



OXFORD JOURNALS
OXFORD UNIVERSITY PRESS

Who Owns the Agricultural Land in the United States?

Author(s): George S. Wehrwein

Source: *Journal of Farm Economics*, Jan., 1922, Vol. 4, No. 1 (Jan., 1922), pp. 34-41

Published by: Oxford University Press on behalf of the Agricultural & Applied Economics Association

Stable URL: <https://www.jstor.org/stable/1230320>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <https://about.jstor.org/terms>



and Oxford University Press are collaborating with JSTOR to digitize, preserve and extend access to *Journal of Farm Economics*

JSTOR

WHO OWNS THE AGRICULTURAL LAND IN THE UNITED STATES?

GEORGE S. WEHRWEIN,

UNIVERSITY OF WISCONSIN, MADISON, WIS.

In attempting to answer the question "Who owns the agricultural land of the United States?" the census classification of owner-operated, tenant-operated, and manager-operated farms is of assistance. In the first division the ownership is in the hands of the tiller of the soil. In 1920 there were 636,508,324 acres in this class, of which 461,112,031 acres were under the control of owners operating an entire farm and 175,396,293 acres in the hands of farmers operating rented acres in addition to the land actually their property. From another standpoint, part of this area ought to be classed with the tenant-operated acreage, of which there are 265,193,415 acres. In the third class are 53,974,806 acres operated by hired managers.¹ Expressed in percentages, the land operated by both classes of owners composed 66.6 per cent of the farm land of the United States, the tenant area 27.7 per cent, and the manager-operated area 5.6 per cent.

Owner-Operated Farm Land.—Of the land operated by owners only a small fraction is the property of the colored races. Figures for the acreage owned by various classes are not yet available for 1920, but in 1910 the colored farmers owned only 3 per cent of the entire owner-operated land area of the United States and the proportion probably has not changed much since then.² The acreage owned by foreign-born white farmers is not separated from that owned by white farmers in general. However, in 1910, 81.4 per cent of the foreign-born white farmers were owners. In order to get an estimate of the acreage owned, we may disregard the differences in acreage in owner-, tenant-, and manager-controlled farms and take 80 per cent of the 111,176,522 acres operated by *all* foreign-born farmers in 1920.³ This gives us about 89,000,000 acres, or 13½ per cent, of the owner-operated area under the control of foreign-born white farmers.

¹ Census Release, Aug. 19, 1921.

² U. S. Census, 1910, Vol. V, p. 182.

³ Census Release, July 11, 1921. Foreign-born farmers operated 11.6 per cent of the total farm acreage in 1920, or about ⅓ of all the land operated by white farmers. This does not separate owner operation from the other forms of tenure, however.

Foreign-born White Farmers.—The foreign-born white farmer merits some special attention because of his capacity for becoming a home owner. Compared to the 66.3 per cent of the white farmers who owned their farms according to the census of 1910, 81.4 per cent of the foreign-born white farmers owned their farms.⁴ Calculations based on State census bulletins of 1920 show this proportion has not become less. It is about the same for the Pacific States, the Middle West, and over 88 per cent in New England, a section where the proportion of foreign-born farmers to all farmers is greater now than it was in 1910. This capacity for ownership has been explained by saying that the foreign-born farmer is an older man than the native farmer, but this is only one factor in a complete explanation. The foreigner brings with him a faculty for hard work, persistence, thrift, and endurance, which makes him a powerful competitor of the American farmer. But it is rather difficult to say just where these praiseworthy attributes leave off and a mere low standard of living begins. In closely knit foreign communities it is not only the foreign-born who have these qualities, but also their children, even to the second and third generation. In pioneer days these qualities helped to conquer the wilderness; today they make it possible for the low-standard farmer to overbid the high-standard farmer either in renting or buying land. The displacement of one foreign stock by another is not uncommon, nor the displacement of one race by another. In Southern Travis County, Texas, the white tenant was replaced by the negro tenant, who in turn gave way before the still lower-standard Mexican. This problem finds its climax in the Japanese situation on the Pacific Coast. Professor Pitkin claims that the Oriental question is not one of race prejudice, but a battle of standards of living, because in certain sections of California the Armenian is hated as much as the Japanese, even though he belongs to the white race.⁵ Pitkin claims that "if we wish to maintain or regain the American as a farmer, we must not force him to meet competition by lowering his standard of living." Those who advocate the placing of immigrants on farms, and especially on submarginal lands, have not considered the best interests of the American farmer.

This problem is intimately associated with land ownership. We need to distinguish between those races which readily assimilate American ideals and adopt our standards of living and those who do not. To the extent that a low-standard race is able to acquire a foot-

⁴ U. S. Census, 1910, Vol. V, p. 170.

⁵ Pitkin, "Must We Fight Japan?" p. 250, Chap. 26.

hold by acquiring property rights in the soil, to that extent will it control the social and political destiny of the community, and the larger the foreign community the harder will it be to break down old beliefs, customs, and standards by Americanization.

The Mexican is not much of a problem, because he does not become a landowner. Could the negro combine with his power to endure a low standard of life the passion for the soil which the Oriental has, one wonders whether he would not present another Japanese problem.

Ownership of Land Area Operated by Tenants.—In discussing the ownership of the land operated by renters the classification used so far (native-born white, foreign-born white, and colored) may be dropped. It is probably true that far less than 3 per cent of this area is owned by colored farmers, and more than 13½ per cent is owned by foreign-born whites.

The proportion of the total farm area of the United States operated by tenants is growing steadily. It is believed by some that this means the gradual concentration of the ownership of this land into the hands of fewer and fewer individuals.⁶ The census of 1900 shows that, up to that time at least, the ownership of rented land was widely diffused. Over 80 per cent of the landlords owned only one farm each. Another 17 per cent owned more than one, but less than 5 farms, and about 3 per cent owned 5 farms or more. Most of those who owned more than two farms were proprietors of southern plantations. Evidences of concentration were so few in 1910 that it was not considered necessary to make a similar investigation at that time.⁷

The ownership of rented land would not present a problem were it not for the influence the landlord has over the farm itself, over the tenant, and over the community in which the farm is located. We have at the one extreme the landlord who looks upon his farm as a permanent investment, so conducted as to increase its productiveness as time goes on, yielding long-run profits, and who regards his tenant as a partner. On the other extreme is the "absentee landlord," whose influence is held to be next to war and pestilence in its perniciousness.⁸ Between these two extremes are hundreds of landlords of varying degrees of "absenteeism"; so naturally the landlord's attitude can not be made the basis for accurate classification. However, we may say that, in general, the greater the distance between the land-

⁶ See Report of Industrial Relations Com., Vol. IX, pp. 8951-3.

⁷ 1900 Census, Vol. V, pp. lxxxviii and lxxxix.

1910 Census, Vol. V, p. 102.

⁸ Carver, "Rural Economics," p. 377.

lord and his property, the greater will be the chances of his being a typical absentee landlord.

There are some data showing the degree of absenteeism by residence. The census of 1900 shows that 75.2 per cent of the owners of rented farms lived in the same county in which their farms were located, 15.2 per cent lived in the same State (but outside of the county), and 5.1 per cent lived out of the State, leaving 4.5 per cent of the farms with no report on the residence of the owner.⁹ The various social and economic and farm management surveys also furnish some data, although such data are not always strictly comparable. The accompanying table shows that for three scattered areas the owners of rented land living out of the county in which the farm was

Classes of Landlords as Shown by Rural Surveys.

Surveys.	Landlords Living Out of County (%)	Percent of Tenants Related to Landlords.	Percent of Landlords Farming.	Percent of Retired Farmer Landlords.	Percent of Farms Owned by Women.	Percent of Non-Farmer Landlords.
Sun Prairie, Dane Co., Wis. ¹	—	47	—	—	—	—
Orange Tw., Blackhawk Co., Iowa ²	—	50	21.8	40	—	—
Lone Tree Tw., Clay Co., Iowa ³	—	25	22.2	35.2	—	—
Three Rural Townships, Iowa ⁴ "C"	20	—	—	—	—	—
"L"	17	—	47.5	25.4	18.6	8.5
"M"	—	—	45.0	—	—	—
Rural Township, Southern Minnesota ⁵	—	13	18.0	—	—	25.0
Tompkins Co., New York ⁶	—	—	23.0	20.0	20.0	37.0
Southern Travis Co., Texas ⁷	9	14	66.0	12.0	—	23.0

¹ "Farm Tenancy," C. J. Galpin and Emily F. Hoag, Wis. Research, No. 44 (1919).

² "A Rural Social Survey of Orange Township, Blackhawk Co., Iowa," G. H. Von Tungeln, Iowa, No. 184 (1918).

³ "A Rural Social Survey of Lone Tree Township, Clay Co., Iowa," G. H. Von Tungeln, Iowa, No. 193 (1920).

⁴ "Social Surveys of Three Rural Townships of Iowa," Paul S. Pierce, Univ. of Iowa, 1st Series, No. 12 (1917).

⁵ "Social and Economic Survey of a Rural Township in Southern Minnesota," Thompson and Warber, U. of Minn., Studies in Economics No. 1 (1913).

⁶ "An Agricultural Survey, Townships of Ithaca, Dryden, Danby and Lansing, Tompkins Co., New York," Warren and Livermore, Cornell, No. 295 (1911).

⁷ "A Social and Economic Survey of Southern Travis Co., Texas," Haney and Wehrwein, U. of Texas, 1916, No. 65 (1916).

⁹ U. S. Census, 1900, Vol. V, p. lxxxvii.

located did not exceed 20 per cent. In the Sun Prairie Community, Dane County, Wisconsin, out of the 78 retired farmers still owning farms only one lived outside of the county and only 16 had moved to town. Under the plantation system of the South, where a plantation is a group of rented farms grouped around a resident owner or manager, it was found that in 325 counties only 48 per cent of the tenants lived on farms not under the plantation system, operating only 24 per cent of the farm area of these counties. Certainly many of these farms belong to landlords living nearby or at least in the country. The amount of absenteeism here is small.

While these data are meager, they indicate that, as a rule, the residence of landlords is near enough to the farms to allow ample supervision or at least the proper interest in the farm and the community.

Closely connected with absentee ownership is alien ownership, featured every now and then by popular magazine writers. One such writer states that about the year 1899, forty-six foreign individuals and corporations owned land in the United States aggregating twenty-six million acres, equal in area to the State of Indiana, a large part of this belonging to the nobility of Great Britain.¹⁰

As far as agricultural land is concerned, there is little evidence of such foreign ownership. The census of 1900 revealed only 244,505 acres of rented land held by a total of 789 alien owners. Of these 324 lived in Canada and 55 in Mexico. Neither was the ownership concentrated; 699 out of the 789 owned only one farm each. However, some alien owners were not enumerated, because, like the Scullys, they had taken up a legal residence in the United States; and others operated their farms through managers and were not enumerated here.¹¹

An important factor that modifies "absenteeism" is the personal relation of the landlord to his tenant. The data from the surveys show that in many cases landlords are related to their tenants by blood or marriage. The son or son-in-law obtains the farm on easy terms, gradually acquiring full possession as the owner "retreats" to retirement. The table shows that percentage of tenants so related varies from 13 to 50 per cent, while in Rock and Green Counties, Wisconsin, it is 40 per cent, and in Woodford County, Illinois, it is 50 per cent.¹²

There are four types of owners of the rented land area, classified

¹⁰ *Technical World Magazine*, Jan., 1909, p. 438.

¹¹ U. S. Census, 1900, Vol. V, p. lxxxviii and lxxxix.

¹² Hibbard in Report of Illinois Farm Commission; (1920) p. 11; *Prairie Farmer*, Feb. 25, 1920, also April 10, 1920 (Land Commission Hearings).

in part by occupations: (1) farmers actively engaged in agriculture; (2) retired farmers; (3) business men and speculators; (4) companies or corporations. It is impossible to estimate the number of farmers who, besides working their own farms, own a second or third farm which they lease. The entire plantation system of the South consists of farms partly owned and the rest leased to tenants. However, the various surveys show that farmer landlords are not uncommon in the North. It will be noted that in three areas about 22 per cent of the landlords were active farmers and in two Iowa townships almost 48 per cent. Sometimes the process is reversed and the renter is the one who buys land, not for the purpose of working it himself, but to lease it. Some of the Black Land tenants of Texas own farms in east Texas. In southern Travis County six tenants were reported who owned farms ranging in size from 55 to 440 acres.

Perhaps the largest part of the rented farm area of the North is owned by retired farmers. In Travis County 12 per cent of the tenants had retired farmers as landlords, while in the North the proportion ranges from 20 to 40 per cent. As noted before, a great many of these farmers are related to their tenants, but this is not always the case. Few landlords own more than one farm, as the census of 1900 revealed. It is evident that most retired farmers have an income from but one farm and therefore are not in a position to be as liberal with their tenants as the business men and the large companies can be in times of financial distress. Governor Ferguson, testifying before the Industrial Relations Commission in Dallas, Texas, 1915, traced the growth of the "bonus system" of a cash rent in addition to the customary share rent to the retired farmer landlord. The retired farmer can not keep pace with the people he associates with in town and "pretty soon that 350 acres of land won't support him," said the governor, "and consequently—he goes back and raises the rent on the poor fellow in the country."¹³ It is impossible to say what proportion of the retired farmers are so situated, but it is certain that they must be classed with "absentee" landlords in certain cases.¹⁴

It has also been noted in Texas, Iowa, and Illinois that the aim of many a tenant is to accumulate money as fast as possible in order to purchase a farm, not to operate, but to lease to another tenant and then live off the rent; and the better farmer he is, the sooner he is able to retire. There can be no quarrel about the right of any man to retire from active life if he so chooses, but such a process elimi-

¹³ Report, Vol. IX, p. 8958.

¹⁴ *Prairie Farmer*, Feb. 25, 1920 (Elpaso Hearing of Illinois Land Com.).

nates the most productive farmers, paves the way for a permanent tenant system, and produces a group of small income "feltboot avenue" farmers in the near-by towns.¹⁵

The third group of landlords are the bankers, business men, and others, "who," said Prof. Hibbard in 1912, "have bought farms in the vicinity of every hamlet in Iowa for the past ten years."¹⁶ During the "boom" thirty-one per cent of the buyers of Iowa land were real estate men, bankers, merchants, and others not engaged in agriculture. Most of these buyers are speculators interested in the increment that constantly rising values bring and may therefore encourage their renters to exploit the land as fast as possible.¹⁷ The table shows that the percentage of non-agricultural landlords may vary from 8½ to 42 per cent. Two surveys also list the rented farms owned by women. In both cases nearly one fifth of the farms were so owned.

The last type of owner of rented land is the large land holder or the corporation. The Scully estates and the Wadsworth estate of New York are typical examples. Just what part of the area of agricultural land is under the control of landlords of this type it is impossible to say. These large holdings have been criticized, and it is not at all clear whether their methods are detrimental or otherwise.¹⁸

This leads us to the subject of large land holdings in general. California is the classic example. The study of the large land holdings of the eight southern counties of California made in 1919 shows that outside of railroad and public land one half of the land area was owned by 250 individuals and corporations, but this statement loses its significance when one notes that in some counties the percentage tillable is only 12 per cent and generally it does not rise above 40 per cent. The results obtained by a seminar working a whole year on the subject of large land holdings at the University of Wisconsin showed that outside of the West and Southwest the large land holdings are practically a negligible factor.

Ownership of Manager-Operated Farms.—Large land holdings are usually operated by managers. California has the largest number of this class of farms, with New England second, followed by Pennsylvania, New York, and Illinois. They tend to cluster around the big cities where they are the "play farms" of wealthy business

¹⁵ Iowa, No. 193, p. 228.

¹⁶ Am. Stat. Ass., Vol. 12, pp. 469-471.

¹⁷ "Survey of Red River Community," U. of Minn., No. 4, p. 14; U. S. D. A. Bulletin 874.

¹⁸ *Prairie Farmer*, Mar. 6, 1920.

men. As such they are usually a disturbing element in the rural life where they are located. However, there are many others that are paying concerns and are capable of great usefulness, especially in the pure-bred stock business. The application of large capital and managerial ability to agriculture is not to be discouraged.

Conclusion.—In trying to answer the question stated in its ambitious title, this paper has done little more than to point out the problems that have developed in the United States in connection with the ownership of agricultural land. The dearth of statistical data and accurate information suggests the need for extended research in this field. It is quite apparent, however, that the problems of concentration of ownership, absentee and alien ownership, the ownership of land by low-standard nationalities, and tenancy are highly local in character and take on different aspects as types of agriculture and races vary. Solutions must therefore be sought in State and community action rather than in national legislation.

DISCUSSION BY DR. C. L. STEWART,

OFFICE OF FARM MANAGEMENT AND FARM ECONOMICS, U. S. DEPARTMENT
OF AGRICULTURE.

This paper opens up a most fruitful line of topics in a most effective way. It should mark the beginning of a more thorough understanding of our land tenure system.

The amount of agricultural land owned by those operating it is shown for both full owners and part owners. Researches by the Division of Land Economics, Office of Farm Management and Farm Economics, indicate that in 1910 46.0 per cent of the improved land in part-owner farms and 52.6 per cent of the unimproved land in these farms were hired from other owners. That is to say, lessees operate not only 265 millions of "full" tenant land, but 89 millions of part-owner tenant land, a total of 354 millions. Since managers operated 54 millions of the 956 million acres of land in all farms, the acreage of directly operated land was 902 millions. Of the directly operated land as measured by acreage, lessees operated 39.2 per cent, leaving but 60.8 per cent in the hands of operating owners. Of the non-manager or directly operated land as measured by valuation, the owners were operating only 54.2 per cent.

The census has never analyzed for us the ownership of the manager land. If all managers were hired representatives of the owners in the operation of their land, the tenure of manager land would be