

men, who have simply usurped the label New Left," he seemed to accept "men opposed to the renaissance of German militarism and resolved to work alongside of the Communist Party to check the government's war policy." But he added, "It is important to show that those who claim to want to change French policy without the Commu-

nists, and consequently against them, in the end aim only at prolonging the existing state of things." The party's real interests are elsewhere; recently Maurice Thorez spoke of union not with the New Left, but with the Socialists.

The New Left is the expression of a current both traditional and necessary to the life of French politics.

But it has lost one of its most powerful poles of attraction with the ratification of the Paris treaties, and while German rearmament has been voted, M. Mendes-France is no longer head of the government. To take a new lease on life, the New Left needs another opportunity. One hopes it will not be offered by another Dien Bien Phu.

BIG MONEY FARMING

More Acres, Fewer Men . . . by *M. M. Gaffney*

A LITTLE heeded but radical and portentous change has been quietly transforming the American farm landscape. Many a field has changed hands these last decades, many an old fence line given way to new. Although each transaction has had its own motivations the aggregate displays an unmistakable trend: The medium-sized American farm—the traditional 160-acre homestead—is clearly on the wane.

From 1920 to 1950 the number of farms containing from ten to 260 acres dwindled from 5,500,000 to 4,100,000. The number of American farms of all sizes fell in that thirty-year interval by one million, from 6,400,000 to 5,400,000. The land yielded up by these disappearing enterprises has been, in the main, consolidated by the larger farms. The acreage held by farms 1,000 acres and over increased swiftly—from 221,000,000 in 1920 to 495,000,000—or 43 per cent of the farm acreage—by 1950.

These giants comprise only 2.3 per cent of all farms, and as they increased their acreage they also increased the average quality of their lands. Values per acre of the land in farms 1,000 acres and over have been rising noticeably relative to values in smaller farms. In several Eastern states values per acre in the larger farms are now actually higher than values in smaller farms, although this is not true in all regions.

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What is the background of this striking trend? Professor C. V. Dominguez, Argentine student of land policies, once observed that, in the wake of land reforms, giant farm holdings "reconstitute themselves inexorably." This does indeed seem to be the history of the many instances when governments have undertaken to distribute land more equally among those who operated it. In America we had our land reform in the nineteenth century. We entered the twentieth with a preponderance of medium-sized farms, the heritage of equalitarian policies of land distribution which, while often honored in the breach, still set us apart from, say, Latins. And where federal policies failed, our state and local governments often, by accident or design, broke up large neo-feudal or speculative holdings through the property tax, on which they relied heavily for financing public functions and improvements.

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

ing numbers, while the giant holdings "reconstitute themselves inexorably."

Some have interpreted this trend as a move toward greater "efficiency," pointing to the higher outputs per man and machine that are possible when they have more good land to range over—for most analysts agree that the larger farms generally use must less labor and equipment per dollar of land value. This narrow concept of efficiency has satisfied on one end of the ideological spectrum, the largest landholders, and on the other the Marxists—since both hold great faith in agricultural gigantism. Its obvious weakness lies in its total disregard for good land that may be underused in achieving high outputs per man and per machine.

Smaller farmers, lacking enough land to employ themselves or their equipment fully, could take additional land and put it to more productive use than those already oversupplied. In 1940 farms of 1,000 acres and more planted only 45 per cent of the land available to them for crops. An efficient use of all resources would seem to call for shifting some land from those who have more than they can contrive to work intensively to those whose enterprise is cramped for lack of an adequate land base. This follows the basic economic principle of transferring resources from where they are abundant to where they are scarce, in this instance from the land-gluttoned to the land-starved.

But the trend in America has been the opposite. Those who have been

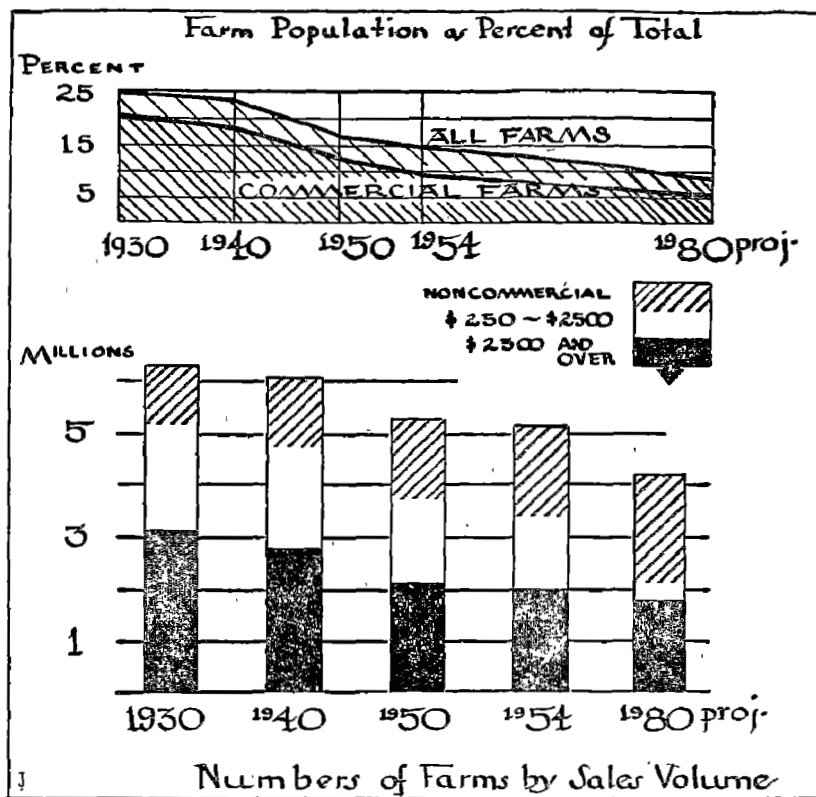
laying field to field are, on the whole, exactly those with enough and more than enough land to complement their labor and capital. The trend has been to separate most of the farm proprietors and improvements from most of the farm land. Various studies by farm economists have shown ten and twenty times more men per dollar of land value on small farms in such areas as the Ozarks, Appalachians, and marginal zones in Utah and New Mexico than on, for example, the vast and fertile farms of Iowa.

The larger farms, it is true, have more capital equipment, but it is often overlooked that they have less capital equipment per dollar of land value. The 1940 census, last to give this information, reported that there were sixteen times more dollars of building value per dollar of land value on farms three acres and under, than on farms 1,000 acres and over (and between these extremes the proportion of building to land value became steadily less as the farms became larger).

A great deal has been said about farms expanding to accommodate new forms of large-scale machinery. There are many small farms which could doubtless have benefited a great deal by expanding, but these are not on the whole the ones that have expanded. They have tended to grow smaller, or be replaced with even smaller farms. The expanding farms have in general been those already large enough to achieve savings from large-scale mechanization.

The census reports the number of farms falling within various size brackets, as well as the total acreage held by the farms in each bracket. From these figures one can compute the average size of the farms in each bracket. Comparing 1920 with 1950 again, in each of the upper brackets the average has risen toward the top limit of the bracket, while in each of the lowest it has descended. On top of the heap the average size of farms 1,000 acres and over increased from about 3,300 up almost to 4,100 acres. At the bottom the average farm under three acres fell from 1.7 to 1.4 acres.

This pattern of change is hard to reconcile with the idea of a mechanical revolution as the prime mover. If a technological imperative determined farm sizes it would make them cluster, one would think, about some



Despite increasing farm production, farm population and the number of individual farms continue to decrease. The answer lies in the fact that the large farms grow larger, and increase their productivity, even while their total number grows smaller. Statistics from Fortune, June, 1955.

central optimum prescribed by operating economies. But in fact, they are racing away from each other toward the two extremes, the large getting larger and the small smaller.

Today, as population has increased, as new demands, improved techniques, and farm-price supports have enhanced the income-producing capacity of farm land, as interest rates have declined absolutely and land taxes relatively, farm-land titles have become a much more attractive investment than once they were.

PRICES of these titles, while they have their downs as well as their ups, have stood in this century on the whole much higher than in the last. This means that those who buy land with surplus funds—as an investment, an income, a hedge against inflation, a provision for grandchildren, a good speculation, or what you will—have a new advantage over the impecunious young farmer trying to secure an operating unit of sufficient size to produce an adequate return for his labors. In the competition for land titles today, good husbandry counts for less, financial power for more. And in the arena of finance, more than any other, “him

that has gets.” A large debt-free landholding provides a surplus of funds for additional investments, collateral security for loans, and social position to facilitate advantageous alliances. As additional factors, one might mention the superior ability of larger landholders to secure political favors such as low tax assessments, forgiveness of delinquent taxes, access to cheap foreign labor, and government price supports for their products. And so the race for land titles goes more and more to those who already have.

Many sincere citizens have regretfully accepted for agriculture the economic philosophy of scarcity that they condemn in other industries. For them, the present trend has its compensations. To lock up much of our good underused land in large holdings, while much labor and capital hibernate in confined quarters, is a most effective way to hold down production. It also tends to choke off investment opportunities, flood the labor market, and raise the price of necessities. Those who agree with R. H. Tawney that “a society is rich when material goods are cheap and . . . human beings dear” do not find the trend so welcome.

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