as did prices of farm products. The relation between these series is brought out in Figure 2. The index of wholesale prices of all commodities dropped nearly to the 1910-14 average in 1931, and fell below the pre-war level early in

1932. Prices paid by farmers for commodities used both in production and in living remained above the pre-war level throughout 1931, and through 1932, as far as available data show.

In Figure 3, the ratio of prices received by farmers for their products to prices paid for commodities bought is indicated, together with indexes of farm real estate values, wages, and taxes. The ratio of prices received to prices paid declined to new low levels, reaching 55 per cent in December, 1931, and continuing downward till a low point of 48 per cent was reached in June, 1932. Since then some recovery has been evident. Farm wages declined nearly to pre-war levels during 1931, but taxes remained high. Owing to extensive revisions in the tax index now in process, no figure for 1931 is available. Fragmentary data, however, indicate that some progress has been made in scaling down the tax burden on farm property.

TABLE 2.—General trend of prices and purchasing power for specified years, 1910-1931, and by months, August, 1930, to August, 1932

Year and month	Index numbers of farm prices (August, 1909-July, 1914=100)							Ratio of prices received to prices paid ¹	Wholesale prices, all commodities U. S. Bureau of Labor Statistics, 1910-1914=100
	Grains	Fruits and vegetables	Meat animals	Dairy products	Poultry products	Cotton and cottonseed	All groups		
1910.....	104	91	103	100	104	113	103	106	103
1915.....	120	83	104	98	103	78	100	95	102
1920.....	231	249	173	188	222	248	205	99	225
1925.....	156	160	139	137	161	177	147	92	151
1926.....	129	189	146	136	156	122	136	87	146
1927.....	128	155	139	138	141	128	131	85	139
1928.....	130	146	150	140	150	152	139	90	143
1929.....	121	136	156	140	159	145	138	89	141
1930.....	100	158	134	123	126	102	117	80	126
1931.....	63	98	93	94	96	63	80	63	107
1930:									
August.....	101	149	119	117	107	94	108	74	123
September.....	100	148	128	123	125	83	111	76	123
October.....	92	127	123	125	129	76	106	74	121
November.....	80	114	118	124	146	80	103	73	117
December.....	80	108	112	117	127	73	97	70	114
1931:									
January.....	77	108	112	107	110	72	94	69	112
February.....	75	109	106	101	79	76	90	66	110
March.....	74	109	106	101	92	80	91	68	109
April.....	74	120	106	99	90	78	91	69	107
May.....	74	119	99	91	77	74	86	66	104
June.....	67	114	91	86	81	65	80	62	102
July.....	57	110	92	85	83	71	79	62	105
August.....	54	97	92	87	93	53	75	60	105
September.....	50	83	86	92	99	47	72	58	104
October.....	46	70	79	95	110	42	68	56	103
November.....	57	68	76	95	123	50	71	59	102
December.....	52	68	68	92	120	45	66	55	100
1932:									
January.....	52	70	68	85	87	45	63	53	98
February.....	51	68	65	79	70	47	60	52	97
March.....	51	73	69	76	61	50	61	54	96
April.....	50	78	66	74	60	46	59	53	96
May.....	49	80	59	69	60	42	56	50	94
June.....	44	82	57	62	59	37	52	48	93
July.....	42	83	72	63	65	41	57	2 53	94
August.....	43	79	69	65	75	51	59	2 54	95

¹ The value of a unit of the farmer's product at farm prices in exchange for commodities bought by farmers for use in both production and living, at retail prices compared with pre-war values. (Table 4.)

² Preliminary.

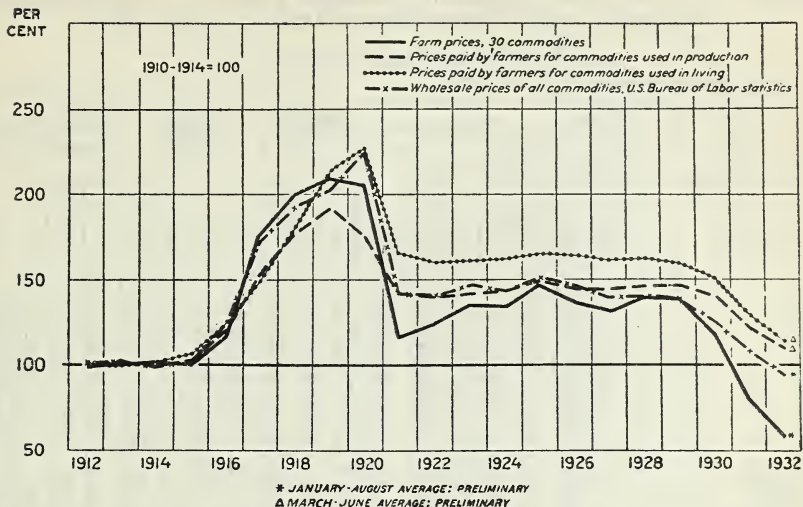


FIGURE 2.—PRICES RECEIVED AND PRICES PAID BY FARMERS, AND WHOLESALE PRICES OF ALL COMMODITIES, 1912-1932

Prices of many farm products dropped during 1931 to the lowest levels in a score of years. Prices of commodities used by farmers, both for consumption and for production, have declined less, relatively, than have prices of farm products. Wholesale prices of all commodities have remained on a higher level relative to 1910-1914 than have farm products.

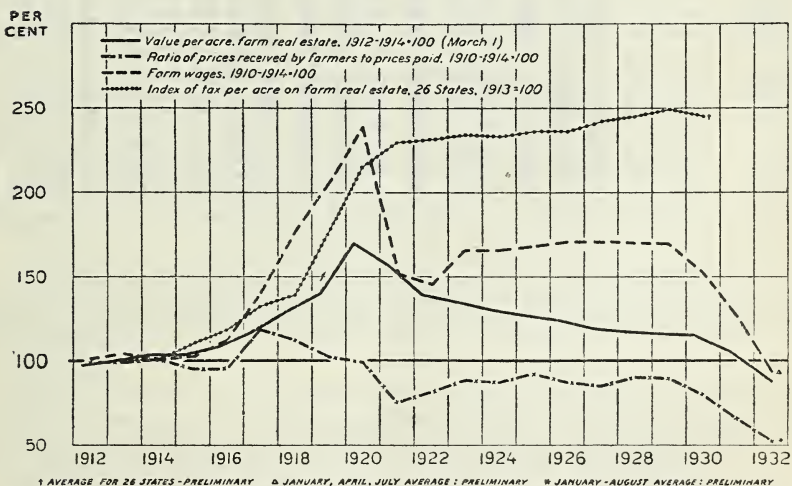


FIGURE 3.—RATIO OF PRICES RECEIVED TO PRICES PAID, FARM WAGES, TAXES ON FARM REAL ESTATE, AND VALUE PER ACRE OF FARM REAL ESTATE, 1912-1932

Farm real estate values, pursuing a downward trend for more than a decade, on March 1, 1932, reached a level 11 per cent below the 1912-1914 average. The ratio of prices received to prices paid by farmers declined to slightly above 50 per cent. Farm wages declined to slightly above the pre-war average. Average farm real estate taxes per acre probably decreased substantially since 1930, although data showing the exact amount of the decrease are not available at the present time. (Footnote 3, Table 4.)

TABLE 3.—General trend of prices of individual products, for selected years, 1910-1931, and by months, August, 1930, to August, 1932

[Relative farm prices (August, 1909-July, 1914=100)]

Year and month	Grains			Meat animals				Fruits and vegetables			Dairy and poultry products			Cotton and cottonseed		Unclassified		
	Wheat	Corn	Oats	Cattle	Calves	Lambs	Hogs	Potatoes	Apples	Sweet potatoes	Milk	Butter	Eggs	Chickens	Cotton	Cottonseed	Hay	Wool
1910	110	96	102	92	95	108	113	77	102	88	100	102	105	103	113	114	95	116
1915	127	112	113	116	113	116	91	76	77	97	96	102	102	104	73	112	88	126
1920	250	220	196	163	175	202	180	353	204	196	177	214	222	224	250	235	177	214
1925	171	156	112	120	131	208	152	163	154	195	127	161	157	178	179	159	106	221
1926	153	109	97	124	143	196	163	266	127	178	125	163	147	192	122	124	110	186
1927	136	123	113	139	151	193	134	190	129	130	126	168	131	178	128	130	101	174
1928	128	139	123	176	174	205	121	119	152	128	128	173	141	186	150	171	90	203
1929	116	136	111	177	180	202	130	134	145	135	127	173	149	196	143	159	97	176
1930	92	121	95	145	147	139	122	178	140	132	114	145	117	162	100	119	95	119
1931	55	78	64	104	104	98	81	104	98	106	88	110	86	136	61	77	82	80
1930:																		
August	84	140	89	120	130	116	118	156	111	155	100	140	96	152	92	109	95	111
September	80	143	90	127	136	113	130	158	107	147	111	151	118	156	80	109	102	113
October	74	128	87	126	138	104	121	146	102	126	114	150	123	153	74	94	103	110
November	68	103	79	123	131	105	113	136	101	107	115	148	147	141	77	97	103	107
December	69	101	81	122	126	105	103	129	103	107	109	136	125	134	70	97	95	103
1931:																		
January	67	96	78	123	128	107	100	130	108	112	101	122	103	138	69	97	94	98
February	66	91	77	116	121	112	94	124	110	115	97	110	66	132	73	99	92	92
March	66	90	75	116	113	116	96	122	110	120	95	115	79	141	77	102	90	89
April	67	90	76	115	109	118	96	130	122	129	92	114	75	146	75	104	89	88
May	68	88	72	109	106	118	88	125	127	131	86	102	62	139	71	101	89	81
June	59	84	65	101	101	109	79	108	137	124	83	96	66	141	62	92	84	73
July	41	84	58	99	99	95	86	118	112	115	80	97	69	139	69	89	78	71
August	40	79	50	98	100	90	86	110	81	123	82	102	80	142	51	67	76	74
September	40	67	50	96	103	85	75	86	74	93	84	109	89	138	48	41	75	74
October	41	52	50	92	97	79	65	66	61	75	85	119	106	123	43	35	72	70
November	47	57	58	92	89	76	60	66	64	66	86	117	123	126	49	53	73	74
December	50	54	58	84	83	71	52	66	67	67	83	114	119	122	44	50	73	72
1932:																		
January	50	52	57	82	83	75	52	68	69	70	77	103	80	117	45	47	72	70
February	50	50	57	78	86	78	49	64	69	70	74	92	60	111	47	46	71	73
March	50	50	57	82	84	86	54	66	74	73	71	90	48	111	50	46	73	70
April	49	49	57	81	75	87	49	67	82	73	69	86	47	111	46	44	74	62
May	48	47	55	75	69	81	41	67	86	74	64	79	48	107	42	44	71	51
June	42	46	50	73	69	76	39	64	96	71	58	73	49	100	37	40	64	40
July	40	47	44	87	74	74	58	70	90	73	60	72	56	103	41	39	59	39
August	44	47	37	84	73	70	56	74	68	78	60	77	68	103	52	41	57	42

TABLE 4.—Index numbers of prices paid by farmers, by years, 1910-1931, and in stated months, 1929-1932

[Base 1910-1914=100 per cent]

Year and date	Commodities used in production						Commodities bought for family maintenance ²	All commodities bought for both production and family maintenance	Wages paid to hired labor	Commodities bought for use in production plus wages paid to hired labor	Index of farm real estate tax per acre ³	
	Feed	Machinery	Fertilizer	Building materials for other than house	Equipment and supplies	Seed ¹						
1910.....	92	101	97	100	151	-----	98	98	98	97	98	-----
1911.....	108	103	97	102	100	-----	103	100	101	97	102	-----
1912.....	90	100	102	103	100	105	98	101	100	101	99	-----
1913.....	108	98	104	101	100	94	102	99	100	104	102	100
1914.....	102	98	101	93	99	101	99	102	101	101	100	100
1915.....	98	101	113	102	106	117	103	107	106	102	103	110
1916.....	129	111	122	118	129	112	121	125	123	112	119	118
1917.....	186	132	139	137	156	141	152	148	150	140	149	132
1918.....	196	160	173	161	180	188	176	180	178	176	176	139
1919.....	208	178	185	189	179	264	192	214	205	206	196	177
1920.....	133	188	189	205	188	149	175	227	206	239	189	215
1921.....	91	175	159	156	151	125	142	165	156	150	144	229
1922.....	118	156	131	159	139	133	140	160	152	146	142	231
1923.....	128	151	128	160	138	142	142	161	153	166	147	234
1924.....	135	155	122	159	131	148	143	162	134	166	148	233
1925.....	145	158	131	163	136	170	149	165	159	168	154	236
1926.....	120	156	129	163	142	190	144	164	156	171	150	236
1927.....	124	157	123	164	134	192	144	161	154	170	150	242
1928.....	133	158	133	161	131	179	146	162	156	169	151	245
1929.....	131	162	132	162	129	190	146	160	155	170	152	249
1930.....	119	159	128	158	124	169	140	151	146	152	142	245
1931.....	84	154	116	141	111	154	122	129	126	115	121	(*)
1929:												
March.....	136	162	134	163	129	201	148	161	156	167	153	-----
June.....	128	162	134	163	129	201	146	160	155	173	152	-----
September.....	133	162	131	162	129	179	146	161	155	174	153	-----
December.....	127	163	131	162	129	179	145	160	154	159	148	-----
1930:												
March.....	120	161	128	161	126	169	141	157	151	162	146	-----
June.....	121	160	128	161	126	169	141	154	149	160	145	-----
September.....	126	160	127	156	125	169	141	149	146	150	143	-----
December.....	109	154	127	153	122	169	135	142	139	129	133	-----
1931:												
March.....	98	153	121	147	117	176	129	136	134	127	129	-----
June.....	91	154	121	143	109	176	125	132	129	123	125	-----
September.....	75	154	112	139	109	131	118	126	123	113	117	-----
December.....	72	153	112	136	108	131	116	121	119	98	112	-----
1932:												
March.....	68	151	105	133	106	112	112	115	114	94	108	-----
June.....	64	150	105	129	101	112	109	111	110	87	104	-----

Compiled from prices reported to the Department of Agriculture by retail dealers throughout the United States. The index numbers include only commodities bought by farmers; the commodities being weighted according to purchases reported by actual farmers in farm-management and rural-life studies from 1920 to 1925. Figures for other months used in Table 2 are straight interpolations between the above quarterly reporting dates.

¹ 1912-1914=100.

² Includes food, clothing, household operating expenses, furniture and furnishings, and building material for house.

³ 1913=100. The index of farm real-estate taxes presented herewith is an average for 26 States. It is believed to be representative of the country generally, as it includes the North Central States, the West South Central States, the State of Mississippi, and the New England and Pacific States. An index based on all States is in process of preparation. Data for 1931 and 1932 are also being compiled.

⁴ Refer to discussion of Farm Real Estate Taxes, p. 49.

Price trends, although highly significant, do not reveal all the factors at work affecting farm real estate values. The matter of net land income is more to the point. In the absence of data regarding such income, however, gross income is highly interesting, and in any case is significant, for in the last analysis it is from gross income that expenses are met and profits made.

Recent investigations have made it possible to present tentative estimates of gross farm income and selected expenditures. These data have been described at length elsewhere.⁷ In Table 5 the estimates of gross income from farm production are presented. In Figure 4 the same data, together with selected expenditures, all relative to 1910-1914, are given. At present estimates for selected expenditures only are available for the whole period, and for that reason estimates of net income are not available.

TABLE 5.—Gross income from farm production and current value of agricultural capital, United States, 1909-1931¹

[In million dollars—i. e. 000,000 omitted]

Year	Gross income from farm production ²			Current value of agricultural capital			
	Crops ³	Live-stock and live-stock products ³	Crops and live-stock combined ³	Land and buildings ⁴	Live stock ⁵	Farm implements ⁶	Total including 1 per cent cash working capital
1909.....	3,314	2,924	6,238	34,801	4,879	1,265	41,354
1910.....	3,517	3,126	6,643	35,974	5,211	1,374	42,955
1911.....	3,536	2,836	6,372	37,198	4,964	1,488	44,086
1912.....	3,688	3,096	6,784	38,512	5,503	1,610	46,081
1913.....	3,647	3,328	6,975	39,619	5,959	1,727	47,778
1914.....	3,700	3,328	7,028	39,616	6,079	1,795	47,965
1915.....	3,985	3,410	7,395	41,912	6,147	1,974	50,533
1916.....	4,968	3,946	8,914	45,424	6,851	2,221	55,041
1917.....	7,451	5,401	12,852	50,064	8,364	2,538	61,576
1918.....	8,119	6,982	15,101	54,659	8,862	2,870	67,055
1919.....	9,431	7,504	16,935	66,316	8,405	3,595	79,099
1920.....	6,862	6,794	13,566	61,815	6,351	3,414	71,791
1921.....	4,488	4,439	8,927	54,190	5,042	3,234	63,091
1922.....	5,350	4,394	9,944	52,441	5,352	3,033	61,434
1923.....	5,969	5,072	11,041	50,477	5,064	2,872	58,997
1924.....	6,170	5,167	11,337	49,463	4,987	2,692	57,718
1925.....	6,148	5,820	11,968	49,113	5,361	2,814	57,861
1926.....	5,468	6,012	11,480	47,772	5,484	2,936	56,754
1927.....	5,817	5,799	11,616	47,675	5,956	3,058	57,256
1928.....	5,675	6,066	11,741	47,927	6,458	3,180	58,141
1929 ⁷	5,428	6,522	11,950	47,880	6,372	3,302	58,130
1930 ⁷	3,808	5,598	9,406	44,248	4,723	3,405	52,900
1931 ⁷	2,764	4,191	6,955	37,027

¹ Rearranged from Tentative Estimates of Gross Income from Farm Production, Current Value of Agricultural Capital, and Selected Expenditures, 1909-1931. Preliminary report prepared by committee on farm income, U. S. Department of Agriculture, Bureau of Agricultural Economics, July 1932. [Mimeographed.]

² Estimates for 1909-1923 comparable with data in Table 3, p. 398, Crops and Markets, September, 1931.

³ Crop year for crops; calendar year for livestock and livestock products; Dec. 31, for current value of agricultural capital.

⁴ Data for 1909, 1919, 1924, 1929 are from the census. Interpolation between census estimates based on index of land values per acre and straight-line interpolation of total acreage in farms.

⁵ Annual estimates of U. S. Department of Agriculture.

⁶ Interpolated on basis of estimated value of land and buildings, 1909-1919; straight-line interpolation between census estimates 1920-1925 and 1925-1930.

⁷ Gross income estimates for 1929, 1930, and 1931 revised on basis of 1930 census. See discussion, Income from Farm Production in the United States, Crops and Markets, V. 9, no. 11, Nov., 1932. See footnote 8, p. 17.

It is apparent from both Table 5 and Figure 4, that gross income followed a sharp upward course from about 1915 to 1919, reaching a peak of nearly \$17,000,000,000 in 1919, then dropped sharply to slightly below \$9,000,000,000 in 1921, and recovered to a level some 70 per cent above that of 1910-1914. The renewed price declines of

⁷ UNITED STATES DEPARTMENT OF AGRICULTURE, BUREAU OF AGRICULTURAL ECONOMICS. TENTATIVE ESTIMATES OF GROSS INCOME FROM FARM PRODUCTION, CURRENT VALUE OF AGRICULTURAL CAPITAL, AND SELECTED EXPENDITURES, 1909-1931. Preliminary report, prepared by the committee on farm income. 23 p. 1932. [Mimeographed.]

1929, 1930, and 1931, carried gross income in 1931 to \$6,955,000,000,⁸ only about 3 per cent above the 1910-1914 average. This level is well below that of 1921.

Certain shifts have occurred in the composition of gross income during the period. Until (and including) 1925, income from crops exceeded that from livestock and livestock products. For 1926, 1928, and later years, the reverse has been true. Since 1924, income from crops has tended downward, owing largely to the low prices for the two large export crops, wheat and cotton. Livestock, on the other hand, exhibited a general upward tendency until 1929.

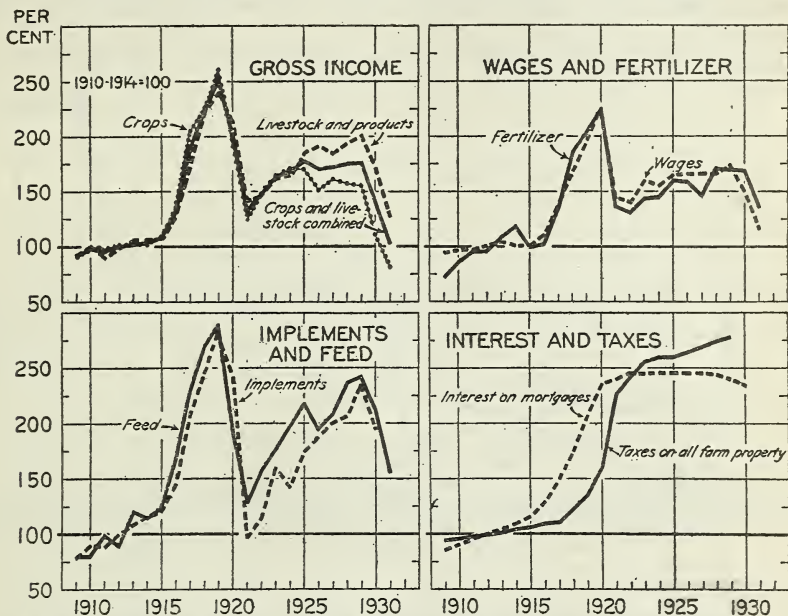


FIGURE 4.—GROSS FARM INCOME AND SELECTED EXPENDITURES, 1909-1931

Gross income from farm production, after remaining fairly stable from 1925 to 1929 at a level some 70 per cent above the pre-war level, declined during 1931 to practically the level of 1914. Expenses for wages, fertilizer, implements (excluding automobiles and trucks), and feed have dropped moderately. Payments for mortgage interest were nearly as high as in 1920; and in 1929, the latest date for which definite information is available, taxes were still far above the pre-war level.

Although complete data on expenditures are not available, those at hand are highly suggestive. Figure 5 presents the expenditures for fertilizer, farm implements (excluding automobiles and trucks), feed, wages, and interest and taxes, expressed as percentages of gross income for the period 1909 to 1930.

It appears that expenditures for fertilizers, on the whole, changed little in comparison with gross income, having accounted for about 2 per cent of the total over the whole period. The percentage of in-

⁸ Preliminary. This total differs from the sum of totals of individual States (\$6,945,201,000) by reason of deductions for interstate sales of crops, principally seeds, and additions for "other poultry," not estimated by States. In the remainder of this circular, statements of gross income for geographical divisions will refer to sums of State totals. See U. S. Department of Agriculture "Income from Farm Production in the United States," Crops and Markets, vol. 9, no. 11, Nov., 1932.

come expended for farm machinery (excluding automobiles and trucks) increased slightly over the period. The proportion expended for feed increased prior to 1920-21, decreased during or after the depression, and again resumed an upward trend. This suggests a tendency toward increased use of commercial feeds, a tendency that apparently was partly checked during the 1920-21 depression, and which may have been checked again by the current depression. The proportion of gross income going for wages has remained fairly constant, except for a brief period when prices were rising much more rapidly than wages, before 1920, and when they fell much more rapidly than wages, during and immediately following that

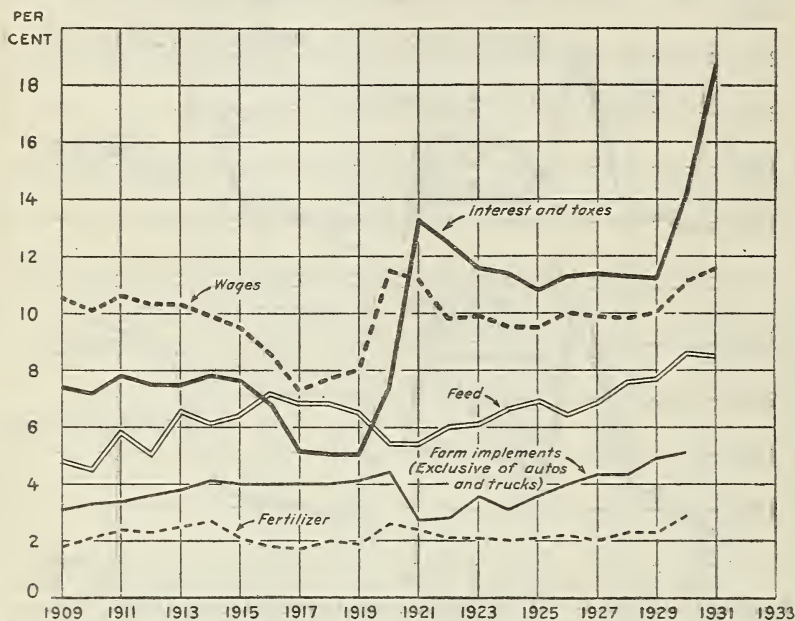


FIGURE 5.—SELECTED FARM EXPENDITURES AS A PERCENTAGE OF GROSS INCOME, 1909-1931

The percentage of gross income expended for fertilizer, feed, and farm implements (except automobiles and trucks) has increased somewhat during the last two decades. The percentage for wages has fluctuated because of lagging wage rates, but in 1931 was only slightly higher than in 1909. The proportion expended for mortgage interest and taxes increased greatly in 1921, and again in 1931, and for the latter year was approximately two and one-half times the pre-war proportion.

year. These expenditures are all of such a nature that fairly rapid adjustment to changing price conditions can be made.

Of a different nature, however, are the fixed costs of interest on mortgages and taxes. These items, as a proportion of gross income, increased sharply after 1920, and from 1921 to 1929 remained on a higher level than before 1921. With the next great decline in prices, the share of income required for these items jumped again, so that in 1931 the proportion of gross income required for these fixed charges was nearly 19 per cent—about two and one-half times as great as the average for 1910-1914. The share required for mortgage interest alone rose to approximately 8 per cent in 1931. Inasmuch as only about 42 per cent of the farms in the United States

carry mortgage indebtedness, the payment of mortgage interest is confined of course to mortgaged farms only. The share of income on these farms, therefore, that is required to discharge interest payments is probably nearer 14 than 8 per cent.

This condition is one of the most painful effects of a declining price level upon agriculture, or indeed, upon any industry in which fixed charges constitute an important part of total expenses.

Another indication of income from agriculture, reflecting the situation from the standpoint of the individual farmer rather than from that of the industry as a whole, is provided by reports from several thousand farmers who own and operate their own farms. From these reports, average net results (Table 6 and fig. 6), consisting of the average gross cash receipts, minus average current cash expenses, plus the change in inventory value of personal property, have been calculated.⁹

TABLE 6.—*Farm returns: Averages of reports of owner operators for their own farms for the calendar years 1922-1931*¹

Geographic division	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
North Atlantic.....	858	1,070	1,022	1,352	1,166	1,333	1,105	1,254	882	445
East North Central.....	928	1,030	1,155	1,370	1,169	1,088	1,170	1,178	604	202
West North Central.....	1,235	1,110	1,654	1,680	1,325	1,642	1,798	1,684	595	-178
South Atlantic.....	623	740	656	616	569	818	639	764	214	215
South Central.....	735	890	1,059	824	973	980	1,121	987	217	216
Western.....	956	1,310	1,506	2,047	1,694	2,179	2,171	1,994	868	242
United States.....	917	1,020	1,205	1,297	1,133	1,290	1,334	1,298	538	154
Number of reports, United States.....	6,094	16,183	15,103	15,330	13,475	13,859	11,851	11,805	6,228	7,437

¹ Average gross cash receipts from sales, minus average current cash expenses, plus change in inventory of personal property. The following items are not included: Interest paid, expenditures for farm improvements, estimated value of food produced and used on farms, estimated value of family labor, including owner, and estimated change in value of real estate during year. Full details have been published for each year in Crops and Markets, the latest figures in November, 1932.

The average size and average property values of the reporting farms are greater than the averages reported by the census. Few of the reports relate to farms of less than 50 acres, whereas size groups of 100 acres and upwards are well represented. The net returns can not properly be considered as average in the sense of applying to all farmers, but they are considered to be representative in the sense that both large and small, profitable and unprofitable, farms are included, and they are distributed over all parts of the country.

The average for the United States for the year 1931 was \$154, as compared with \$538 for the year before, and with \$1,298 for 1929. Declines of nearly one-half or more on the average are reported from several divisions, and the West North Central States report an average net loss for the year. Only the South Atlantic and South Central States report averages approximately equal to those of a year earlier.

Changes in income for one year are not reflected immediately in a proportional change in farm real estate values. Land yields its return year after year, and its value is not dependent upon the return from one year alone. Strictly speaking, values depend not

⁹ UNITED STATES DEPARTMENT OF AGRICULTURE. Op. cit.

on incomes already received, but upon the prospective or future incomes. The tendency appears to be fairly general, however, to judge the future on the basis of the half dozen or so years immediately preceding.

Again, the value of farm realty would be presumed to vary, not with gross income, but with the net income attributable to the real estate, adequate measures for which are not available. One useful indication is provided by gross cash rents. Table 7 presents tentative estimates of the ratio of gross cash rent to land value in Iowa for a period of years. The latest figure indicates that the upward trend in ratio of gross rent to value has continued. This tendency has been noticeable since about 1922, and is a reversal of the tendency that existed for several years prior to 1920, of evalu-

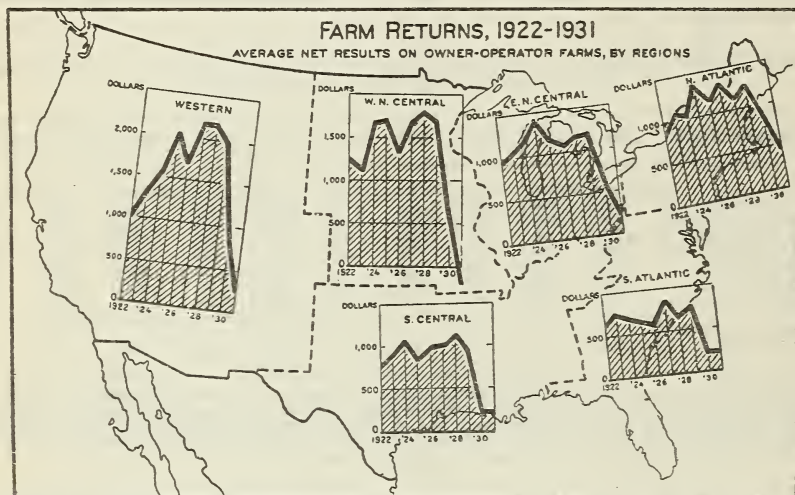


FIGURE 6.—The average operating net results for 1931, as reported by the department's crop correspondents, were lower than in 1930 for nearly all geographic divisions. An average net loss was reported in the West North Central States. Average net results for the country as a whole were only about one-eighth the average for the years 1923-1929, inclusive

ating farm real estate to a considerable extent upon expected increases in annual income, a tendency which resulted in a very low ratio of current rent to value in the years immediately preceding and even following 1920.¹⁰

TABLE 7.—Ratio of average gross cash rent to average value of cash-rented farms in Iowa, 1921-1932^a

Year	Ratio of rent to value	Year	Ratio of rent to value	Year	Ratio of rent to value
	<i>Per cent</i>		<i>Per cent</i>		<i>Per cent</i>
1921	4.4	1925	4.8	1929	5.6
1922	3.8	1926	4.8	1930	6.0
1923	4.2	1927	5.2	1931	6.5
1924	4.6	1928	5.4	1932	6.6

^a Preliminary figures as reported by crop correspondents.

¹⁰ CHAMBERS, C. R. RELATION OF LAND INCOME TO LAND VALUE. U. S. Dept. Agr. Bul. 1224, 132 p., illus. 1924.

VALUES IN NORTH CENTRAL STATES DROP SHARPLY

The continued downward trend of produce prices during 1931 brought on the inevitable train of consequences in the North Central States. Estimated gross income from farm production for 1931 in the East North Central States was \$1,271,318,000, as compared with \$1,706,209,000 a year earlier, a drop of 25 per cent. For the West North Central States, comparable figures are \$1,637,108,000 for 1931 and \$2,401,018,000 for 1930, or a drop of 32 per cent. These declines are the more serious for the reason that they follow large declines for the previous year. Thus from 1929 to 1931, gross income from farm production declined 39 per cent on an average in the East North Central States and 45 per cent in the West North Central States. This group of States reported farm real estate values, on an average, 16 per cent lower than last year. On March 1, 1932, the bureau index for each State of the group was less than the pre-war, and correspondents frequently mentioned that current selling prices for their respective localities were no higher than those of 20 or 30 years ago. The relative declines from a year ago vary somewhat from State to State, the extremes being Wisconsin with 12 per cent, and South Dakota, with 19. The levels attained, however, are in general lower for those States that lie wholly or largely within the Corn Belt and higher for those whose farming system centers around dairying, thus reflecting in a considerable degree the trends of prices for the leading products of the respective sections. In the Corn Belt States the averages tended roughly toward one-third below the pre-war level, while in the other group the averages more nearly approximate the pre-war level.

Examination of comments from correspondents relating to conditions in their respective localities reveals a continuation of the same tendencies described in last year's report,¹¹ the accentuation of certain features, and the introduction of certain newer phases. The fundamental pattern, however, is much the same, and in the opinion of many observers will so remain until fixed charges and the prices of farm products are brought more nearly into line with each other.

Decreased income has meant curtailed expenditures, increased delinquencies, and a continued tendency toward lower farm real estate values. On the other hand, there has undoubtedly been a back-to-the-farm movement on the part of many who went to the city a few years ago, as well as on the part of some who have always before lived in cities. This movement has stimulated the demand for farms to rent in no small measure, although the effects have not been uniform. The movement is also said to have resulted in numerous inquiries for farms to buy, but in relatively few sales, for there is difficulty in meeting the down payment and in securing the necessary financing, partly because of the general credit stringency. Settlement on abandoned land has been reported, and correspondents comment that many houses formerly vacant are now occupied. It appears, too, that many of the sales actually consummated have involved either small farms or low-priced lands, in which cases the

¹¹ STAUBER, B. R. THE FARM REAL ESTATE SITUATION, 1930-31. U. S. Dept. Agr. Circ. 209, 68 p., illus. 1931.

provision of a home and a means of existence have been primary objects.

Apprehension concerning the continued solvency of many banks has apparently led to some buying in localities in which investors had more confidence in real estate than in banks—a result, no doubt, of the numerous bank failures of recent years. These buyers have apparently tended to buy farms of the better class. Some transfers from father to son, and to residents who wish to enlarge their holdings, were reported. The general market was reported to continue dull, with mortgage agencies reluctant to make new loans. Other dealers felt that investors were ready, waiting only for assurance that the bottom has been reached. Some dealers, especially in South Dakota, cited local conditions of drought, grasshoppers, or disease, as affecting the market; others pointed to increased sales following good crops in their territories.

On the selling side it seems generally agreed that farmers whose farms are not encumbered and who are in a strong position would not consider selling at present prices which are biased as a result of the heavy volume of distress selling. Few data are available concerning the differences in prices at forced and voluntary sales. In Ohio, however,¹² reports on 269 voluntary sales, involving 20,939 acres sold during the period January 1 to June 30, 1931, showed an average price of \$67.98 per acre. Similar reports on 144 foreclosure sales, involving 16,228 acres, averaged \$50.23 per acre. The fact that forced sales are relatively frequent undoubtedly has had a bearish effect on all sales, since voluntary sellers, in order to effect a sale, presumably have to meet in some measure the level of prices established thereby.

Although some buying has occurred it has not been sufficient to clear the market of the farms that have been foreclosed and those that are susceptible to foreclosure. According to reports, bidders are scarce at foreclosure and tax sales, and mortgagees have frequently bid in at the amount of the mortgage, thus acquiring the farms and the liability for taxes. As a cumulative effect of this procedure creditors are widely reported to be showing an encouraging willingness to go along with the debtor. The creditors frequently carry the principal if the debtor meets taxes and all or part of the interest, will carry on, and is a good moral risk. Apparently the minimum expected is that the debtor should pay an amount equivalent to rent on his farm, to be applied toward interest, debt, and taxes. Some suggestion of reducing the principal has been reported.

The situation has reached a stage, therefore, in which the customary redress against defaulting debtors has become unwieldy, owing to the general reduction in capital values brought about through the lowered price level. Some mortgagees sense a certain futility in dispossessing owners who are making every effort to work out, only to acquire and carry the farm for an unpredictable period as one alternative, or to sell at a loss to a new owner as another likely alternative. They have apparently carefully considered the question as to whether the issue had not best be met directly rather than

¹² MOORE, H. R. SEMI-ANNUAL INDEX OF FARM REAL ESTATE VALUES IN OHIO, JAN. 1 TO JUNE 30, 1931. Ohio State Univ. and Agr. Expt. Sta., Dept. Rural Econ. Mimeographed. Bul. 41, 10 p., illus. 1931.

by the more circuitous and possibly more expensive method of foreclosure, acquisition, management, and resale. Practices, however, are not uniform and depend to a large extent upon the individual farmer, the local situation, and the administrative policy of the creditor.

Some further light on the situation in these States is afforded by the comments of several of the State agricultural statisticians reported below. From Ohio¹³:

There has been very little activity in the farm land market in the past year in Ohio. There have been very few sales and those consisted largely of foreclosures, the foreclosures taking place mostly in the western part of the State, the eastern part not being so much affected because southeastern Ohio farms are mostly owner operated and northeastern Ohio farms have been protected somewhat by the dairy industry.

In Illinois¹⁴:

Due to unfavorable conditions, the demand [for farms] has been weak. Similar to the situation reported a year ago, most of the sales have been distress sales. We have had more comments relative to the land situation than at any time during the ten years that I have been here. These comments indicate very strongly that the land situation is causing very serious concern to most of our farmers. I believe there has been more of a disposition to give up farms where heavily encumbered than has prevailed in past years as farmers seem more discouraged than at any time in the past several years. Most of the mortgage holders, however, are inclined to be lenient, as they are not anxious to take the land. They prefer to go on if possible, with the hope that the farmer can soon begin to make some progress with his payments or at least keep up his interest payments.

Concerning Wisconsin:¹⁵

There is more than the usual interest in the purchase of farms in this State this year. For the past few years there has been a movement back to the land on the part of the unemployed city dwellers. The rate of this movement has increased materially during the past year, and, in addition, the quality of the inquirers for land as reported by the Immigration Department is much better than it was in the earlier stages of the depression. It appears that in the earlier stages of the depression, particularly during 1930, the first wave of the people going back from the cities to the country were those who were unattached to city property and usually without means. As the unemployment has been prolonged there has been an increased tendency for people with families, usually many of them of a fairly good type who are unable to find employment, to seek an opportunity to make a living on farms. Some sales of farms are being reported, particularly in regions where land can be bought cheaply. Most of the persons who are trying to move from the cities have little financial backing for the purchase of farms or equipment, and accordingly, many of these land seekers are in need of financing from the start. While we have little in the way of definite measures of the extent to which the movement has gone, there is obviously a flow of population from the cities to the land. This applies both to the larger and smaller cities, though the bigger cities * * * probably furnish most of the inquirers for land at the present time. It seems significant, however, that men of the more stable type, many of whom have small homes in the cities or equities in them are more and more becoming interested in exchanging these equities for farm property. It seems * * * that this indicates that they have tried to hold on in the cities until they have either given up hope of getting further employment or else have used up their resources so fully as to make an almost immediate change necessary.

¹³ STRASZHEIM, R. E. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

¹⁴ SURRATT, A. J. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

¹⁵ EBLING, W. H. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

Some cash sales of farms have been reported at low prices and in regions where land values are relatively low. There are in some of the northern and north central counties of Wisconsin areas . . . where cut-over land with fairly productive soil can be bought quite cheaply and some cash purchases are being reported in such areas.

Reflecting Michigan sentiment:¹⁶

There has been little change in the Michigan farm real estate situation from a year ago. The demand is still chiefly for small well-improved farms near the larger cities. Buyers are largely city residents who wish to exchange city property for farms, or are able to make only very small cash payments. Credit is even more restricted than a year ago. Under such conditions and with distress sales comprising a large proportion of the few cash transactions, it is difficult to properly evaluate farm real estate. The continued downward trend is the natural result of a cash income from crops amounting to less than one-half of what it was two years ago, together with very little reduction in farm expense items, particularly taxes.

DECLINES IN SOUTHERN STATES CONTINUE

Throughout most of the Southern States conditions and sentiment more or less parallel those of the Middle West. Income has fallen off, values are down, foreclosures press harder, and indebtedness on many farms is reported to exceed market value. Creditors, with a few exceptions, have shown a tendency toward leniency to mortgagors who show signs of eventually being able to pay out. A movement back to the farm is distinctly evident, but as in the North, the effective demand resulting therefrom is relatively small.

Gross income from farm production in the South Atlantic States was estimated at \$1,296,634,000 for 1929, \$1,046,552,000 for 1930, and \$774,012,000 for 1931. The decrease from 1929 to 1930 was 19 per cent, and that from 1930 to 1931 was 26 per cent, or a total decrease of 40 per cent in the two years. Gross income in 1931 for individual States varied from 37 per cent less than a year ago in Georgia to 11 per cent below in Maryland. Farm real-estate values for this group of States declined 17 per cent on an average during the year ended March 1, 1932.

Declines in farm realty values for individual States varied from 11 and 12 per cent for Delaware and Maryland to 19 and 22 per cent for South Carolina and Georgia, respectively. The level of values reached during the past year averaged only slightly below the pre-war level, three States being above and five below. South Carolina and Georgia, the lowest, reporting 27 and 30 per cent below the pre-war level, respectively, still appear higher than several States in the Middle West.

The average value of farm real estate in the East South Central and West South Central States averaged 17 and 20 per cent lower, respectively, than a year ago. Individual States varied from 12 per cent less than a year ago in Arkansas to 21 per cent less in Alabama and Texas. Gross income from farm production in the East South Central States dropped from \$682,461,000 in 1930, to \$532,947,000 in 1931, or 22 per cent; that of the West South Central States dropped 19 per cent from \$1,019,536,000 to \$820,740,000 for the same periods. In Arkansas and Kentucky, the declines were smaller than

¹⁶ HOLMES, I. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

in other States of these regions, largely because of the low totals in 1930 as a result of the drought.

Conditions throughout the whole region have been reported as spotted. Some dealers feel conditions have improved since a year ago, and support their statement with examples of sales made; others feel that conditions are no better and cite equally convincing records.

Throughout much of the South, it is the poorer farms, aside from foreclosures, that are for sale, according to reports. Demand for farms seems directed largely toward cheap small farms, although some buyers with money in the bank are said to be looking for good farms as an investment.

Rather generally mortgagees are reported as being lenient, willing to renew or carry the principal if taxes and interest are paid. Considerable difficulty in selling foreclosed farms has been reported, and one large holder is said to have ceased advertising its farms for sale. Administrative policy shows variation. Some executives apparently feel that the present occupant, if deserving, stands as good a chance to pay out as a new buyer, and that, under present market conditions, dispossession of the owner should be a last resort. Others seem to feel it best to "get the grief on deck and throw it overboard." Upon accomplishing foreclosure, policies differ. Some favor a policy of renting, in the hope the situation will clear, others favor a policy of clearing the decks by sale, even at a loss. Generally speaking, mortgagees, with some exceptions, appear to be more willing to go along with a worthy borrower, in the hope that the situation will be worked out in time.

Further views upon the situation are reflected in the reports of several of the State agricultural statisticians.

Correspondents¹⁷ [in Maryland] are unanimous in stating that it is most difficult to estimate real estate values for the reason that there is practically no voluntary demand for farm lands. Practically all sales have been forced. Because of the prevailing low prices for farm products, very few people want to buy farms at the present time, and of those who would like to buy, very few have sufficient cash with which to purchase land. The credit situation is very tight.

Correspondents¹⁸ [in Virginia] frequently remarked they had great difficulty in estimating land values because there had been no sales except foreclosures, and even for such sales the mortgage holders were usually forced to purchase the farms. * * * In some sections of the State, * * * the tobacco, cotton, and peanut sections, farmers have had difficulty in raising enough money to pay taxes. It is reported that a considerable number of farms are delinquent, but owing to the difficulty of selling farms the county authorities have usually allowed the farmers to continue on the farms with a hope that they will be able to pay the taxes later on.

There seems to be¹⁹ [in South Carolina] an increased demand for small, fertile, well-located farms, particularly within a radius of twenty-five miles of our larger towns and cities. This is due largely to industrial workers out of work or on part time desiring to cut expenses. There also seems a slight tendency to abandon general farming in favor of growing feed and food crops adjacent to the larger towns and cities.

* * * It seems the mortgage holders have a somewhat more tolerant attitude, and foreclosures are mostly where the farmer voluntarily relinquishes the farm.

¹⁷ ROSS, R. C. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

¹⁸ TAYLOR, H. M. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

¹⁹ BLACK, F. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

There has been²⁰ a continued sharp decrease in land values [in Kentucky]. With all farm products steadily going lower in absolute values and particularly in relative purchasing power, prices have steadily sunk. The distressingly low prices of dark tobacco in all of western Kentucky, together with very low prices on burley tobacco in central and northern Kentucky counties, have hammered land prices still lower. * * * Land of good quality and location, on good roads, can sometimes find a buyer at very low price. Poor land, or poorly located land, can hardly be given away. Transfers are few, except where forced either by foreclosure and re-sale or by merely "getting out from under" at whatever price can be obtained. * * * Types of buyers usually are either medium to large land-holders with sufficient resources to add some to their holdings at bargain prices, or disillusioned country people who moved to town and now want to get back to the farm where they can at least reasonably hope to put in their little savings and produce food, with shelter at hand without further monthly cash outlay.

Lower values²¹ [in Tennessee] are caused by the disastrously low prices received for all agricultural products, and the unjust proportion of the taxes that are levied against farm land.

Very little land is changing hands because a large percentage of the farms that are mortgaged would not sell for enough to cover the mortgage. Foreclosures for debt and taxes are at such low figures that an unfavorable psychological effect has been created among potential buyers and has reduced the normal amount of legitimate trading.

Sales of farm land²² [in Mississippi] have been confined largely to forced or distress sales, and land sold for taxes. Farmers who would, perhaps, like to enlarge their present holdings are generally unable to do so, because of greatly reduced farm income during the past several years, and as a general thing outside parties have considered farm lands poor investment because of high tax rates and the small returns to be expected. Many owners of farm lands have been glad to rent them for the taxes alone.

Many people [in Arkansas]²³ who are out of jobs are coming back from the cities and they want to live with the old folks, or other relatives, and pay their board by their work, or they want to get near-by places. The demand for places to occupy is stiff. * * *

The trick is to get a place to rent where the family can get a house to live in, a garden, pasture, and firewood. At first it seems that places could be had with rent to be paid in the fall, but now in more select localities the rents must be made secure.

The farm real estate situation²⁴ [in Oklahoma] during 1931 was characterized by a further decline in land values, little activity in the farm real estate market, an increase in the number of foreclosures and distress sales and the cessation of new loans.

Due to the low prices of agricultural products which in most cases are below the cost of production and also to high taxes * * * there is practically no market for farm lands in most areas of the State. With the price of cotton and wheat far below the cost of production large cotton and wheat farmers who expanded operations during times of good prices and who mortgaged their farms to make improvements or to buy more land and high-priced machinery, and are now trying to liquidate their indebtedness with low-priced cotton and wheat, are in worse financial condition than smaller farmers who have diversified their operations.

There appears to be little activity in the farm real estate market and sales are few, as a rule. However, in some localities in the northeastern section of the State there have been a number of sales of small farms at fair prices. These farms are poultry, dairy, and fruit farms, and seem to be the most in demand.

In other areas a few cotton and wheat farms have changed hands, but most of the transfers have been made through distress sales or forced liquidation.

²⁰ BRYANT, H. F. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

²¹ MARSH, S. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

²² HEIDELBERG, L. C. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

²³ BOUTON, C. S. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

²⁴ BLOOD, K. D. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

Foreclosures and distress sales were more numerous in 1931 than 1930. The closing months of 1931 and the first months of 1932 have seen foreclosures and distress sales in communities where they have been rare in the past, namely in the best wheat counties of the State.

Banks and loan companies thus far have adopted a lenient policy toward those who have delinquent mortgage payments; foreclosures are made only when owners have failed to make any effort to pay interest and taxes. * * *

Many believe that land values have reached the low point in the cycle, but any general activity in the farm real estate market must be preceded by a rise in prices of agricultural products.

The trend [in Texas]²⁵ is downward, due to the low prices of farm products, generally poor business conditions, ever increasing taxes, would-be buyers' lack of ready money, and inability to secure credit. It is the general opinion of bankers that values are about at the bottom and that at current prices farm lands are a bargain. However, it is pointed out that, at the present level of farm prices, taxes, interest on investment and upkeep cost more than the value of production will cover. * * *

There is a very, very small demand for farm lands and very little activity of any kind at any price. The general situation is that most farmers want to sell but nobody wants to buy. The tenant farmer will not buy land because he knows it is cheaper to rent than to own. Speculators see no profits at present farm prices and are unwilling as yet to risk the future. What little demand there is for small farms of good quality soils and with dwelling house.

Practically all transfers are either distress sales or foreclosures, but there are few foreclosures as compared with past due and excessive outstanding farm loans, the holders of these loans preferring to give the present owner an opportunity to work out rather than take over his farm. Most foreclosures are on what would be termed second or third grade farms, but there have been some foreclosures on good smooth black land where the loan was made when values were high. However, most owners of high-quality land have been able to hold on because lien holders are foreclosing only when the borrower is hopelessly involved. Most foreclosures are bought in by the lien holders with the hope that prices of farm products will improve and they can liquidate later—with a smaller loss than they would now obtain. Most distress sales are made to farmers with means who pay interest, taxes, assume the unpaid balance, and are given title to the farm in question for doing this.

The credit situation is peculiar in some ways. For the borrower who is already involved, and for the prospective borrower who desires to purchase repossessed or foreclosed land, terms are very liberal, but credit is very tight for the man who desires to buy from an independent owner.

MOUNTAIN AND PACIFIC STATES REPORT SEVERE DECLINES

The Mountain and Pacific States, which on the whole in recent years appear to have resisted deflation somewhat more successfully than many other sections, succumbed last year to drastically cut incomes. The bureau index of farm real estate values for the Mountain States dropped 18 per cent below a year ago on the average, and in the Pacific States 16 per cent. This marking down of values was quite general. The State having the smallest percentage decrease in the Mountain group was Arizona, with 15 per cent, and the States of greatest decrease were Colorado, Utah, and Nevada, with 20 per cent each. In the Pacific States, the index for Washington and California declined 16 per cent; that for Oregon, 17 per cent. Of the 11 States in the whole region, in only Arizona and California was the index above pre-war. Of those remaining, five had an index of 88 per cent or more of pre-war.

The years 1930 and 1931 were exceedingly unfavorable in this region. In the Mountain States, the gross income from farm produc-

²⁵ ROBINSON, C. H. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

tion in 1930 was 22 per cent below that of the previous year, or \$541,550,000 as compared with \$692,247,000; in the Pacific States it was 21 per cent lower, or \$858,746,000 compared with \$1,091,225,000. For the United States as a whole, gross income from farm production was 21 per cent below that for 1929, and in some regions was even lower. The Western States from 1929 to 1930 thus fared, in so far as this comparison is indicative, about the same as the country as a whole, and much better than some regions.

In 1931, the opposite was largely true in the Mountain States, the relative decline in gross income having been 33 per cent—greater than in any other geographic division; but in the Pacific States the drop was only 22 per cent—about the same as from 1929 to 1930.

As in most other sections, many correspondents comment on a back-to-the-farm movement. Companion to such reports, however, are complaints of the lack of financial strength on the part of this group, thus giving evidence of the small effective demand for farm land. This type of buyer usually wants a small farm that can be bought for the minimum down payment and on very easy terms. Frequently the terms involve crop payments or a trade for city property that is often encumbered. Such offers are unsatisfactory to sellers. Farms that have been abandoned for several years are said to be occupied, and many correspondents report the effective demand as being for rentals rather than purchases.

Sellers who are not forced to sell are not as a rule willing to accept current prices and are therefore not active in the market. The result is that a large proportion of sales are forced or involve relatively poor farms. Some city workers apparently are trying to reduce rent or safeguard themselves by buying small places.

Some buying on a more substantial scale is reported in some regions and some dealers reflect the optimistic view that gradual improvement may be on the way. In California, for example, sales of trucking land for cash are reported, and from another part of the State comes the comment that there seems to be plenty of buyers with cash, waiting for a forced sale. But it is asserted that buyers are cautious and insist that terms of purchase shall come well within the productive capacity of the farm. In New Mexico some activity in the dry-farming section of the Rio Grande Valley is reported. Generally the market remains dull, with a few bright spots. Values of citrus land, especially that devoted to growing lemons, have apparently stood up better than values of many other types of farm land.

Some localities are experiencing difficulty in settling certain matters concerning irrigation water. Satisfactory settlement is expected to ameliorate conditions appreciably. Although irrigated land is said to be more active in some sections, this is not universally true, and water costs and taxes that are out of line with productive capacity constitute an important unfavorable factor. High taxes are felt almost universally, and constitute a heavier burden than formerly because of the drastic cuts in income. In some cases the depression is bringing about readjustments in type of agriculture. A Montana correspondent, for example, reports "this valley is going back to stock raising, to which it is fitted."

Loaning agencies in this region, as in most others, appear to have decided that a policy of cooperation with owners is the part of wisdom. They doubtless conclude that such a procedure is preferable to foreclosing and letting the land go for taxes, or selling considerably below the investment, cases of which have been reported. Occasionally an agency is reported as forcing foreclosure.

Further reflection of conditions in these States is afforded by the comments of several of the State agricultural statisticians. From Wyoming.²⁶

As a result of the large number of unemployed, there has been a tendency of movement in Wyoming back to the farm. The relatively poor financial condition of these men has developed a demand for the cheaper grade of land, mostly on small units of dry farm land. Another factor helping to create a demand for dry farm land is caused by the desire to expand in size of farm. A few years ago a large number of real estate outfits disposed of large tracts of dry farm land by selling in small units of 160 acres. The farmers soon found that it was impossible to make a living with the low yields and small acreage and with the influx of combines and other farm machinery, the average size of dry farm has greatly increased during recent years.

Information gathered from well-informed men indicates the dry farms are in much better financial conditions than the irrigated farms due to the much lower operating expenses. The reverting of irrigated land to seepage, together with high water rents, taxes, etc., coupled with poor prices for farm products has made it extremely difficult for the irrigated farms, and has restricted the demand in this class of farms. * * *

The increase in livestock numbers has increased a demand for good grazing land and it is doubtful if a marked decrease in grazing land values has occurred.

The trend²⁷ in land values [in New Mexico] has been generally sharply downward since a year ago. The greater part of the State is composed of range used for livestock grazing, being both privately and publicly owned. The prices for both cattle and sheep have been so low that many statements have been frequently made by livestock men that these prices do not pay operating expenses. These conditions have made it almost impossible for livestock interests to extend their land holdings. The low prices of farm products have made it difficult for farmers with any large amount of indebtedness to retain possession. There is practically no demand for farms in any localities from either local or outside interests. Many land transfers to mortgage holders have been made, but the exact number is hard to determine but is, no doubt, greater than a year ago. Outside of transfers of land because of failure to pay indebtedness, it is safe to say the greatest farm demand is for small farms.

Not many pieces of real estate are selling [in Arizona].²⁸ Most of the few sales noted appear to be small, well-improved tracts. When a sale is made it is usually at a price which might relatively be considered a distress value.

Holders of farm mortgages all seem to be willing to accept payments any time. They also seem to want amounts as mortgages come due. Where loans have been made on values of two or three years ago they frequently represent about all the land is worth. In these cases there is a renewal where there appears to be a chance the loan will eventually be paid out. There are a few cases where the borrower quits claims of equity and gives the property over to the holder of the mortgage.

SMALLEST DECLINES REPORTED FROM NORTH ATLANTIC STATES

Farm real estate values in the North Atlantic States declined less during the past year than those of any other section of the country. The average decrease in value in the Middle Atlantic States was only

²⁶ KING, A. J. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

²⁷ DANIELS, F. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

²⁸ WELLS, M. R. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

5 per cent, that of the New England States, 8 per cent. The greatest decline in the index occurred in Maine, where a 10 per cent drop was registered. Gross income from farm production, too, decreased to a greater extent in Maine than in any other State of the group, having been only 62 per cent of that in 1930, which, in turn, was 75 per cent of that for the previous year. The cumulative effect of the successive cuts in income have been reflected in farm real estate values. Maine, also, is probably influenced to a less extent by the demand for suburban homes than are other States closer to the metropolitan areas. In the other New England States, gross income was only about four-fifths that of last year. The drops in the value of farm real estate, although not so severe as in many sections, were greater than in other recent years.

Changes in farm realty values, of course, have not been uniform, and reflect the local influences at work. Some areas appear in a relatively strong position, others less so. Farms on State roads are reported, in general, to have fared better than farms on poorer roads. Inaccessible places, particularly, have dropped in value. Small farms have usually fared better than the large ones, and most buying seems to be on the part of nonfarmers, probably mostly city people, although as a group these buyers want cheap farms on liberal terms. In some cases, such buyers have little knowledge of agriculture, and are reported to agree to terms which may later result in trouble. A little activity in dairy and poultry farms is reported, and the tendency toward summer-homes development is continuing, occasionally, at least, at prices above the agricultural value of the place involved.

Foreclosures in some areas are reported to have increased, and in others mortgagees are reluctant to foreclose. High taxes are a primary source of difficulty, especially when they must be paid with farm products at current prices.

In the Middle Atlantic States farm realty values declined relatively slightly, the index for Pennsylvania being 5 per cent below a year ago, that for New York and New Jersey 4 per cent less. Nearness to market, especially for dairy and poultry products, has been an asset. Prices during the past year were not favorable, but the cumulative effect of a series of years has not been so unfavorable as in many other areas. Gross income from farm production was 22 per cent less than a year ago, but the decline from 1929 to 1930 was only 10 per cent, as compared with 21 per cent for the whole country, so that the total drop since 1929 has been less relatively than in any other geographic division.

Generally speaking, sentiment in these States is a little better than in most other areas. Mortgagees are reported as being lenient, and not anxious to acquire farms, although some foreclosures are reported and high taxes continue to be a burden.

Further reflection of local conditions is afforded by statements from the State agricultural statisticians.

From New England: ²⁹

Where farming is at present unprofitable there is a downward trend in land values, especially in the large farms, although very few sales are being made. Any temporary increase in prices of agricultural products would

²⁹ STEVENS, C. D. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

doubtless arrest this trend while the establishment of a higher price level would stabilize prices of these properties. It is our observation that small, well-located farms that have a good home value and are adapted to poultry, small fruit, and garden truck have not declined in value this past year. This type of farm is most in demand at present. There is also a demand for inexpensive, 1-man farms that have reasonably good buildings and which will afford a moderate living to the owner. Demand for this class of property has materially increased the past year. Prior to 1930 this type of farm had a very slow sale.

There are always more or less forced transfers of properties, but as yet we see very little increase in distress sales in New England. * * *

We find that many farm sales are being made to young men of the class who, three or four years ago, would have sought city employment. One of the most hopeful signs is that young men of high caliber are remaining in the country. There is a distinct "stay-on-the-farm" movement.

There is some indication of a trend for city people to go to the country. This is especially true of those with recent farm experience who find it difficult now to find employment in the city. Many of these people have financial resources and a background of farm experience, so that they have a chance to succeed.

We find no indication of any speculation in farm land.

Agricultural credit of any character is exceedingly scarce * * * in most parts of New England. Farmers are borrowing very little, operating as much on a cash basis as possible. * * * There is a tendency for farmers to live at home and make the farm more self-sufficing * * *.

In general, however, the farmer who is free of debt or does not have heavy fixed charges is getting along and will continue to carry on even with these low commodity-prices. On the other hand, there are many with heavy overhead charges, who if the low commodity prices continue for any length of time are almost certain to fail.

In New York: ³⁰

Land values have, apparently, decreased faster during the year than during previous years. * * * Many comments were to the effect that there was no sale for farm real estate, although many farms were held for sale. A large number of the smaller banks have ceased operations. This is making a bad condition worse. The severest declines are apparently in the western and central portions of the State, where the best farming lands are located. Needed repairs are being allowed to go undone. Many taxes and much interest are now overdue and unpaid.

Farm real estate [in Pennsylvania]³¹ * * * declined in value during the past year, according to reports from both owners and dealers. Hope of oil or gas in the Tioga field has sustained values in that area * * *.

Low prices for farm production, high taxes, and scarcity of credit are blamed for the situation. Activity in the farm real estate market is slow, but the number of persons interested has increased, inquiries usually being for small, cheap farms from 10 to 60 acres in size worth not over \$2,500, well located, suitable for either poultry raising or truck growing. Occasionally there is an inquiry for a dairy farm.

Many of the transfers involve exchanges for city real estate. In a few localities the most of the activity reported is the result of forced sales, but in general mortgagees are inclined to be lenient.

City unemployed, mostly with previous farm experience, or people of foreign extraction, with slack work in the mines constitute the bulk of the inquiries, but farmers are usually the purchasers of the larger acreages, the high taxes tending to restrain speculation.

CENSUS REPORTS FACILITATE CROSS-SECTION STUDY OF VALUES

The indexes of farm real estate values presented in the earlier part of this circular provide an indication of the trend in the various States. They do not, however, illustrate the geographic distribution

³⁰ GILLET, R. L. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

³¹ GASTEIGER, E. L. SPECIAL REPORT ON THE FARM REAL ESTATE SITUATION. (Unpublished data.)

of the value of land, farm buildings, or farm dwellings. Such data are available from the reports of the Bureau of the Census, and several charts based on those reports are presented herewith.

Of particular interest is Figure 7, which shows the average value per acre of farm land and buildings as of April 1, 1930, on a county basis. One area of high average values lies along the eastern seaboard from eastern Massachusetts down through New Jersey, where closeness to the markets of this densely populated area and the competition of encroaching residential districts support high valuations. Other sections of exceptionally high value are evident in Florida, in parts of the Pacific Coast States, and adjacent to the larger cities throughout the country. The Corn Belt stands out in bold relief, and several other areas of high productivity are evident.

Another aspect of the geographic distribution of farm property is presented in Figure 8, showing the average value per farm, including land, buildings, livestock, and equipment. This chart reveals the importance of factors other than value per acre with respect to the structure of the average farmer's investment. The low average value per farm of all farm property throughout nearly the whole Cotton Belt is due in part to smaller farms, lower-valued dwellings, and low investment in equipment. Further to the north and to the west, the average value per farm is higher, lower values per acre being offset by larger acreages, especially in the Mountain States, and by larger investment in machinery, equipment, and livestock.

In the census of 1930, for the first time, information on the value of farm dwellings as a separate item was secured. Figure 9, based on such data, reveals interesting comparisons. Throughout most of the South, the average value of dwellings per farm is less than the United States average of \$1,126. This circumstance is due in considerable part to the fact that croppers tracts are, by the census definition, included as separate farms rather than as a part of the larger plantation. The tenant houses, especially those of the croppers, tend to be of low value.

With respect to the changes in value from one census period to the next, several aspects are of interest. From the standpoint of total wealth, the change in aggregate value of real estate is important. (Fig. 10.) Over the two decades from 1910 to 1930, during which a wartime boom and a post-war deflation occurred, the aggregate value of the farm real estate according to the census increased 37.6 per cent. The increase, of course, involves changes in the various components of aggregate value. One component—value per acre—increased on the average, during the period, but the changes were far from uniform. Another component—number of acres in farms—increased nearly 108,000,000 acres, or about 12 per cent, but here again the changes were far from uniform. In several of the Mountain States that reported large increases in aggregate value, there has been great expansion of land in farms, the increase in Arizona having been over sevenfold, and that in Montana over twofold. In both these States, much lower-grade land has probably been included in the classification of land in farms, as indicated in part by the considerable decrease in the average value per acre. In California, on the other hand, a small increase in acreage was combined with a very material increase in the average value per

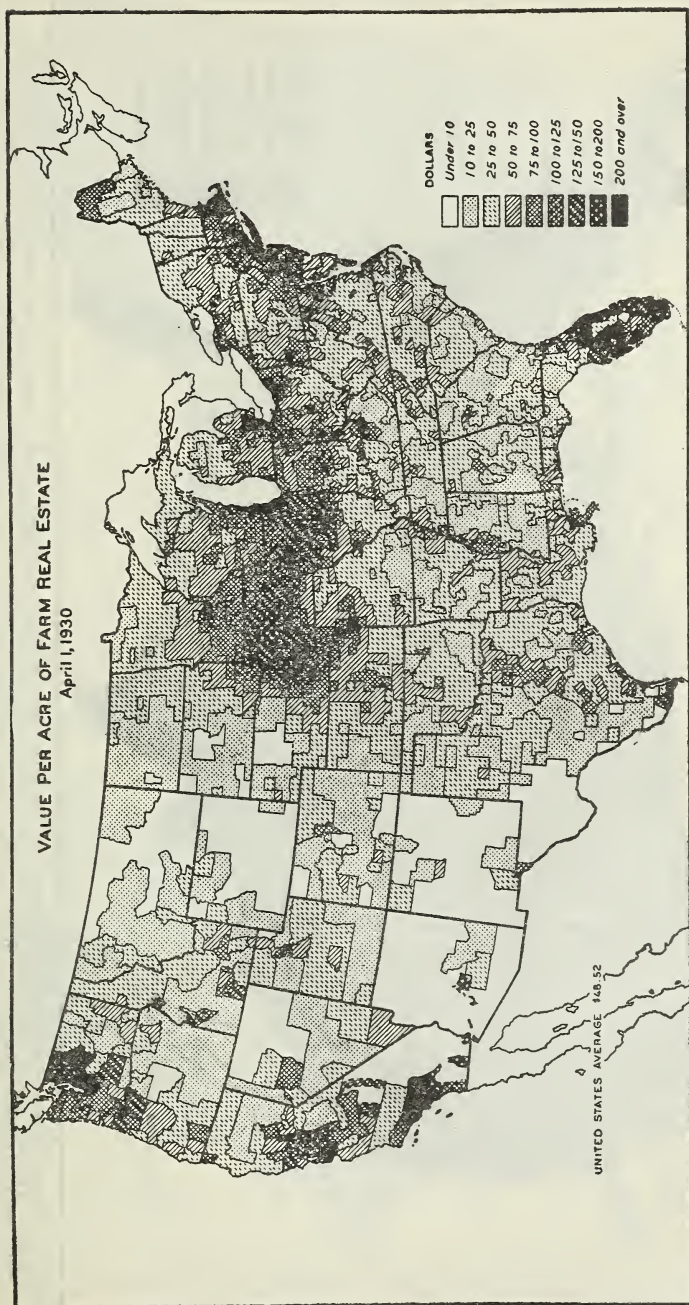


FIGURE 7.—Areas of high value per acre are found along the southern coast of the North Atlantic States, near large cities throughout the country, in the Corn Belt, in fertile valleys, and in other areas especially favored by local circumstances. Large areas of low-priced lands are found in the Mountain States. Between these two extremes is great variation, depending upon the combination of physical and economic factors peculiar to each locality.

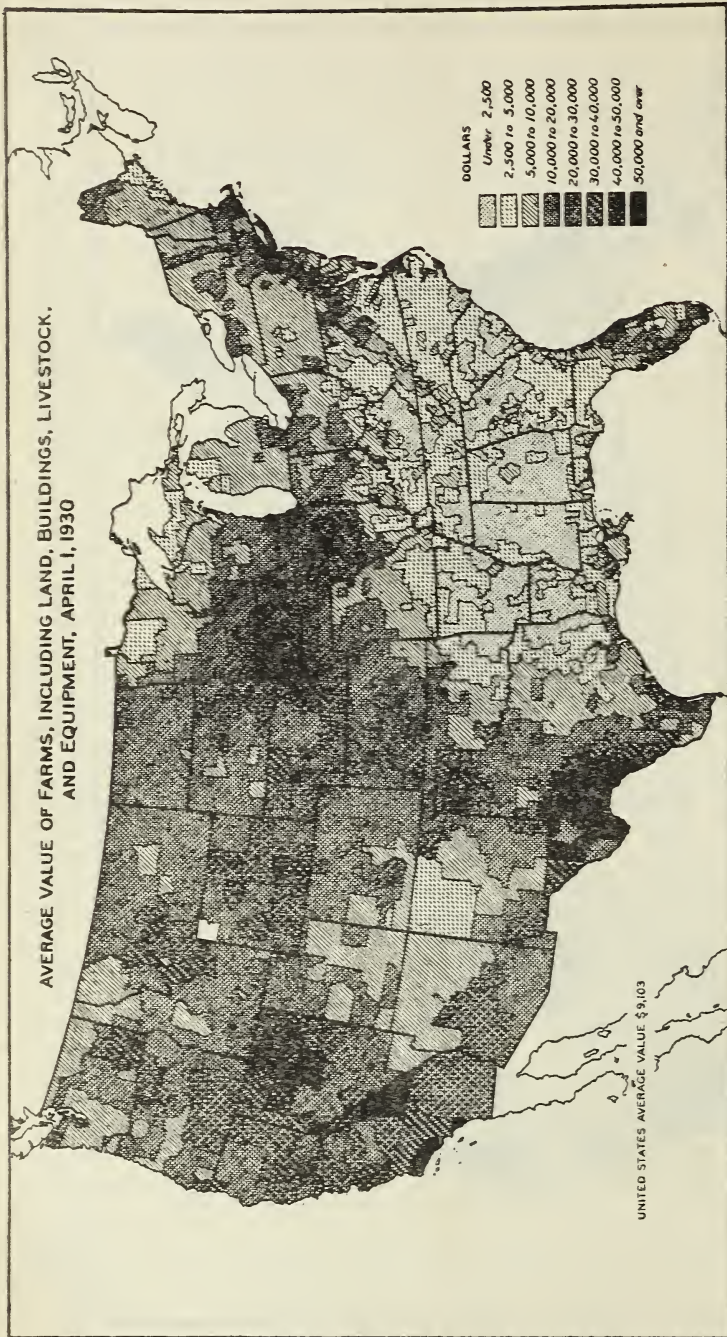


FIGURE 8.—Several factors other than value per acre affect the size of total investment. High average values, moderate size of farm, and considerable livestock and machinery result in a rather large average investment in the Corn Belt. Further west, large acreages in many cases offset low acre values, while in the South, smaller farms, moderate value per acre, and lower building values result in lower total investment

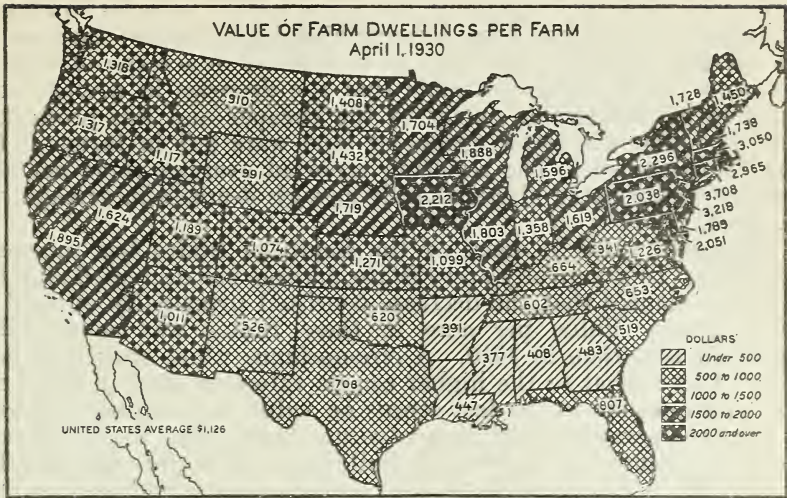


FIGURE 9.—The average value of farm dwellings for the United States was \$1,126 in 1930. The highest State averages, over \$3,000, were reported in Connecticut, New Jersey, and Massachusetts. Throughout most of the North and West, higher-than-average values were reported, while in most of the South, values were lower. This is due in large part to the high proportion of low-valued dwellings of tenants and croppers

acre. In most of the West North Central States, as well as in Wisconsin, aggregate value increased markedly and was accompanied by a moderate increase in acreage. In Illinois, the decrease in aggregate value is accounted for in part by a decrease of acreage, and in Indiana, by decreased acreage as well as by a slight decrease in value per acre.

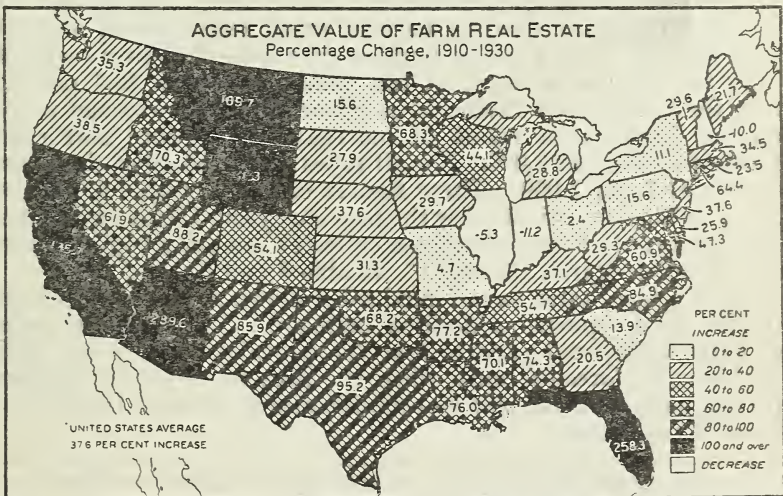


FIGURE 10.—For the United States as a whole, the aggregate value of farm real estate increased slightly more than one-third in the two decades 1910-1920 and 1920-1930. Decreases occurred in a few States, owing partly to decreasing farm acreage. In some of the Western States, land reported in farms expanded greatly, lowering the average value per acre but raising the aggregate value

In most of the New England States, aggregate value has increased moderately. This has been accompanied by a marked increase in the average value per acre, and by a decrease in acreage of over 25 per cent. It is highly probable that the decrease in acreage consisted to a considerable extent of the cheaper and less productive land, and that the better grades of land were left in farms at the time of the census. The resulting reported average value per acre is therefore probably higher than if no such decrease in acreage had occurred.

Aggregate value in most of the Southern States has increased markedly. In practically every State, acreage has decreased slightly, with the chances that the decrease consisted principally of land of lower grade. Value per acre in these States was considerably higher in 1930 than in 1910. A circumstance which may have contributed somewhat to the higher census values in 1930 is the inclusion of a question in the last census on value of dwellings, whereas in previous censuses dwellings have not been asked for specifically except as included in value of all buildings. It is quite possible that in some of the Southern States the plantation house had been omitted in some cases prior to the specific request for dwellings included in the last census. In such an event, the effect would be to raise the value per acre of land and buildings as of 1930, and to increase the apparent rise in value per acre.

CHANGES IN FARM OWNERSHIP

FORCED TRANSACTIONS INCREASE, VOLUNTARY SELLING DECLINES

During the year ended March 15, 1932, there was an increase in the number of forced sales. Not only were more farms sold as a result of tax delinquency, but a greater number changed ownership as a result of mortgage foreclosures, bankruptcy proceedings, sales to avoid foreclosure, deeding back to avoid legal action, and other related causes. The average number of farms changing ownership during the year as a result of tax delinquency was 13.3 per 1,000 farms for the United States as a whole; and the average number changing hands as a result of mortgage foreclosure and related defaults was 28.4 per 1,000. For all types of forced sales, the average rate was 41.7 per 1,000. These figures compare with 7.4, 18.7, and 26.1 per 1,000, respectively, for the previous year. Data on frequency of various types of sales have been collected annually beginning with the year ended March 15, 1926.³² (Table 8 and fig. 11.)

In only a few States have forced sales shown a decline. The great majority have reported a decided increase. Considered in connection with widespread reports that the prevalent policy of lending agencies is to foreclose only when the present owner is hopelessly involved, particular interest and significance attaches to the indicated rates of forced sales.

³² Definitions of terms, sources of data, and methods of compilation are described in the following publication: STAUBER, B. R. *Op. cit.*, p. 64.

TABLE 8.—Number of farms per 1,000 changing ownership by various methods, by States and geographic divisions, 12 months ended March 15, 1927-1932

Geographic division and State	Voluntary sales and trades ¹												Forced sales and related defaults											
	Delinquent taxes						Foreclosure of mortgages, bankruptcy, etc. ²						Total											
	1927	1928	1929	1930	1931	1932	1927	1928	1929	1930	1931	1932	1927	1928	1929	1930	1931	1932						
United States.....	28.3	26.3	23.5	23.7	19.0	16.2	5.1	5.2	4.7	5.1	13.3	18.2	17.6	14.8	15.7	18.7	28.4	23.3	22.8	19.5	20.8	26.1	41.7	
New England.....	32.4	34.9	30.4	30.7	30.7	24.8	3.8	3.0	3.6	3.9	5.2	8.6	7.7	7.3	7.3	6.3	10.3	12.4	10.7	10.9	11.2	9.7	15.5	
Middle Atlantic.....	37.0	33.7	28.2	28.3	21.5	20.4	3.0	3.4	3.6	3.5	4.6	8.8	8.4	8.4	9.6	9.2	12.4	11.8	11.8	12.0	13.1	13.8	18.0	
East North Central.....	25.8	24.0	21.0	20.8	18.6	16.8	3.8	4.2	3.3	4.8	6.7	16.6	16.6	15.8	17.5	19.3	27.8	20.4	20.7	19.1	22.3	24.0	34.3	
West North Central.....	24.3	23.9	22.4	22.9	18.9	14.2	5.3	5.1	3.6	4.2	5.5	8.7	27.3	22.3	23.3	25.8	43.8	32.0	32.4	25.9	27.5	31.3	52.5	
South Atlantic.....	21.2	20.0	18.3	18.2	14.5	12.3	6.9	9.0	8.4	12.8	21.0	14.1	16.4	14.0	14.8	19.4	26.1	21.0	20.0	23.3	23.0	32.2	47.1	
West South Central.....	29.3	27.5	23.4	23.9	19.4	17.2	5.8	5.4	4.0	4.9	10.0	26.0	15.9	11.2	11.2	16.3	27.0	21.7	20.0	15.2	16.1	25.9	50.6	
West North Central.....	31.7	34.8	35.6	38.7	24.8	17.6	9.5	12.0	10.8	11.2	13.8	16.5	14.4	12.0	13.4	16.3	27.0	19.9	18.5	15.2	16.8	22.4	40.2	
Mountain.....	33.7	34.8	35.6	38.7	24.8	17.6	9.5	12.0	10.8	11.2	13.8	16.5	14.4	12.0	13.4	16.3	27.0	19.9	18.5	15.2	16.8	22.4	40.2	
Pacific.....	36.3	34.3	28.3	30.1	22.1	22.3	4.5	4.2	3.9	3.0	5.4	10.8	15.6	13.6	12.2	19.6	26.8	20.1	19.9	17.5	15.2	25.0	37.6	
New England.....	32.8	33.2	29.1	29.7	31.0	21.0	6.0	5.2	7.8	7.4	4.2	9.1	10.5	8.8	11.0	10.1	14.6	16.5	14.0	18.8	17.0	14.3	23.7	
Maine.....	33.5	37.8	33.7	31.8	37.0	30.4	5.0	5.1	2.5	5.4	7.0	9.0	8.8	9.0	9.6	6.1	10.1	14.6	14.1	14.1	17.1	10.8	11.6	
New Hampshire.....	42.6	40.6	39.7	37.5	34.0	32.2	1.7	1.2	.9	1.3	3.7	1.0	10.8	8.8	8.0	8.5	6.7	7.4	12.5	10.0	8.9	9.8	11.4	
Vermont.....	28.0	35.1	32.6	28.2	25.6	22.8	2.0	1.3	2.2	2.4	1.2	2.4	6.0	5.7	6.2	7.4	4.0	8.1	8.0	7.0	8.4	9.8	5.2	
Massachusetts.....	35.0	30.0	32.8	31.0	23.0	23.6	4.0	1.2	1.0	.8	1.0	8.8	1.0	6.5	5.5	2.3	2.0	4.0	10.5	3.7	6.5	3.1	2.8	
Rhode Island.....	23.9	28.7	27.8	27.2	28.9	21.9	3.0	1.0	.9	1.0	1.0	2.2	6.0	3.0	3.2	4.5	8.9	9.0	4.0	3.9	4.2	5.5	11.1	
Middle Atlantic.....	37.5	35.6	30.1	30.4	28.1	24.1	3.9	5.2	5.2	5.0	4.8	7.0	12.7	12.2	12.0	11.6	11.5	16.6	17.4	17.2	16.6	16.4	19.9	
New York.....	54.4	44.4	30.8	30.6	30.6	23.5	3.4	4.0	2.0	2.2	4.5	5.0	6.0	6.9	4.0	5.4	11.0	9.4	10.9	6.0	7.6	10.9	16.0	
New Jersey.....	34.0	30.2	25.0	26.0	20.1	16.4	2.1	1.7	2.4	2.3	4.4	4.4	5.6	5.5	5.6	8.4	7.4	12.2	7.7	7.2	8.0	10.7	16.6	
Pennsylvania.....	30.8	27.3	23.1	22.7	18.3	16.6	2.1	1.8	1.5	1.8	2.4	2.9	11.5	11.4	13.3	13.5	16.4	21.6	13.2	14.8	15.3	18.8	24.5	
Ohio.....	25.8	23.6	19.2	19.2	17.1	16.7	5.4	6.3	5.4	7.1	7.9	11.9	16.9	17.3	15.7	20.5	19.9	30.1	23.6	21.1	27.6	27.8	42.0	
Indiana.....	21.7	20.0	19.7	18.8	17.8	15.3	1.8	3.1	1.9	3.9	2.9	4.7	16.8	17.9	16.7	17.2	20.1	29.8	18.6	21.1	18.6	21.1	23.0	
Illinois.....	30.5	30.5	24.6	24.9	21.9	18.5	6.4	7.0	4.7	8.9	7.8	9.4	18.8	10.8	17.1	20.0	30.6	25.2	25.0	21.8	30.1	28.5	40.0	
Michigan.....	19.8	18.2	18.1	18.1	18.1	17.1	4.0	3.7	3.5	3.3	3.4	4.8	20.5	19.0	16.5	16.4	20.2	28.3	24.5	22.7	20.0	19.7	23.6	
Wisconsin.....	18.5	18.4	16.8	17.7	16.8	13.9	4.5	5.5	3.7	3.7	7.7	7.4	21.7	26.4	26.4	27.9	31.2	42.9	29.2	31.9	30.1	31.6	38.9	
West North Central.....	18.7	17.2	17.4	17.6	14.5	12.8	2.5	2.3	2.0	2.2	3.3	6.3	27.3	28.1	25.2	25.1	24.8	52.5	29.8	30.4	27.2	27.3	58.8	
Iowa.....	29.9	27.7	26.7	26.1	21.8	18.2	4.0	3.7	3.5	3.4	4.0	8.0	22.7	24.1	21.7	24.6	23.7	42.1	26.7	27.8	25.2	30.0	28.1	
Missouri.....	23.9	28.6	26.6	26.5	17.9	12.4	18.1	16.5	10.7	12.2	15.9	22.0	43.0	39.4	32.0	30.1	34.1	54.0	61.1	55.9	42.7	42.3	50.0	
North Dakota.....	33.1	34.8	35.6	38.7	24.8	17.6	9.5	12.0	10.8	11.2	13.8	16.5	14.4	12.0	13.4	16.3	27.0	19.9	18.5	15.2	16.8	22.4	40.2	

¹ Including contracts to purchase (but not options).
² Including loss of title by default of contract, sales to avoid foreclosure, and surrender of title or other transfers to avoid foreclosure.

TABLE 8.—Number of farms per 1,000 changing ownership by various methods, by States and geographic divisions, 12 months ended March 15, 1927-1932—Continued

Geographic division and State	Voluntary sales and trades						Delinquent taxes						Foreclosure of mortgages, bankruptcy, etc.						Total																										
	1927		1928		1929		1930		1931		1932		1927		1928		1929		1930		1931		1932		1927		1928		1929		1930		1931		1932										
W. N. Central—Con.																																													
South Dakota.....	20.8	26.9	21.1	21.1	21.1	18.1	15.0	11.1	7.8	7.9	10.2	18.1	51.1	46.8	27.2	27.1	33.2	49.2	66.1	57.9	35.0	35.0	66.1	57.9	35.0	35.0	66.1	57.9	35.0	35.0	66.1	57.9	35.0	35.0	66.1	57.9	35.0	35.0							
Nebraska.....	26.2	26.4	26.5	27.8	20.2	13.5	3.2	3.4	1.9	1.1	2.6	4.6	25.3	24.9	15.7	15.9	21.8	34.4	28.5	28.3	17.6	17.0	25.3	24.9	15.7	15.9	25.3	24.9	15.7	15.9	25.3	24.9	15.7	15.9	25.3	24.9	15.7	15.9							
Kansas.....	29.6	27.3	24.1	26.0	22.1	13.8	2.9	3.6	1.5	2.6	3.4	7.1	16.0	19.4	13.0	14.8	20.0	36.0	18.9	23.0	14.5	17.4	16.0	19.4	13.0	14.8	16.0	19.4	13.0	14.8	16.0	19.4	13.0	14.8	16.0	19.4	13.0	14.8							
South Atlantic:																																													
Delaware.....	20.9	17.9	24.4	20.6	19.0	19.0	2.5	2.0	1.5	1.4	3.7	1.5	10.0	8.0	9.9	5.6	10.0	14.5	12.5	10.0	11.4	7.0	10.0	8.0	9.9	5.6	10.0	8.0	9.9	5.6	10.0	8.0	9.9	5.6	10.0	8.0	9.9	5.6							
Maryland.....	30.0	28.5	23.6	20.6	18.8	18.8	5.1	3.8	5.1	7.2	5.5	12.0	12.2	13.6	13.6	13.4	10.6	22.2	17.2	17.4	18.7	20.6	12.2	13.6	13.6	13.4	12.2	13.6	13.6	13.4	12.2	13.6	13.6	13.4											
Virginia.....	19.3	17.3	16.3	16.3	13.7	9.8	2.5	2.6	3.5	2.6	6.7	9.5	11.8	12.0	10.6	10.4	15.2	29.3	14.3	14.6	14.1	13.0	11.8	12.0	10.6	10.4	11.8	12.0	10.6	10.4	11.8	12.0	10.6	10.4											
West Virginia.....	28.2	22.5	19.1	23.6	18.5	15.7	9.4	10.2	10.0	12.0	18.1	32.5	7.8	7.6	6.6	7.5	9.0	12.9	17.2	17.8	16.6	19.5	7.8	7.6	6.6	7.5	7.8	7.6	6.6	7.5	7.8	7.6	6.6	7.5											
North Carolina.....	21.3	19.1	19.2	19.1	16.5	11.0	8.6	8.4	13.7	10.8	22.3	35.6	11.5	14.0	15.0	15.0	20.0	32.6	20.1	22.4	28.7	25.8	11.5	14.0	15.0	15.0	11.5	14.0	15.0	15.0	11.5	14.0	15.0	15.0											
South Carolina.....	14.7	14.1	14.4	14.2	9.7	11.0	8.1	8.6	11.0	15.5	17.0	25.6	22.2	27.6	22.2	25.0	32.0	28.8	30.7	36.2	33.9	40.5	22.2	27.6	22.2	25.0	22.2	27.6	22.2	25.0	22.2	27.6	22.2	25.0											
Georgia.....	24.0	21.3	17.9	17.5	10.9	10.6	8.2	6.0	7.7	5.5	5.9	10.0	19.7	23.7	17.4	18.5	27.4	26.8	27.9	29.7	25.1	24.0	19.7	23.7	17.4	18.5	19.7	23.7	17.4	18.5	19.7	23.7	17.4	18.5											
Florida.....	63.5	31.7	23.4	20.5	19.8	21.0	6.6	11.7	8.6	5.1	3.3	11.8	8.5	12.4	6.0	8.0	4.0	6.7	15.1	24.1	16.1	13.1	8.5	12.4	6.0	8.0	8.5	12.4	6.0	8.0	8.5	12.4	6.0	8.0											
East South Central:																																													
Kentucky.....	31.0	30.5	25.7	30.0	27.2	19.0	7.5	8.0	4.5	6.4	10.3	16.1	16.1	13.6	11.6	12.6	12.1	17.9	19.9	24.1	16.1	19.0	16.1	13.6	11.6	12.6	16.1	13.6	11.6	12.6	16.1	13.6	11.6	12.6											
Tennessee.....	25.3	21.3	18.9	18.5	16.7	18.0	4.5	3.8	2.3	2.3	3.6	10.1	15.3	13.6	9.6	8.8	10.9	23.0	19.8	17.4	11.9	11.1	15.3	13.6	9.6	8.8	15.3	13.6	9.6	8.8	15.3	13.6	9.6	8.8											
Alabama.....	30.3	27.8	23.1	20.6	15.4	15.6	1.5	1.5	1.2	1.5	3.5	13.8	14.2	12.8	9.7	9.7	22.6	27.0	13.7	14.3	10.9	11.2	14.2	12.8	9.7	9.7	14.2	12.8	9.7	9.7	14.2	12.8	9.7	9.7											
Mississippi.....	30.9	31.2	26.2	26.1	16.2	15.2	10.4	8.3	8.9	10.5	23.8	65.8	18.7	15.9	14.4	14.3	20.4	34.1	29.1	24.2	23.3	24.8	18.7	15.9	14.4	14.3	18.7	15.9	14.4	14.3	18.7	15.9	14.4	14.3											
West South Central:																																													
Arkansas.....	38.2	34.1	25.4	27.7	19.1	19.6	3.0	5.8	4.8	4.3	8.3	27.8	19.9	15.1	16.0	16.3	18.6	32.7	22.9	20.9	20.8	20.6	19.9	15.1	16.0	16.3	19.9	15.1	16.0	16.3	19.9	15.1	16.0	16.3											
Louisiana.....	29.4	29.0	28.5	22.5	15.5	15.5	4.8	5.3	6.0	7.6	7.4	22.3	16.1	18.4	14.3	14.2	14.4	23.5	20.9	23.7	20.0	21.8	16.1	18.4	14.3	14.2	16.1	18.4	14.3	14.2	16.1	18.4	14.3	14.2											
Oklahoma.....	29.0	25.0	22.9	15.3	15.4	8.2	7.2	3.2	3.2	3.4	9.8	17.2	24.2	21.8	14.0	18.2	22.4	30.5	32.4	29.0	17.5	21.6	24.2	21.8	14.0	18.2	24.2	21.8	14.0	18.2	24.2	21.8	14.0	18.2											
Texas.....	29.4	26.3	24.8	22.0	14.7	13.6	1.8	1.4	1.8	1.8	2.9	2.3	10.5	9.5	8.5	9.6	12.8	23.6	12.3	10.9	10.3	11.4	10.5	9.5	8.5	9.6	10.5	9.5	8.5	9.6	10.5	9.5	8.5	9.6											
Mountain:																																													
Montana.....	35.2	45.5	49.8	46.6	21.0	15.0	13.0	15.5	18.1	22.0	29.1	35.0	56.0	40.9	21.1	25.1	31.1	34.6	69.0	56.4	39.2	47.1	56.0	40.9	21.1	25.1	56.0	40.9	21.1	25.1	56.0	40.9	21.1	25.1											
Idaho.....	26.5	34.5	29.0	30.4	24.6	18.4	8.1	14.5	10.1	9.8	16.7	18.1	32.6	28.5	20.9	20.9	20.8	28.2	40.7	43.0	31.6	30.7	32.6	28.5	20.9	20.9	32.6	28.5	20.9	20.9	32.6	28.5	20.9	20.9											
Wyoming.....	32.2	38.4	37.3	42.3	29.0	22.5	13.7	12.9	9.0	13.1	10.4	14.9	25.6	19.3	17.6	17.8	20.1	26.3	39.3	32.2	26.8	30.4	32.2	19.3	17.6	17.8	32.2	19.3	17.6	17.8	32.2	19.3	17.6	17.8											
Colorado.....	35.7	30.0	34.6	39.5	24.5	16.0	10.2	12.0	12.0	9.4	5.9	11.0	36.3	26.1	21.8	21.8	18.8	30.3	27.5	46.5	38.1	30.5	36.3	26.1	21.8	21.8	36.3	26.1	21.8	21.8	36.3	26.1	21.8	21.8											
New Mexico.....	50.1	35.9	35.9	44.2	34.4	22.0	5.4	5.4	6.0	4.1	3.9	3.7	30.3	50.6	12.4	12.4	22.3	20.1	35.7	26.0	18.4	16.5	30.3	50.6	12.4	12.4	30.3	50.6	12.4	12.4	30.3	50.6	12.4	12.4											
Arizona.....	30.0	30.3	34.3	41.1	31.9	22.5	5.5	5.1	3.0	1.7	7.5	8.2	40.3	58.7	20.4	19.3	25.4	32.1	45.8	43.8	23.4	21.0	40.3	58.7	20.4	19.3	40.3	58.7	20.4	19.3	40.3	58.7	20.4	19.3											
Utah.....	22.0	23.0	18.2	27.2	14.7	13.1	9.5	13.9	7.0	10.9	16.9	14.0	16.0	13.8	8.5	8.3	16.1	17.2	25.5	27.7	16.5	19.2	16.0	13.8	8.5	8.3	16.0	13.8	8.5	8.3	16.0	13.8	8.5	8.3											
Nevada.....	23.8	21.7	23.7	23.5	31.2	23.7	2.0	1.4	1.0	1.2	4.9	10.0	24.6	18.3	9.8	9.8	12.0	21.0	25.0	26.6	19.7	10.8	24.6	18.3	9.8	9.8	24.6	18.3	9.8	9.8	24.6	18.3	9.8	9.8											
Pacific:																																													
Washington.....	35.7	35.5	29.7	29.6	25.3	18.4	8.7	8.0	5.3	5.7	9.8	12.5	20.3	15.3	13.9	13.4	18.6	24.0	29.0	23.3	19.2	19.1	8.7	8.0	5.3	5.7	8.7	8.0	5.3	5.7	8.7	8.0	5.3	5.7											
Oregon.....	34.1	37.4	31.0	38.9	34.9	27.6	5.2	6.0	3.7	7.0	9.5	16.0	17.9	10.0	11.2	12.0	13.6	22.3	21.2	23.9	15.2	14.9	5.2	6.0	3.7	7.0	5.2	6.0	3.7	7.0	5.2	6.0	3.7	7.0											
California.....	37.5	32.3	26.4	26.7	15.1	22.3	2.0	1.5	2.7	1.3	2.3	10.4	13.0	15.0	15.0	12.0	22.6	30.2	15.0	16.5	17.7	24.9	2.0	1.5	2.7	1.3	2.0	1.5	2.7	1.3	2.0	1.5	2.7	1.3											

Geographic division and State	Inheritance and gift						Administrators' and executors' sales ³						Miscellaneous and unclassified						Total all classes						
	1927	1928	1929	1930	1931	1932	1927	1928	1929	1930	1931	1932	1927	1928	1929	1930	1931	1932	1927	1928	1929	1930	1931	1932	
United States.....	8.8	8.9	8.5	9.3	9.4	10.4	7.0	6.7	5.4	6.1	5.7	6.2	1.1	1.3	1.1	1.5	1.7	2.2	68.5	66.0	58.0	61.5	61.9	76.7	
New England.....	9.9	10.4	9.6	10.3	8.8	10.2	7.5	7.1	6.5	6.1	5.6	6.9	.7	1.0	.8	1.9	1.3	3.1	62.9	64.1	58.2	60.2	56.1	60.5	
Middle Atlantic.....	8.8	8.6	8.0	8.2	8.5	9.0	8.7	8.2	7.2	7.0	7.0	6.1	1.5	1.8	1.2	1.4	1.7	1.8	67.8	64.1	56.6	58.0	55.5	55.3	
East North Central.....	9.8	9.7	8.9	9.4	9.3	11.0	9.1	8.3	6.7	7.8	7.5	8.1	1.4	1.2	1.3	1.3	1.5	2.2	66.5	63.9	57.0	61.6	60.9	72.4	
West North Central.....	8.1	8.4	8.5	9.8	9.7	9.8	6.5	6.5	6.1	6.2	5.4	4.9	1.3	1.5	1.2	1.6	1.5	2.4	72.2	72.7	64.1	68.0	66.8	83.8	
South Atlantic.....	10.2	10.6	10.4	11.4	12.5	13.3	7.7	7.9	7.5	7.9	6.5	8.1	.9	1.1	1.1	2.0	2.6	2.6	64.0	62.9	60.3	62.7	68.3	83.4	
East South Central.....	9.3	9.2	8.8	9.3	9.9	11.1	7.5	6.6	5.4	5.8	5.6	6.2	.8	1.1	.9	1.4	1.8	2.1	68.6	64.4	53.7	56.5	62.6	87.2	
West South Central.....	7.8	7.8	7.2	7.6	7.4	8.8	4.4	4.2	3.6	3.3	3.4	4.0	2.3	1.2	1.0	1.4	1.7	2.0	63.9	59.6	52.5	53.2	51.6	71.3	
Mountain.....	5.8	5.6	6.0	7.0	6.9	7.7	4.4	3.7	4.1	4.7	3.6	4.5	2.3	1.9	1.4	1.9	1.1	2.1	91.3	85.4	70.2	81.7	72.8	73.5	
Pacific.....	6.9	7.1	6.5	7.3	6.6	7.5	4.0	4.4	3.7	3.6	3.6	4.3	1.3	1.4	1.5	1.4	.8	2.0	58.7	67.1	57.5	57.6	58.1	73.7	
New England:																									
Maine.....	11.8	11.5	12.9	13.0	9.4	11.2	6.5	5.7	4.5	4.5	3.5	6.8	.6	1.0	.4	2.3	1.4	3.2	68.2	65.4	65.7	66.5	59.6	65.9	
New Hampshire.....	8.4	7.9	7.3	7.4	9.6	13.9	6.0	5.0	3.7	4.9	7.4	11.4	.4	.5	.5	2.1	2.1	4.3	62.1	65.3	50.3	57.0	67.7	76.4	
Vermont.....	10.4	10.9	8.5	7.7	6.7	10.1	9.8	10.2	12.0	12.0	7.5	9.0	1.0	1.5	1.4	1.4	2.0	2.4	76.3	73.2	64.5	69.0	59.0	65.1	
Massachusetts.....	8.3	9.5	8.3	9.6	8.4	8.0	6.8	6.0	4.0	5.0	6.8	2.5	.3	.9	1.4	1.9	1.0	3.5	51.4	58.5	54.7	54.5	47.0	47.3	
Rhode Island.....	9.0	8.9	10.8	7.0	5.3	4.7	8.0	5.0	2.0	2.0	3.2	4.7	0	.5	0	.3	0	2.5	48.1	45.1	45.1	43.4	34.3	40.5	
Connecticut.....	9.0	11.0	7.3	12.0	10.7	9.0	9.1	10.5	9.0	5.6	4.6	7.2	1.5	.8	.4	1.2	1.4	2.4	52.5	56.0	48.4	50.2	51.1	51.6	
Middle Atlantic:																									
New York.....	10.4	9.2	8.1	8.1	9.7	9.0	8.0	7.5	5.9	5.9	5.5	4.9	1.8	1.9	1.5	1.3	1.6	1.9	74.3	71.6	62.8	62.3	61.3	59.8	
New Jersey.....	7.0	7.2	6.2	6.2	4.6	5.0	6.8	9.3	5.8	5.7	9.3	5.0	.4	.9	.8	.7	1.0	1.0	78.0	72.7	48.8	50.8	56.4	50.5	
Pennsylvania.....	7.6	8.2	8.1	8.5	7.9	9.6	9.6	8.6	8.6	8.2	8.1	7.5	1.3	1.9	1.9	1.5	1.9	1.9	60.2	56.1	51.9	54.9	49.8	52.0	
East North Central:																									
Ohio.....	9.0	9.1	9.2	9.5	8.3	13.1	9.7	9.2	8.3	8.4	8.8	9.4	1.5	1.0	1.0	.9	2.0	1.4	64.3	59.8	56.4	56.8	56.2	64.8	
Indiana.....	10.5	9.9	10.0	11.2	12.7	13.7	10.5	9.8	7.6	10.2	9.7	11.5	1.0	.8	1.0	2.2	1.2	3.1	70.1	67.7	59.1	70.4	67.5	87.0	
Illinois.....	12.4	12.7	11.9	12.7	11.0	12.4	11.0	9.5	8.4	9.6	9.7	7.4	1.4	1.0	.5	1.0	1.0	2.0	65.1	64.2	50.1	63.2	62.5	72.1	
Michigan.....	9.8	10.0	7.3	7.5	7.4	9.7	7.9	6.9	4.1	5.0	4.2	6.8	1.2	1.5	2.1	1.0	1.5	2.7	74.6	73.9	60.1	69.1	63.5	77.7	
Wisconsin.....	6.9	6.2	5.7	5.5	6.8	3.4	5.8	3.4	4.6	4.6	3.1	3.1	2.0	1.8	1.9	1.8	1.9	1.6	59.0	54.3	50.3	49.7	55.5	62.3	
West North Central:																									
Minnesota.....	6.7	6.3	6.6	8.8	11.0	10.0	5.3	4.3	4.2	5.3	6.3	4.4	1.7	1.5	.8	2.1	1.6	3.4	61.4	62.4	58.5	65.5	74.6	82.3	
Iowa.....	8.5	8.6	8.6	9.1	8.5	12.1	7.0	7.6	7.1	7.4	6.4	6.2	1.2	1.4	1.3	1.7	1.2	2.8	65.2	61.6	61.6	63.1	58.7	92.7	
Missouri.....	9.5	9.6	10.1	12.0	10.8	10.4	6.6	6.8	5.7	4.5	3.6	4.5	1.1	1.8	1.0	1.7	1.0	2.6	73.8	73.7	68.7	75.3	56.1	85.8	
North Dakota.....	6.5	8.0	8.6	7.6	6.6	6.4	5.1	5.2	5.5	5.5	4.0	3.5	1.0	.8	1.8	1.5	2.7	2.0	97.6	98.5	85.2	82.4	81.2	100.3	
South Dakota.....	8.0	8.1	8.2	9.1	9.4	7.4	5.5	5.2	5.8	5.6	3.9	3.4	1.3	1.5	1.7	1.6	1.6	2.0	101.7	99.6	71.8	72.4	76.4	89.9	
Nebraska.....	8.0	8.4	8.6	8.7	9.6	9.4	7.8	9.2	8.1	7.1	6.9	5.7	1.4	2.0	1.6	1.4	2.4	1.4	71.9	74.3	62.4	61.9	63.5	69.0	
Kansas.....	8.1	9.1	8.3	10.7	10.1	9.0	7.2	6.5	6.8	7.2	6.2	4.6	1.2	1.2	.8	1.2	1.2	1.3	65.0	67.1	54.5	62.5	63.0	71.8	
South Atlantic:																									
Delaware.....	9.5	9.6	9.2	5.0	12.5	15.2	10.0	9.7	5.4	11.8	15.5	12.4	.5	.9	.9	.2	0	1.4	53.4	48.1	50.6	48.4	60.7	64.0	
Maryland.....	9.4	8.1	9.8	11.7	9.6	10.4	9.2	7.8	10.8	10.2	6.4	8.8	.6	.8	.9	2.0	3.0	2.3	66.4	62.6	63.8	65.1	53.9	74.6	
Virginia.....	10.2	11.0	9.1	10.1	12.0	14.6	6.8	7.2	6.2	7.1	7.9	10.8	.3	1.0	.9	1.5	3.0	1.6	50.9	51.1	46.6	48.0	58.5	75.6	

³ Including all other sales in settlement of estates.

TABLE 8.—Number of farms per 1,000 changing ownership by various methods, by States and geographic divisions, 12 months ended March 15, 1927—1932—Continued

Geographic division and State	Inheritance and gift						Administrators' and executors' sales						Miscellaneous and unclassified						Total all classes						
	1927	1928	1929	1930	1931	1932	1927	1928	1929	1930	1931	1932	1927	1928	1929	1930	1931	1932	1927	1928	1929	1930	1931	1932	
	South Atlantic—Contd.																								
West Virginia.....	13.8	13.0	12.3	13.7	12.0	15.4	6.8	5.0	5.6	5.5	4.7	6.2	1.6	1.1	.9	2.5	1.5	3.8	67.6	59.4	54.5	64.8	63.8	86.5	
North Carolina.....	11.1	10.1	12.7	12.7	18.3	16.0	8.8	8.8	8.5	8.7	7.0	7.2	1.6	1.1	1.2	2.6	4.0	3.4	62.9	61.5	70.3	68.9	88.1	103.8	
South Carolina.....	8.0	11.5	9.0	13.3	9.7	12.9	7.0	9.2	8.0	7.3	6.0	9.8	.4	1.0	1.8	1.1	2.0	3.3	60.8	72.0	67.1	76.4	76.4	90.8	
Georgia.....	10.7	11.9	9.9	10.2	9.4	9.0	9.0	9.9	9.3	9.7	7.1	6.5	.8	1.5	1.2	2.8	2.3	2.3	72.4	74.3	63.4	64.2	63.0	65.2	
Florida.....	4.3	4.2	7.2	6.8	8.7	9.6	3.0	2.7	1.5	4.1	1.1	5.3	.5	0	.3	.5	0	.5	86.4	62.7	47.0	45.0	36.9	54.9	
East South Central:																									
Kentucky.....	9.3	9.5	10.5	12.1	11.9	10.7	8.0	7.7	5.5	8.4	6.1	5.1	1.0	1.2	1.5	2.0	2.0	1.6	72.9	73.0	59.3	71.5	69.6	76.2	
Tennessee.....	9.4	9.2	7.7	9.1	8.7	11.8	7.7	7.0	6.5	5.7	5.4	8.4	.8	1.1	.6	1.8	2.0	2.3	63.0	56.0	45.6	46.2	47.3	73.6	
Alabama.....	9.2	9.0	7.7	6.8	9.9	12.0	6.6	5.9	3.8	3.8	5.9	3.8	.3	1.0	.6	.8	.9	1.0	62.1	58.0	46.1	43.2	60.2	75.4	
Mississippi.....	9.3	8.9	9.3	8.2	8.5	9.5	7.4	5.0	5.5	4.2	5.0	7.7	.9	1.0	1.0	.8	2.4	3.6	77.6	70.3	65.3	64.1	76.3	135.9	
West South Central:																									
Arkansas.....	7.4	8.3	7.7	7.5	7.7	7.5	3.5	3.6	3.8	3.3	4.0	4.1	.6	1.4	1.2	1.8	2.9	2.2	72.6	68.3	58.9	60.9	60.6	93.9	
Louisiana.....	9.1	10.5	11.4	12.7	15.0	17.2	9.0	8.8	5.9	6.7	8.0	9.9	.9	1.5	1.0	.9	2.6	3.4	69.3	73.5	67.8	70.9	69.9	91.8	
Oklahoma.....	5.5	4.9	4.7	5.6	7.4	7.5	4.1	4.9	3.0	2.4	3.5	4.8	.9	1.3	1.4	.7	1.7	1.4	71.9	68.1	51.6	53.2	60.1	76.8	
Texas.....	8.7	8.3	7.1	7.4	5.2	7.9	3.8	3.0	3.3	2.8	2.0	3.9	.6	1.0	.8	1.7	.9	1.8	54.8	49.5	46.3	45.3	38.5	53.1	
Mountain:																									
Montana.....	5.7	5.1	7.0	7.0	8.1	5.6	5.2	5.0	5.5	5.3	4.7	3.0	2.5	2.0	2.6	1.9	2.1	1.1	117.6	114.0	104.1	107.9	96.1	94.3	
Idaho.....	5.1	7.0	3.8	6.1	6.6	4.4	3.2	4.9	4.0	4.0	1.6	4.9	2.3	2.3	.7	1.7	.7	.4	77.8	91.7	71.1	72.9	71.0	74.4	
Wyoming.....	6.0	6.1	6.3	6.4	4.4	10.7	4.3	3.5	3.5	5.2	4.5	4.7	3.0	1.8	1.4	1.4	0	3.8	84.8	82.0	72.3	85.7	68.4	82.4	
Colorado.....	6.8	5.9	7.3	9.0	7.5	6.5	5.3	2.8	4.8	5.8	4.9	4.0	1.6	2.0	1.7	3.2	1.6	3.1	95.9	78.8	85.0	85.7	63.5	68.2	
New Mexico.....	5.6	4.6	4.6	7.3	4.9	9.3	3.9	2.9	2.2	2.2	2.2	6.2	2.2	2.2	.8	1.8	1.8	3.8	99.2	71.6	61.9	71.8	69.3	65.1	
Arizona.....	5.8	5.4	3.8	4.2	9.2	12.1	3.8	2.4	2.0	3.4	6.8	4.3	3.2	1.4	1.0	1.0	0	3.8	88.6	92.3	64.6	72.7	80.8	83.0	
Utah.....	5.0	4.5	4.4	4.0	6.5	14.0	4.1	3.1	4.1	5.7	1.7	6.1	1.4	.8	.3	.5	1.9	1.3	58.0	59.1	43.5	56.6	57.8	65.7	
Nevada.....	3.5	5.2	5.0	7.0	6.8	10.8	3.0	4.0	3.0	2.8	6.8	3.9	1.0	1.7	2.0	1.2	0	1.5	57.9	52.3	46.5	53.7	70.7	74.9	
Pacific:																									
Washington.....	7.4	7.0	5.9	6.2	7.9	8.1	5.6	3.8	3.3	4.0	4.3	3.3	1.3	1.6	2.1	2.3	1.1	2.5	77.8	71.2	60.2	61.2	67.0	68.8	
Oregon.....	7.9	7.4	5.8	9.0	7.1	8.6	4.6	5.6	3.4	3.6	3.1	4.2	1.5	1.3	.8	.6	.9	1.0	70.1	76.1	56.2	67.0	66.4	73.2	
California.....	6.3	7.1	7.2	7.1	5.7	6.7	3.3	4.2	4.0	3.3	3.5	4.8	1.4	1.2	1.4	1.3	.0	2.2	63.5	61.3	56.7	51.7	49.8	76.6	

The highest average rates of forced sales other than tax sales were reported from the West North Central States,³³ the average rate for the year ended March 15, 1932, being 43.8 per 1,000, as compared with 25.8 for the preceding year. The lowest rates were reported in the New England and Middle Atlantic States, which had rates of 10.3 and 12.4 farms per 1,000, respectively. Other divisions varied from 24.6 in the East South Central to 27.8 in the East North Central States. Previous to 1929, the Mountain States reported the highest average rate of such defaults, but beginning with that year the West North Central States have reported the highest average rates.

A number of factors are related to this situation. Income has declined seriously and has resulted in higher delinquencies, but this has occurred in many parts of the country. The decline in

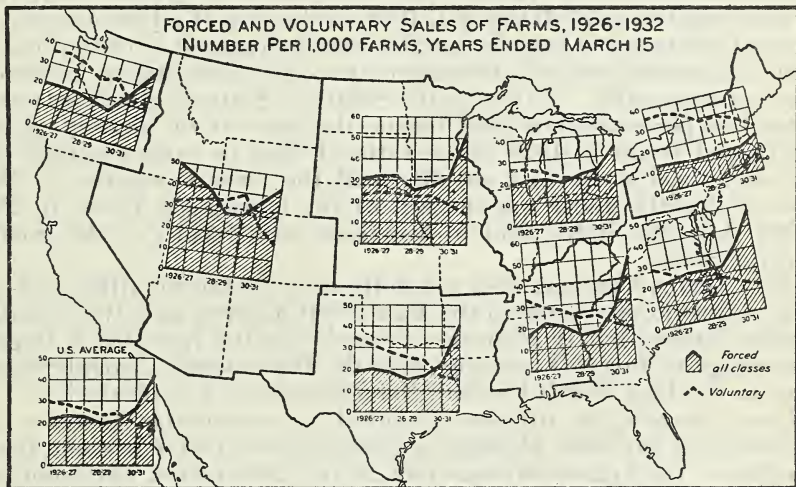


FIGURE 11.—During the year 1931-32 the rate of forced sales of farm real estate increased markedly, and the rate of voluntary sales decreased. In most States tax sales were less frequent than other types of forced sales, but in a few States the reverse was true. Forced sales outnumbered voluntary transactions for the United States as a whole and for every geographic division except the New England and Middle Atlantic States

the value of farm real estate in many areas since 1928 has extinguished the owner's equity in the case of many farms. It has been shown³⁴ that on January 1, 1928, of the mortgaged farms in the West North Central States, 45 per cent were mortgaged for more than 50 per cent of their value, 17 per cent were mortgaged for more

³³ Grateful acknowledgment is made of the fact that in 1932 M. O. Ryan, acting secretary of the Greater North Dakota Association, made available his data for North Dakota on foreclosures for the years ended Mar. 15, 1929-1932, and on bona fide voluntary sales for the years ended Mar. 15, 1930-1932. These data were reported to him by the recorders of deeds and were compiled from the official county records. The data on foreclosures as reported by this association follows closely the changes in direction of trend of forced sales other than tax sales as compiled from crop correspondents' reports. The bureau estimates are higher, however, as they probably should be, since they include not only technical foreclosures, but also sales to avoid foreclosure, deeding back, and other transactions regarded as forced, except tax sales. The association's data on foreclosures are net; that is, they exclude farms subsequently redeemed during the year. The agreement between the two sources is not so close in the case of voluntary sales, but the association's data have been taken into consideration.

³⁴ WICKENS, D. L. FARM MORTGAGE CREDIT. U. S. Dept. Agr. Tech. Bul. 288, 102 p., illus. 1932.

than 75 per cent of their value, and 7 per cent were mortgaged for more than their estimated full value. In the East North Central States the situation was somewhat similar, 45 per cent of mortgaged farms having been mortgaged for over 50 per cent of their value, 18 per cent for over 75 per cent of their value, and 6 per cent for more than their estimated full value. In both of these regions the proportion of farms mortgaged for more than half their value was greater than the average for any other geographic division.

Farm real estate values in both these areas have declined between 25 and 30 per cent since 1928, with the result that in the case of a large proportion of those farms that were mortgaged for more than three-quarters of their value in 1928, the owner's equities have now completely vanished, except in so far as the decline in value has been offset by reduction of debt through payment on principal. In other words, the decline in values since 1928 has been greater than the owners' equities as of January 1, 1928, in the case of a little over one-sixth of the farms in these areas that were mortgaged as of that date. That delinquencies should increase under such circumstances is therefore not surprising. Values in the Southern States declined between 25 and 30 per cent since 1928, but on the basis of the percentage of mortgaged farms in 1928 whose ratio of debt to value exceeded 75 per cent, such a decrease should equal the owners' equities in the case of slightly under one-seventh of the mortgaged farms in the South Atlantic States, and in less than one-eleventh in the South Central States.

This factor, however, does not fully account for the difference in rate of foreclosures between the East North Central and West North Central States, but if allowance is made for the fact that a larger percentage of farms is mortgaged in the West North Central States than in the East North Central, the difference is less marked.

Every geographic division reported a considerable increase in frequency of tax sales although increases were greater in some than in others. The highest average rate, 26 per 1,000 farms, was reported by the East South Central States, largely by reason of the high rate for Mississippi. The South Atlantic States, with an average of 21 per 1,000 farms, were not far behind, while the average for the Mountain States was 16.5.

The lowest rates were reported from the Middle Atlantic, New England, and East North Central States, with rates of 5.6, 5.2, and 6.5, respectively. The rate in the West North Central States was 8.7 per 1,000 farms; the Pacific States averaged 10.8, the Mountain States 16.5, and the West South Central States averaged 13.2 farms per 1,000.

These estimates do not mean that the original owner has necessarily lost title to his land irrevocably, either in the case of tax sales or of other types. The various State laws prescribe the procedure to be followed in such cases, but in most States there is a period of redemption of varying length during which the former owner may regain possession or title.

Confirmatory evidence of the increase in foreclosures is found in the reports of the Federal land banks. The book value of all real estate owned outright by the 12 banks increased 39 per cent from

March 31, 1931, to March 31, 1932, and increased 44 per cent from June 30, 1931, to June 30, 1932.³⁵

The number of voluntary sales has continued to decline. For the year ended March 15, 1932, the average rate for the United States declined from 19 to 16.2 farms per thousand. The highest rate of voluntary sales, 24.8 per 1,000 farms, was reported from New England, and the next highest rate, 22.3, a small increase from a year ago, from the Pacific Coast States. The lowest rates were in the South Atlantic and West North Central States, with averages of 12.3 and 14.2 per 1,000 farms, respectively.

The number of forced sales, other than tax sales, exceeds the number of voluntary sales, both for the United States and for every geographic division except the New England and Middle Atlantic States. In the former group voluntary sales are still dominant in the ratio of more than 2 to 1.

This relation is evident in Table 9, which indicates the proportion of all sales falling in various classes. On an average, the country over, all classes of forced sales outnumber voluntary sales in about the ratio of 5 to 2. Forced sales outnumber voluntary sales in the ratio of between 3 and 4 to 1 in the West North Central and South Atlantic States, and in the ratio of between 2½ and 3 to 1 in the West South Central, East South Central, and Mountain States. In the Pacific States forced sales outnumber those made voluntarily in the ratio of a little over 1½ to 1, and in the East North Central in the ratio of 2 to 1.

The fact that owners who are not pressed to sell are not offering their farms at present prices is probably indicative of a feeling of security that many others do not have, notwithstanding reduced incomes. Comments reflect, in addition, the sentiment that restricted mortgage credit acts as a deterrent to sales activity.

TABLE 9.—Changes in farm ownership: Relative frequency in percentage of total transfers, 1927-1932

Geographic division	Voluntary sales and trades						Average 1927- 1932	All forced sales							Average 1927- 1932
	1927	1928	1929	1930	1931	1932		1927	1928	1929	1930	1931	1932		
United States.....	P. ct. 41.3	P. ct. 39.8	P. ct. 40.5	P. ct. 38.6	P. ct. 30.7	P. ct. 21.1	P. ct. 35.3	P. ct. 34.0	P. ct. 34.5	P. ct. 33.6	P. ct. 33.8	P. ct. 42.2	P. ct. 54.4	P. ct. 38.7	
New England.....	51.5	54.4	52.2	51.0	54.7	41.0	50.8	19.7	16.7	18.7	18.6	17.3	25.6	19.4	
Middle Atlantic.....	54.6	52.6	49.8	48.8	44.1	36.9	47.8	17.4	18.4	21.2	22.6	24.9	32.5	22.8	
East North Central.....	38.8	37.5	36.8	33.8	30.5	23.2	33.4	30.7	32.4	33.5	36.2	39.4	47.4	36.6	
West North Central.....	33.7	32.9	34.9	33.7	28.3	16.9	30.1	44.3	44.6	40.4	40.4	46.9	62.7	46.5	
South Atlantic.....	37.8	31.8	30.4	29.0	21.2	14.8	27.5	32.8	37.0	38.1	37.0	47.2	56.5	41.4	
East South Central.....	42.7	42.7	43.6	42.3	31.0	19.7	37.0	31.6	31.1	28.3	28.5	41.4	58.0	36.5	
West South Central.....	48.7	46.8	48.6	45.4	32.4	21.6	40.6	31.1	31.0	28.9	31.5	43.4	56.4	37.0	
Mountain.....	36.8	40.8	46.7	47.4	34.1	23.3	38.2	49.5	46.1	38.2	36.0	50.0	57.6	46.2	
Pacific.....	52.8	51.1	49.2	52.3	38.0	30.3	45.6	29.3	29.6	30.5	26.4	43.0	51.0	35.0	

³⁵ UNITED STATES FEDERAL FARM LOAN BUREAU. STATEMENTS OF CONDITION OF FEDERAL LAND BANKS, JOINT STOCK LAND BANKS (AND FEDERAL INTERMEDIATE CREDIT BANKS) COMPILED FROM REPORTS TO THE FEDERAL FARM LOAN BOARD AS OF MAR. 31, 1931, JUNE 30, 1931, MAR. 31, 1932, AND JUNE 30, 1932.

TABLE 9.—Changes in farm ownership: Relative frequency in percentage of total transfers, 1927-1932—Continued

Geographic division	Inheritance and gift						Average 1927- 1932	Administrators' and executors' sales							Average 1927- 1932
	1927	1928	1929	1930	1931	1932		1927	1928	1929	1930	1931	1932		
United States.....	<i>P. ct.</i> 12.9	<i>P. ct.</i> 13.5	<i>P. ct.</i> 14.7	<i>P. ct.</i> 15.1	<i>P. ct.</i> 15.2	<i>P. ct.</i> 13.5	<i>P. ct.</i> 14.2	<i>P. ct.</i> 10.2	<i>P. ct.</i> 10.2	<i>P. ct.</i> 9.3	<i>P. ct.</i> 9.9	<i>P. ct.</i> 9.2	<i>P. ct.</i> 8.1	<i>P. ct.</i> 9.5	
New England.....	15.8	16.2	16.5	17.1	15.7	16.9	16.4	11.9	11.1	11.2	10.1	10.0	11.4	11.0	
Middle Atlantic.....	13.0	13.4	14.2	14.1	15.3	16.3	14.4	12.8	12.8	12.7	12.1	12.6	11.0	12.3	
East North Central.....	14.7	15.2	15.6	15.2	15.3	15.2	15.2	13.7	13.0	11.8	12.7	12.3	11.2	12.5	
West North Central.....	11.2	11.5	13.3	14.4	14.5	11.7	12.8	9.0	8.9	9.5	9.1	8.1	5.8	8.4	
South Atlantic.....	16.0	16.9	17.3	18.2	18.3	15.9	17.1	12.0	12.6	12.4	12.6	9.5	9.7	11.5	
East South Central.....	13.6	14.3	16.4	16.4	15.8	12.8	14.9	10.9	10.2	10.0	10.3	8.9	7.1	9.5	
West South Central.....	12.2	13.1	13.7	14.3	14.3	12.3	13.3	6.9	7.1	6.9	6.2	6.6	6.9	6.8	
Mountain.....	6.4	6.6	7.9	8.6	9.5	10.3	8.2	4.8	4.3	5.4	5.7	4.9	6.0	5.2	
Pacific.....	10.1	10.6	11.3	12.7	11.4	10.2	11.0	5.8	6.6	6.4	6.2	6.2	5.8	6.2	

Geographic division	Miscellaneous and unclassified						
	1927	1928	1929	1930	1931	1932	Average 1927- 1932
United States.....	<i>P. ct.</i> 1.6	<i>P. ct.</i> 2.0	<i>P. ct.</i> 1.9	<i>P. ct.</i> 2.6	<i>P. ct.</i> 2.7	<i>P. ct.</i> 2.9	<i>P. ct.</i> 2.3
New England.....	1.1	1.6	1.4	3.2	2.3	5.1	2.4
Middle Atlantic.....	2.2	2.8	2.1	2.4	3.1	3.3	2.7
East North Central.....	2.1	1.9	2.3	2.1	2.5	3.0	2.3
West North Central.....	1.8	2.1	1.9	2.4	2.2	2.9	2.2
South Atlantic.....	1.4	1.7	1.8	3.2	3.8	3.1	2.5
East South Central.....	1.2	1.7	1.7	2.5	2.9	2.4	2.1
West South Central.....	1.1	2.0	1.9	2.6	3.3	2.8	2.3
Mountain.....	2.5	2.2	1.8	2.3	1.5	2.8	2.2
Pacific.....	2.0	2.1	2.6	2.4	1.4	2.7	2.2

TOTAL FARMER BANKRUPTCIES DECREASE, BUT HIGHER IN SOME STATES

Data are not available with which to make a comparison of the forced-sale rate of the present with rates that prevailed prior to the economic upheaval precipitated by the World War. Some rough indication is afforded by statistics of bankruptcy cases involving farmers, concluded annually in the courts. (Table 10.) The total number of farmer bankruptcies for the year ended June 30, 1931, the latest period for which data are available, was 4,023—a continuation of the downward trend that has existed since the peak of 7,872 cases in 1925. The number of cases last year is equivalent to 1 case of farmer bankruptcy for every 1,563 farmers, in comparison with the 1925 rate of 1 bankruptcy for every 809 farmers. The present rate, however, is several times that of the period 1909-1914. Inasmuch as these figures relate to bankruptcy cases concluded in the courts for the fiscal year ended June 30, 1931, they probably reflect little of the effects of the drastic reduction of incomes during 1930 and 1931.

TABLE 10.—Farm bankruptcies: Cases concluded in fiscal years ended June 30, 1923-1931

Geographic division and State	Number										Percentage of all bankruptcy cases									
	1923	1924	1925	1926	1927	1928	1929	1930	1931	1923	1924	1925	1926	1927	1928	1929	1930	1931		
United States.....	5,940	7,772	7,872	7,769	6,296	5,679	4,939	4,464	4,023	17.4	18.7	17.8	16.5	13.1	10.6	8.7	7.4	6.7		
New England.....	146	196	169	145	105	162	145	141	104	4.9	5.8	5.2	4.6	3.1	3.5	3.2	2.8	2.3		
Mid. Atlantic.....	148	171	190	224	224	274	270	305	353	3.2	2.6	3.4	3.1	3.5	3.2	3.6	3.6	3.6		
E. N. Central.....	569	684	760	844	719	874	980	973	1,025	11.5	12.2	13.4	11.3	9.2	9.3	8.8	8.0	8.1		
W. N. Central.....	2,005	2,785	2,889	2,813	2,404	1,729	1,471	1,257	1,010	46.1	42.5	39.2	35.4	30.3	24.2	21.0	19.2	17.9		
S. Atlantic.....	959	1,085	1,037	747	585	685	515	491	455	17.0	16.9	17.6	12.7	10.0	9.9	7.0	5.9	5.8		
E. S. Central.....	420	483	517	579	615	521	352	336	338	9.1	9.7	9.7	9.5	9.7	6.9	4.5	3.8	3.6		
W. S. Central.....	539	788	650	764	567	561	484	375	282	20.4	22.3	23.6	25.6	20.7	19.5	17.3	14.7	10.5		
Mountain.....	730	1,040	1,071	1,142	609	420	335	260	201	43.3	46.3	41.8	42.7	31.8	24.0	20.9	17.1	13.3		
Pacific.....	424	540	589	511	468	453	387	326	255	16.3	15.7	14.6	11.9	10.0	8.5	6.1	4.6	4.4		
New England:																				
Me.....	94	136	103	101	51	77	69	65	62	14.3	15.0	11.8	11.8	6.3	9.2	8.3	7.9	7.1		
N. H.....	12	6	5	7	7	7	6	5	11	0.8	4.6	5.8	6.5	6.7	6.4	4.4	4.3	1.2		
Vt.....	20	27	39	17	21	29	28	33	21	20.0	26.7	19.0	8.6	16.8	14.9	13.3	14.6	10.0		
Mass.....	5	11	7	12	10	18	26	22	15	3.7	5.5	8.6	8.6	7.9	7.0	1.0	8.6	6.6		
R. I.....	0	1	2	0	2	0	2	0	1	0	0.8	1.5	0	1.0	0	1.1	0	.5		
Conn.....	15	15	13	8	14	31	14	16	4	3.8	2.3	2.2	1.7	2.6	3.7	2.1	2.2	7.7		
Mid. Atlantic:																				
N. Y.....	96	105	104	122	145	152	149	172	198	3.1	2.9	1.9	2.8	3.0	2.7	2.7	3.2	3.1		
N. J.....	4	14	16	33	16	12	18	12	18	0.8	2.6	2.2	4.1	1.9	2.1	1.7	1.2	1.4		
Pa.....	48	52	70	69	63	110	103	121	137	4.1	4.3	5.6	5.3	4.0	3.1	5.5	5.8	6.4		
E. N. Central:																				
Ohio.....	156	209	214	188	137	157	220	270	277	12.2	13.7	11.8	8.7	5.7	5.6	6.4	5.7	5.6		
Ind.....	84	101	97	112	76	114	110	144	148	25.2	25.1	26.9	23.8	18.4	20.9	15.9	17.9	15.5		
Ill.....	192	194	190	234	257	374	410	364	368	11.2	10.1	11.9	9.0	8.7	11.9	10.9	11.5	11.3		
Mich.....	27	44	46	50	34	41	36	39	31	5.4	5.4	5.3	5.4	4.2	3.4	2.3	2.8	1.8		
Wis.....	110	136	213	260	215	188	204	156	201	15.8	14.9	20.2	19.9	16.9	13.3	12.0	7.9	11.6		
W. N. Central:																				
Minn.....	291	430	369	419	294	266	193	185	116	28.5	29.6	23.3	21.4	16.0	12.6	9.6	10.3	7.4		
Iowa.....	489	663	861	791	656	534	420	328	338	32.3	50.3	50.4	45.0	41.2	41.2	37.9	33.6	37.2		
Mo.....	105	238	287	301	314	288	211	214	181	18.8	21.5	19.4	19.7	19.5	16.5	11.9	11.2	11.5		
N. Dak.....	615	782	629	536	376	153	287	168	106	82.1	74.7	75.1	69.3	66.3	36.3	63.5	56.4	51.7		
S. Dak.....	148	236	352	368	332	239	106	114	92	63.3	63.3	63.3	59.1	56.2	50.0	42.3	45.4	53.8		
Nebr.....	132	172	178	238	181	135	157	148	107	51.0	33.3	43.3	36.6	22.6	23.3	42.3	21.7	19.3		
Kans.....	225	264	213	160	231	114	97	100	70	38.3	35.8	31.8	24.7	22.8	16.5	14.6	15.9	11.5		
S. Atlantic:																				
Del.....	2	6	8	5	4	10	8	7	15	6.9	13.0	20.0	11.4	13.3	28.6	25.0	19.4	25.4		
Md.....	37	42	38	54	35	49	48	49	42	21.8	13.7	21.7	17.1	13.1	15.5	12.8	13.0	12.4		
Va.....	87	84	95	111	97	109	98	110	103	6.6	7.2	6.8	6.6	5.3	5.5	4.5	4.1	4.0		
W. Va.....	7	11	19	10	16	25	41	30	29	2.1	3.2	4.6	2.1	2.4	3.1	4.2	2.9	3.3		
N. C.....	16	36	45	37	50	38	25	39	56	7.4	11.3	14.6	11.6	12.9	10.1	7.9	7.4	9.6		
S. C.....	24	36	26	53	47	46	34	25	22	9.8	8.7	11.3	19.3	16.8	15.9	14.2	10.9	13.2		
Ga.....	772	848	798	467	327	394	248	218	177	26.5	25.0	26.2	18.7	16.6	16.6	10.7	8.5	7.1		
Fla.....	14	22	8	10	9	13	13	13	11	4.0	6.0	4.3	6.6	3.0	2.2	2.1	1.9	1.8		
E. S. Central:																				
Ky.....	88	104	108	117	164	191	131	122	98	15.0	17.0	15.8	11.4	13.6	10.9	7.0	6.4	6.4		
Tenn.....	118	112	109	134	101	102	118	83	101	7.4	6.7	5.9	6.5	4.7	4.3	4.0	2.7	3.1		
Ala.....	181	218	242	295	315	211	85	117	126	9.2	10.3	10.8	11.0	12.2	8.0	3.2	3.6	3.0		
Miss.....	33	49	58	33	32	17	18	14	13	7.1	8.4	10.7	8.9	7.6	2.1	4.9	2.6	2.5		
W. S. Central:																				
Ark.....	76	104	85	101	94	89	83	94	37	16.7	18.6	25.1	22.5	22.6	23.5	17.7	20.4	11.5		
La.....	129	171	77	139	119	93	85	85	74	30.5	33.0	21.3	33.6	25.3	19.3	16.0	15.6	10.6		
Okla.....	81	138	145	170	145	108	65	55	34	17.4	15.7	20.1	18.5	13.2	8.8	7.4	4.6	4.6		
Tex.....	253	375	343	334	209	271	251	141	137	20.9	24.6	30.4	27.5	19.5	22.8	23.9	17.6	14.7		
Mountain:																				
Mont.....	366	551	460	624	245	126	131	104	66	59.9	64.4	65.4	59.3	45.7	36.4	34.6	31.0	21.3		
Idaho.....	160	231	260	223	161	101	78	39	41	54.8	55.8	65.1	54.7	35.6	30.0	24.2	22.0	22.0		
Wyo.....	14	36	48	38	31	44	17	12	3	25.0	35.3	33.6	32.5	27.2	29.7	25.0	21.1	5.2		
Colo.....	118	128	220	143	90	63	50	49	53	32.3	37.5	32.1	29.9	22.5	16.3	11.7	11.3	11.6		
N. Mex.....	3	28	27	50	22	27	26	6	7	17.7	19.4	28.4	35.5	32.8	27.6	31.0	8.2	12.7		
Ariz.....	37	31	19	29	30	23	7	6	7	35.2	37.8	30.6	34.4	26.3	26.7	11.1	10.3	9.9		
Utah.....	32	35	32	33	26	34	25	36	22	13.6	11.6	8.4	9.2	8.0	8.9	8.4	10.6	6.9		
Nev.....	0	0	5	2	4	2	1	8	2	0	0	20.8	15.4	18.2	11.1	4.2	12.1	3.8		
Pacific:																				
Wash.....	131	213	196	182	160	144	107	90	100	18.0	24.4	23.8	19.1	14.6	12.6	7.4	5.1	6.7		
Oreg.....	110	91	100	109	72	67	83	50	42	15.3	11.4	10.8	10.0	6.9	5.5	6.5	2.9	3.8		
Calif.....	183	236	293	220	236	242	197	186	113	15.9	13.4	12.8	9.8	8.9	8.2	5.4	5.1	3.4		

Division of Agricultural Finance, compiled from annual reports of the Attorney General.

¹ Includes the District of Columbia. For the whole period only 1 farm bankruptcy in the District of Columbia has been reported, that 1 being for the year ending June 30, 1928.

During the year ended June 30, 1931, the number of farmer bankruptcies increased in the Middle Atlantic and East North Central and East South Central States, but declined in the other regions. But for the country as a whole, 18 States reported increases and 30 reported decreases. Of the increases, 1 was reported from the New England States, 1 from the West North Central States, and 1 from the Pacific States, 2 each from the South Atlantic and East South Central divisions, and 4 each from the East North Central and Mountain divisions. All three Middle Atlantic States reported increases.

PROPORTION OF SALES TO NONFARMERS INCREASES

Of the farms involved in voluntary sales and trades consummated during the year, the greater proportion were sold to local buyers. (Table 11.) Seventy-seven per cent of the purchasers at bona fide sales reported by dealer correspondents lived in the same county or the county adjoining that in which the farm was located. Slightly higher proportions were reported in previous years, the downward trend probably being ascribable in part to the tendency of unemployed persons to migrate farmward. The fact that in most regions, about two-thirds to five-sixths of such sales are made to local resi-

TABLE 11.—*Voluntary sales and trades of farm real estate: Percentages of purchases reported in specified classes of residence, occupation, and purpose of purchase, for the United States and for geographic divisions, 12 months ended March 15, 1928-1932*

Geographic division	Local residence					Purchase for operation				
	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932
	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
New England.....	61	57	59	48	51	82	85	80	79	85
Middle Atlantic.....	75	77	70	70	69	83	85	82	85	82
East North Central.....	85	86	83	84	78	83	82	80	82	77
West North Central.....	88	88	89	88	85	85	84	82	81	75
South Atlantic.....	80	82	82	82	79	81	81	78	80	74
East South Central.....	87	87	90	85	87	85	82	79	79	81
West South Central.....	81	89	82	77	73	76	76	73	70	63
Mountain.....	81	86	81	77	76	91	91	87	88	87
Pacific.....	75	72	71	72	66	87	91	84	90	83
United States.....	84	84	82	81	77	84	83	81	81	79

Geographic division	Occupation of purchaser														
	Active farmer					Retired farmer					Other occupation				
	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932
New England.....	<i>P. ct.</i> 64	<i>P. ct.</i> 62	<i>P. ct.</i> 59	<i>P. ct.</i> 42	<i>P. ct.</i> 37	<i>P. ct.</i> 3	<i>P. ct.</i> 2	<i>P. ct.</i> 3	<i>P. ct.</i> 6	<i>P. ct.</i> 7	<i>P. ct.</i> 33	<i>P. ct.</i> 36	<i>P. ct.</i> 38	<i>P. ct.</i> 52	<i>P. ct.</i> 55
Middle Atlantic.....	62	67	56	50	45	5	4	4	7	5	33	29	41	43	50
East North Central.....	74	73	67	60	55	5	6	5	7	7	21	21	27	33	38
West North Central.....	83	82	81	75	67	6	5	5	8	8	11	13	14	17	25
South Atlantic.....	75	74	66	62	55	2	3	3	5	4	23	23	30	33	41
East South Central.....	78	78	74	69	65	3	2	2	3	4	19	20	23	28	31
West South Central.....	74	75	70	64	53	6	3	4	6	5	20	22	26	30	42
Mountain.....	91	91	83	76	67	1	1	2	4	5	8	8	15	20	28
Pacific.....	76	82	71	65	51	4	2	4	4	6	20	16	26	31	43
United States.....	77	78	72	65	57	5	4	4	6	6	18	18	24	29	37

dents would indicate that the local resident is still in the market for farm land, although in a smaller way, because of reduced income and general uncertainty. In New England a larger proportion—approximately half—of the buyers were nonlocal, suggesting a continued countryward movement.

The occupation of purchasers at voluntary sales has apparently shifted somewhat during the last four or five years. In 1928, 1929, and 1930 about three-fourths of the buyers were active farmers. The proportion varied from region to region, being higher in the Mountain and West North Central States, and lower in the North Atlantic States. During 1932 only 57 per cent of voluntary sales were made to active farmers. In the New England and Middle Atlantic States the proportion is considerably lower, averaging 37 and 45 per cent, respectively. The proportion of sales to retired farmers has shifted little, amounting to about 6 per cent. A slight upward trend is evident in New England.

The proportion of voluntary sales to persons in other occupations has increased as the proportion to farmers has fallen. Although the percentage sold to persons in other occupations has doubled since 1928, even yet sales to this class of buyers account for only a little over one-third of the voluntary transactions for the country as a whole. In the New England States, the proportion of voluntary sales to persons classed as in "other occupations" was 56 per cent, and in the Middle Atlantic States, 50 per cent, thus confirming in a measure the belief that unfavorable industrial conditions have led many to attempt to go to the land. That buyers for the most part are not speculators, but are making an attempt to provide themselves with food and shelter, is suggested by the fact that about four-fifths of the buyers are reported as having bought with the intention of operating the farm.

Even with the greater proportion of buying from this source the net effective demand for farm land has been insufficient to prevent either the number of voluntary sales or farm land values from falling to new low levels.

Some of those now buying or renting farms are among those who left for the city during the prosperous days before 1929. Having experienced extended periods of unemployment, they have returned to the farm. Such persons, conversant with the problems of farm life and, having in mind, perhaps, a section of the country and a type of farming with which they are familiar, are much better prepared to succeed, especially if they are fortunate enough to have the necessary working capital, than are others who have turned to the land without having had previous farm experience. Spurred by urgent necessity and having little or no capital, some have undoubtedly been encouraged by the prospect of food and shelter to seek abandoned or cheap farm land, overlooking the fact that abandoned land and cheap land, even though more easily obtained than the better grades, may prove to be an expensive investment in comparison with the returns realized. While it is probably true that such places may enable thrifty settlers to maintain themselves on a more or less self-sufficing basis for a time, such self-sufficiency may turn out to be very meager without some capital or outside employment.

A planless and unguided back-to-the-land movement appears to hold little promise of strengthening farm real-estate values. Doubt may be raised as to how satisfactory a solution it would provide for the social and economic problems of unemployment and certain aspects of it have already given rural leaders serious concern. The strengthening of farm real-estate values must come fundamentally from an improved earnings outlook, which in turn is largely dependent upon a readjustment of a balance between agriculture and industry, upon the mutual profitable exchange of products, and upon a realignment of fixed charges and income.

FARM-MORTGAGE CREDIT ²⁵

Farm-mortgage credit during the year ended March, 1932, was characterized by limited supply and high rates. The unfavorable conditions attending long-term loans on farm real estate were in part the result of the extraordinary financial events which disturbed all credit operations during the period. Bank suspensions reached the record total of approximately 2,300 during the calendar year 1931 and continued in great numbers to February, 1932, when the Reconstruction Finance Corporation began the advance of funds to relieve more than 4,000 banks. The extensive withdrawal of funds from commercial banks during this period of uncertainty aroused widespread fear for the safety of remaining deposits and increased the caution used in investing funds generally. Finally the departure of Great Britain from the gold standard in September led to further loss of confidence. Hoarding increased, and gold was shipped abroad in record volume. During the first half of 1932 fears of leaving the gold standard led to renewed exports of gold and increased withdrawal of currency until midsummer. Declining farm prices and increased delinquency on existing mortgages intensified the difficulties and fostered conservatism in lending.

The adverse effect of these disturbances on all credit operations reacted especially on long-term credit represented by mortgage loans on farm real estate. In consequence of the unsettled conditions there was a strong tendency to restrict the flow of funds to short-term low-risk investments and to avoid long-term commitments from which capital could not be readily recovered for other uses and in which the lapse of time would hold uncertainties concerning safety and returns.

The market's attitude toward the two classes of loans was indicated by their contrasting interest rates. In September, 1931, commercial paper was quoted at 2 per cent, and the Federal Reserve Bank of New York discount rate was at the extreme low point of 1½ per cent.

By contrast, bond prices fell markedly so that yields on Federal land-bank bonds rose to 6.75 per cent and averaged 6 per cent or more for the last four months of the year. Prices of joint-stock land-bank bonds averaged less than one-half of par. The land banks, legally limited to a maximum loaning rate of 6 per cent, continued unable to sell their bonds and were forced to confine new loans to the amount permitted by payments on loans outstanding.

²⁵ Prepared by the Division of Agricultural Finance.

Meanwhile life-insurance companies, the principal single source of farm real estate credit, encountered continued heavy demands for policy loans so that funds available for current investment from that source fell to one-third the amount for 1928. The proportion of new funds invested in farm mortgages declined from a former average of 11 per cent to 5 per cent in the latter months of 1931 and although this proportion again rose to 11 per cent in the first half of 1932, the volume of new loans was at new low levels.

The amount of outstanding farm-mortgage loans of life-insurance companies and of all principal credit agencies continued to decline throughout 1931 and into the year 1932. Holdings of the Federal land banks declined from \$1,187,000,000 in March, 1931, to \$1,150,000,000 in March, 1932, and joint-stock land-bank loans declined from \$544,000,000 to \$513,000,000 during the same period.

The terms and conditions on which new and renewed loans were granted by mortgage bankers also clearly reflected the strained credit situation. A marked increase occurred in the proportion of credit requiring payments on principal during the life of the loan, and the proportion of loans taken by private investors increased as the amount taken by institutions declined.

Some agencies discontinued their farm-mortgage lending in territory in which they had been active previously, and others became essentially inactive in all sections.

The net result of these adverse developments of the year was that farm-mortgage credit was generally restricted throughout the country, and in many sections such credit was practically unavailable.

Some improvement appeared in 1932 following the appropriation by Congress of \$125,000,000 new capital for the Federal land banks and the return of confidence in the dollar. In August, 1932, the Federal land banks' average loaning rate to borrowers of 5.58 per cent represented the first reduction from 5.63 per cent since August, 1930, the rate having been above 5½ per cent for 34 months as compared with 17 months in the depression of 1920-21. By September, however, the yield of Federal land-bank bonds had declined to 5 per cent or less and hence stood at a level at which bonds had been issued in the past and which provided sufficient margin below the maximum loaning rate of 6 per cent to permit flotation of new securities to obtain new loaning funds whenever that means of financing should be preferred to borrowing.

FARM REAL ESTATE TAXES

Decreased Farm Real Estate Tax per Acre Indicated ³⁷

Available evidence points to an appreciable decrease in farm real estate taxes per acre from 1930 to 1931. Because the department's farm-tax index is undergoing revision, a close estimate of the amount of the decrease is not possible at this time. Several pertinent facts, not dependent upon land values, suggest that a decrease of 6 or 8 per cent might be expected. This would be in contrast to a barely perceptible decrease between 1929 and 1930, and would give a 1931 index of tax per acre no higher than for 1924 and 1925.

³⁷ Prepared by the Division of Agricultural Finance.

A decrease of 8 per cent in taxes would just equal the decline in land values from 1930 to 1931, as shown by the land-value index. The land values apply, however, to March 1, 1930, and 1931. Most of the real estate taxes are paid near the end of the year. A preponderant part of the 1931 taxes were paid late in 1931 or early in 1932. It probably is more justifiable, therefore, to compare the 1930-31 tax change with the change in land values for 1931-32. Such a comparison would indicate that, on the basis of values at the time taxes were due, or upon average values for the year, the "true" tax rate increased appreciably between 1930 and 1931.

The difficulty of paying any given true rate increased between 1930 and 1931, because farm income decreased much more rapidly than did farm taxes.

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THE HISTORY OF THE
CITY OF BOSTON

The history of the city of Boston is a subject of great interest and importance. It is a city that has played a significant role in the development of the United States. The city's history is filled with events that have shaped the nation's destiny. From its early days as a small settlement to its current status as a major metropolitan area, Boston has a rich and varied past. The city's location on the eastern coast of North America made it a natural port and a center of trade. Its strategic position also made it a key location for military and political events. The city's history is a testament to the resilience and ingenuity of its people. It is a city that has stood the test of time and continues to thrive today. The history of Boston is a story of growth, change, and progress. It is a story that has inspired generations and continues to do so. The city's history is a source of pride and a source of inspiration for its people. It is a story that is worth knowing and remembering.