

BULLETIN
OF
THE UNIVERSITY OF TEXAS

1915: No. 21

APRIL 10

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Studies in Farm Tenancy in Texas

By

DIVISION of PUBLIC WELFARE, DEPARTMENT of EXTENSION

With Chapters by

E. V. WHITE

Division of Public School Improvement

And

WILLIAM E. LEONARD

School of Economics



Published by the University six times a month and entered as second-class matter at the postoffice at Austin, Texas

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The benefits of education and of useful knowledge, generally diffused through a community, are essential to the preservation of a free government.

Sam Houston.

Cultivated mind is the guardian genius of democracy....It is the only dictator that freemen acknowledge and the only security that freemen desire.

Mirabeau B. Lamar.

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INTRODUCTION

This bulletin is called "Studies in Farm Tenancy" because the men who have contributed material to its pages are students of the question. In this work we have not tried to cover every phase of the tenant problem, but we hope the question has been studied from a sufficient number of points to allow considerable light to be thrown upon the subject and to justify our conclusions and constructive suggestions. Our investigation of the situation as it confronts us is to continue, and we expect to take up other phases of the question either in classroom work or while in the field doing extension work. Other bulletins similar to this and containing the result of our work will appear later.

What chance has the farm tenant in Texas to become a home owner? Some of them have the same chance or opportunity to become home owners that the average merchant in the town has to become a merchant prince. The chances are slight. Most tenants have the same opportunity to own a home that this same merchant has to acquire a comfortable competency by holding his own with his competitors. Some merchants exist by the grace of over-shadowing corporations. A few tenants may be put into this same class.

Some men see a remedy for tenancy from the viewpoint of legislation; others from the viewpoint of education. Some see the cure in Socialistic reforms. The writers of this bulletin cannot see the remedy from either of these standpoints. No sooner do we recognize the importance of legislation than we remember that human nature is a matter of spirit and not of law. Nor can we agree that education, dealing with the mental handicaps, could reduce tenancy to the minimum without a change in some of our Texas land policies. But the last mentioned change cannot be safely handled except by a trained citizenship.

If left free to follow personal choice there will always be tenants who are not able to own land, because some men will continue to make the mistake of becoming farmers when they are not fitted for farm life, just as some men will continue to

make the mistake of becoming merchants or lawyers. The problem before us is to give the largest possible opportunity for men in all classes to become home owners.

In the preparation of this bulletin the Division of Public Welfare has been assisted from many sources and by many people. Farmers who have assisted us on former occasions have aided us also on this work. We wish to thank the many hundreds of farmers, both renters and land owners, who have furnished us information in one way or another. We have been compelled to omit much personal testimony that we wanted to use, but in cases of this kind we have given the experiences of others who have faced similar problems. Our thanks are also due the county officials in many counties. In our work we have found them ever ready to aid us in any way possible.

We have used the personal services of several graduate students in the University. It has been very gratifying to find so many of the men interested in the work which the Division of Public Welfare is doing. Special mention should be made of the services rendered by Mr. N. L. Hoopingarner and Mr. J. G. Grissom.

The material from which most of the illustrations were made was prepared by Mr. George S. Wehrwein. It is our purpose to continue the preparation of this kind of material until a sufficient amount for a separate bulletin has been made. When the next Census is taken, there will be new material for the same kind of study; and the material which has already been prepared will form an excellent basis for comparison and for measuring the scope of our agricultural progress.

CHARLES B. AUSTIN.

CHAPTER I

THE GROWTH AND DEVELOPMENT OF TENANCY IN TEXAS

Professor Franklin H. Giddings, of Columbia University, who is recognized as one of the world's greatest authorities in social and economic studies, has put into one of his books the following paragraph:

“Whenever a commonwealth, whose people are impoverished and burdened with mortgages and other debts, is observed to appeal continually to its government to enact laws of a socialistic nature, or to undertake industrial and commercial enterprises for the benefit of a suffering population, the first inquiry made should ascertain whether that commonwealth is not really suffering from sociological poverty—from a certain incapacity or lack of enterprise to organize those varied forms of voluntary association by which, in other communities, great economic activities are successfully maintained.”

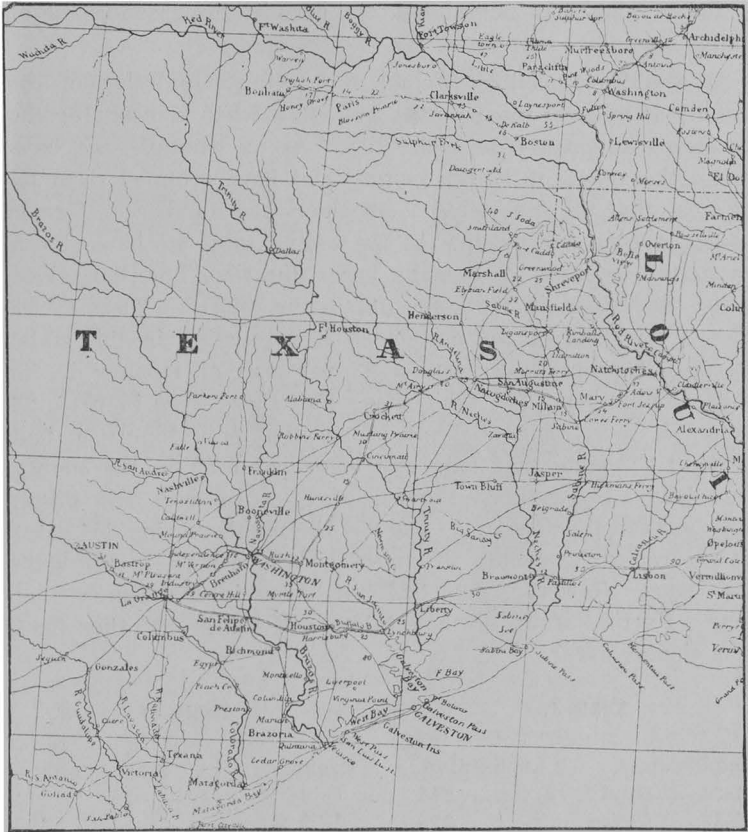
In the opinion of the present writer, Texas is suffering from sociological poverty. The foregoing paragraph contains the keynote of most of the difficulties which we, as a state, face today. In the following pages we have discussed many of the problems pertaining to tenancy and tenant life. But the tenant as a class cannot be set off from the rest of our citizenship and discussed without reference to other classes and to many other problems besides that which is commonly known as the tenant question. In other words, whatever may be said in the following pages concerning tenant conditions, it must be remembered that the writers believe that all citizens of the state must assume their share of responsibility for any deplorable conditions which may be found. The tenant has his shortcomings. So has the commercial man, the professional man, and the land owner. But the tenant as a class has less chance to assist in that voluntary association work which has meant so much to other sections of the country. The man with something accumulated, and with that something constantly adding perspective to his view, must assume his greater responsibility.

To what is our sociological poverty due? In other words,

why have we as a people and as a state permitted any problem to rise to the proportions of the tenant question? There are many reasons. They may be enumerated here, but we shall take little time to discuss them at this point. In the first place, we have always had in Texas such an abundance of land and natural resources that they have possessed small value and have been given little consideration. In time passed only the minority comprehended the relation between industrial development and the rise in the value of land, and this minority took advantage of the opportunity and succeeded in obtaining large holdings. The wisdom of their actions has been justified. In the second place, the conquest of nature has been carried forward with great rapidity. The stream of immigration has flowed constantly in and constantly toward that section of the state where farming promised most for the least effort. The rise in the value of land has been greatest in this section.

The tenant question is now most pressing where originally farming could be started with the least immediate expenditure of labor and capital. To make a living in Texas or in most of the south has been easier than elsewhere, but easy living conditions are not conducive to strong or united social action. Ability to make a comfortable existence on a piece of land of sufficient size to keep the tiller of the soil isolated from the neighbors, has kept out all evidence of need for social unity and social action. This has been supplemented by a lack of common school facilities and of compulsory education for those who thought the farmer could farm without education.

The problems of industry confronting us today have not grown slowly. The rapid industrial development has rather thrust them upon the people. It takes time to acquire sociological wealth,—more time than has elapsed since our industrial development began,—and hence our people are unprepared to meet the large and bewildering problems which suddenly confront us. Every tide of home-seekers coming into the state from other sections and other countries, tends to keep us from that wealth because the new-comers must be assimilated by the social body. One of the great drawbacks to cooperative action has been the newness of the country and the fact that



TEXAS IN 1851

This map of Texas is reproduced from a map of the United States published in Bamberg, Bavaria, Germany, in 1851. It is entitled, "Newest Railroad, Canal and Postal Map for Travelers in the United States of North America, Canada, Texas and California." The original map is in the possession of George S. Wehrwein, whose grandfather brought it to this country. If the reader will compare this map with an up-to-date map of Texas, he will get an appreciation of the rapidity of our industrial development.

sufficient time has not elapsed to permit the growing up of stable community life.

It would be possible to take the voting population of the greater number of our counties and show what is meant by the foregoing comments on social life. As an example, we have taken the voters of Brown county and have grouped them by ages, so that the first table below shows the number of farmer voters in each age group. In the second table we have shown by certain groups, of so many years duration, how long these voters have been in the state and in the county. These tables give a fair idea of the movement of population in this state. In 1910 Brown county had a 42 per cent of tenancy in its farm population. The table shows that there were in 1913, 23 voters of more than 60 years of age, but only four men had been in the state that long and none had been in the county that long. The greatest number of voters in any age group was between the ages of 30 and 35; the number being 354. But there are in the county 376 men who have been in the state that long. However, only 224 have been in the county that long. Further study of these tables will bring out other facts of a similar nature.¹

Table I.

Age Group.	Voters in Each Group.
21-24	245
25-29	328
30-34	354
35-39	346
40-44	258
45-49	214
50-54	199
55-59	199
60-over	23

Table II.

Year Group.	In State.	In County.
0- 4	36	271
5- 9	53	390
10-14	79	283
15-19	124	149
20-24	390	359
25-29	386	280
30-34	376	224
35-39	315	171
40-44	171	22
45-49	96	10
50-54	75	7
55-59	65	1
60-	4	0

¹There are 2,172 farmers, but not all ages are recorded.

As there may be some readers who would like to develop somewhat further this idea of the relation between the growth of our institutions and the composition of our population in so far as nativity is concerned, we give the following table for the state at large as the figures stand in the 1910 census:

Class of Population—	1910.	1900.	1890.
Total population	3,896,542	3,048,710	2,235,527
Born in United States	3,654,604	2,869,353	2,082,567
Born in Texas	2,730,757	2,031,575	1,370,243
Born outside of Texas	923,847	837,778	712,324
Per cent born outside of Texas . .	25.3	29.2	34.2

The above figures are illustrated in various ways, either in whole or in part, by our various maps and charts, but attention is called here to Figure I, which shows the population of

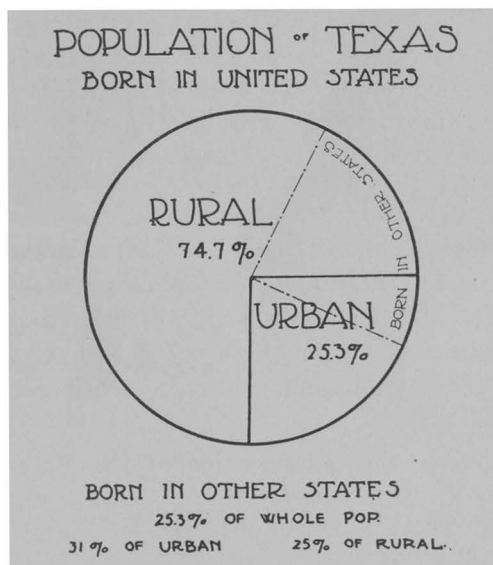


Figure 1

Texas born in the United States, and the rural and urban population born in the state and in other states.

Closely connected with the movement of population in our own state and in many other states, has been the increase or decrease in the number of farm tenants. For the purpose of making a comparison between Texas and several other South-

ern states and states from different sections of the country, we give the following table concerning farm tenants, the increase or decrease being represented by percents instead of numbers.

Growth of Tenancy in the United States

	1880.	1890.	1900.	1910.
United States	25.6	28.4	35.3	37.0
Mississippi	43.8	52.8	62.4	66.1
Georgia	44.9	53.6	59.9	65.6
South Carolina	50.3	55.3	61.1	63.0
Alabama	46.8	48.6	57.5	60.2
Louisiana	35.2	44.4	58.0	55.3
Oklahoma .....	...	...	43.8	54.8
Texas	37.6	41.9	49.7	52.6
Iowa	23.8	28.1	34.9	37.8
Kentucky	26.5	25.0	32.8	33.9
Indiana	23.7	25.4	28.6	30.0
Missouri	27.3	26.8	30.5	29.9
Virginia	29.5	26.9	30.7	26.5
New York	16.5	20.2	23.9	20.8

The movement of population and the increase in the number of people per unit of area in Texas may be very closely followed by taking note of the time of organization of the different counties in the state. While almost anyone can tell where the older counties of the state are located and where the newer counties are to be found, very few people, perhaps, have in mind the general development as it is brought out in Figure II.

As may be seen, the older section of the state is the small portion of the southeast part. Bexar County stands alone on the west side. There is a complete tier of counties between it and other original counties on the east. On the north, Shelby County marks the limit except for Fannin and Red River, which stand alone like two frontier sentries on the extreme north of the state. The counties which were organized between 1836 and 1840 may be easily distinguished on the map.

During the next decade, 1840-1850, the most of the counties in the northeast corner of the state were organized. There was also a block of a half-dozen organized around Bexar

County and four in the southern point of the state. Of twenty-five of our leading cotton counties now, only two-thirds were organized before the year 1850.

Between the years 1850 and 1860 there was a solid block at the center of the state which extended both to the north and



Figure II

the south. Ellis, Johnson, Hill, Bosque, McLennan, Falls, Bell, Coryell, Hamilton, Tarrant, Parker, Palo Pinto, Jack, Wise, Montague, and others in the southwest were all organized during this decade.

Perhaps not more than five counties were organized between 1860 and 1870, but in 1870 more than a half dozen of the smaller counties of the northeast corner of the state were ready for organization and on the west between 1870 and 1880 there was organization from Clay and Baylor on the north to the

south and west as far as the Rio Grande, and three counties in the El Paso country.

With the exception of Wheeler and Tom Green Counties all of the plains and pan-handle country north of San Angelo has been organized since 1880. The greater part of it has been organized into counties since 1890. The work of organization is still going on.

A study of the map will show the settling up and filling in of the state. It does not show our population as it now exists. Figure III shows the density of population in 1910. The map



Figure III

which we are now discussing shows the speed and direction of movement of the people in order to settle the state as it is peopled now. It is not to be understood that the people who lived in the southeastern section of the state, sent their chil-

dren into the center of the state and their grandchildren into the western part. This may be true in a large degree, but the tide of immigration which has swept in from the older states has been largely responsible for this later development in the central and western portions.

The important point, in connection with our brief study of development, is that the great agricultural and industrial problems of present day Texas are to be found in a section of the state which was organized five or ten years after Texas entered the Union.

Taking the 37 counties of the state which had in 1910 a tenancy in excess of 59 per cent, we find the following with regard to the dates of their organization:

Six	were organized between 1836 and 1839, inclusive
Three	were organized between 1840 and 1844, inclusive
Thirteen	were organized between 1845 and 1849, inclusive
Six	were organized between 1850 and 1854, inclusive
One	was organized between 1855 and 1859, inclusive
Three	were organized between 1870 and 1874, inclusive
Three	were organized between 1880 and 1884, inclusive
One	was organized between 1885 and 1889, inclusive
One	was organized between 1890 and 1894, inclusive

These 37 counties include all the greatest cotton counties of the state. Twenty-two were organized before 1850 and fifteen of them since.

The point to be brought out by this table and the map is, that tenancy is by no means coincident with the older counties of the state. Tenancy is not a question of the length of time that settlement has been made. It is rather a question coincident with black soil and one crop. Professor J. G. Granbury, of Southwestern University, has stated the matter as he sees it in the following words:¹

"The trouble does not seem to be that there is not land enough, but that there is not rich black land enough for all who prefer to farm where farming is easy. . . . But the price of such land puts it beyond the reach of most tenant farmers."

Figure III shows where the farmers of Texas were located in 1910. It need not be said, as it would be taken for granted,

¹Survey, July 11, 1914.

that the greatest number of farmers is to be found where the greatest amount of cotton is produced. A glance at the map showing the number of farmers and the map showing where the cotton is produced will be worth while. There is in the northeastern part of the state a relatively dense farming population, and this is not in the belt where the greatest amount of cotton is produced. Other maps which we have not published here show that down in the southeastern section of the state, where the counties have been longest organized, will be found relatively few farms. In this section there are many large holdings which are still intact or were divided up only a short time ago. On the other hand, it is known that in some of the oldest counties of the state, which are located in the extreme northern part, Fannin county for example, there has been the greatest breaking up of large holdings.

The Census divides the farmers of Texas into three broad classes—the native white, which includes all white people born in the U. S., whether born in Texas or not; foreign-born white—which includes all whites born outside of the jurisdiction of

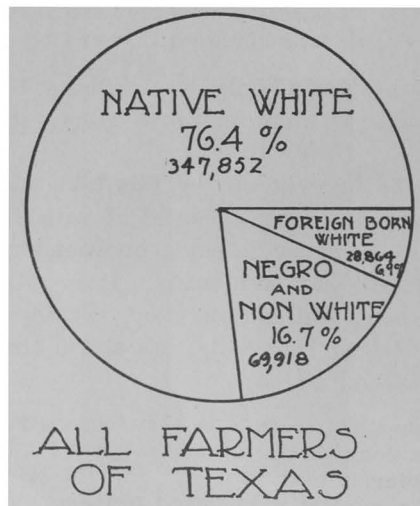


Figure IV

the U. S.; and thirdly, the negro and non-white (that is, Japanese, Chinese, etc.). Mexicans are classed as white. Figure IV shows how many of our farmers belong to each of

these classes. The native white farmers make up over three-fourths of our farming population; negroes, roughly, 17 per cent; and the foreign-born white, 7 per cent.

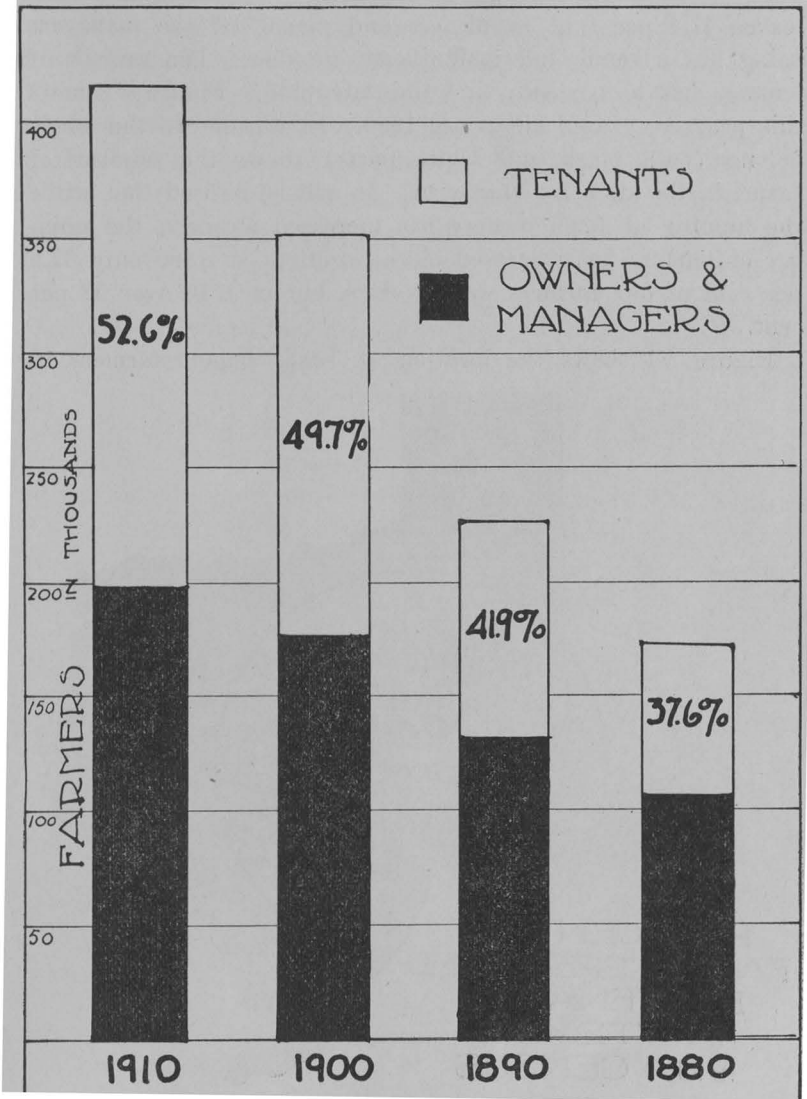


Figure V

In this study we are concerned mostly with the tenant farmer. The Census shows that for the whole state, 52.6 per

cent of our farmers were renters in 1910, and with the steady increase in tenancy the percentage is probably higher by this time, for the Census figures are now five years old. That leaves 47.4 per cent as owners and managers, the managers being but a small and insignificant number. The growth of tenancy has been steady and uninterrupted. Figure V shows this progress graphically since 1880. In this figure the whole oblong (both black and white parts) shows the number of farms in the state for that year. It will be noticed that while the number of farm owners has increased steadily, the number of tenants has increased more rapidly. In 1880 only 37.6 per cent of our farmers were renters, but in 1910 over 52 per cent.

Figure VI shows the location of Texas tenant farmers in

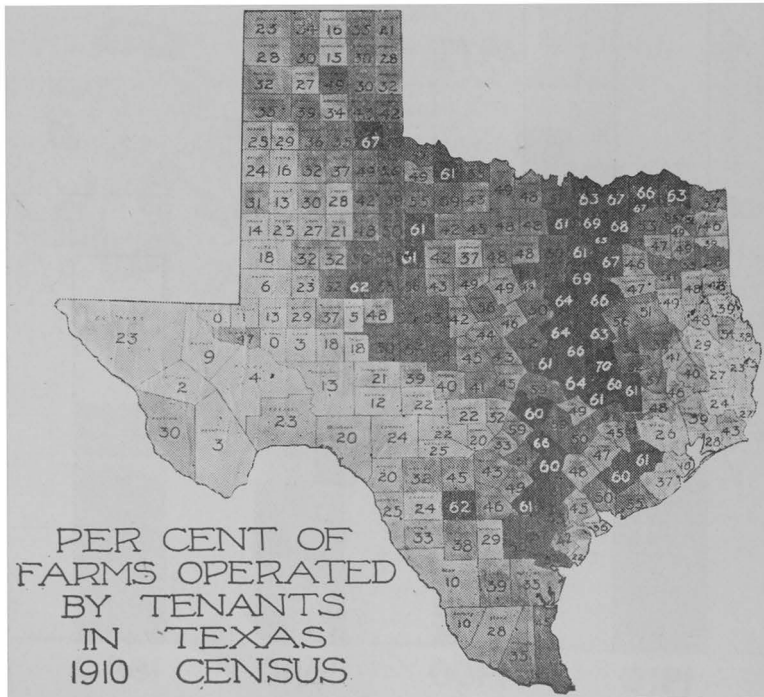


Figure VI

1910. The figures show the percentage by counties of farmers who were renters, and the map has been shaded to bring this

fact clearly to the observer. It should be kept in mind that some of our Western counties have few farms and few farmers, and the percentage of tenancy in these counties is rather abnormal and not to be strictly compared with some of the more densely peopled counties of the cotton belt.

While it is true that there has been a steady increase in the percentage of farm tenancy for the entire state from decade to decade, it is not true that there has been an increase of tenants in every county. Figure VII, made from the Census fig-

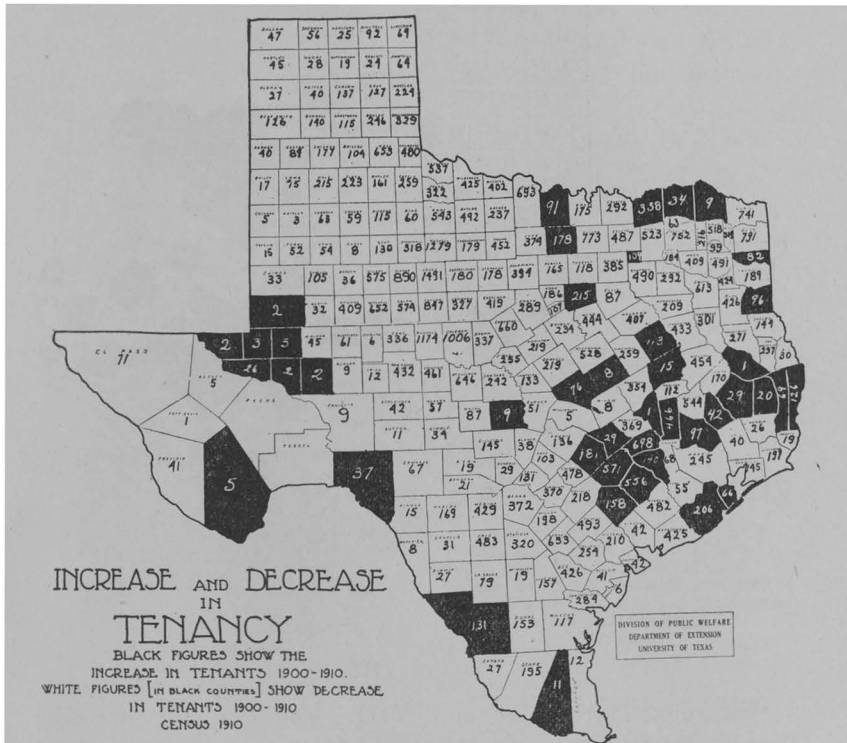


Figure VII

ures of 1910, shows that in forty-two of the counties of Texas, there was an actual decrease in the number of tenants between the years 1900 and 1910. We need give no further discussion of this question, as the figure is self-explanatory.

While there was an actual decrease of the number of tenants in 42 counties, there was an actual decrease of farm own-

ers in 50 counties. Figure VIII explains the increase and decrease in farm owners for the same period and in the same way that Figure VII explains the increase and decrease in farm tenants.

In order to get the true situation for any one county or for the state at large, it would be necessary to make a careful com-

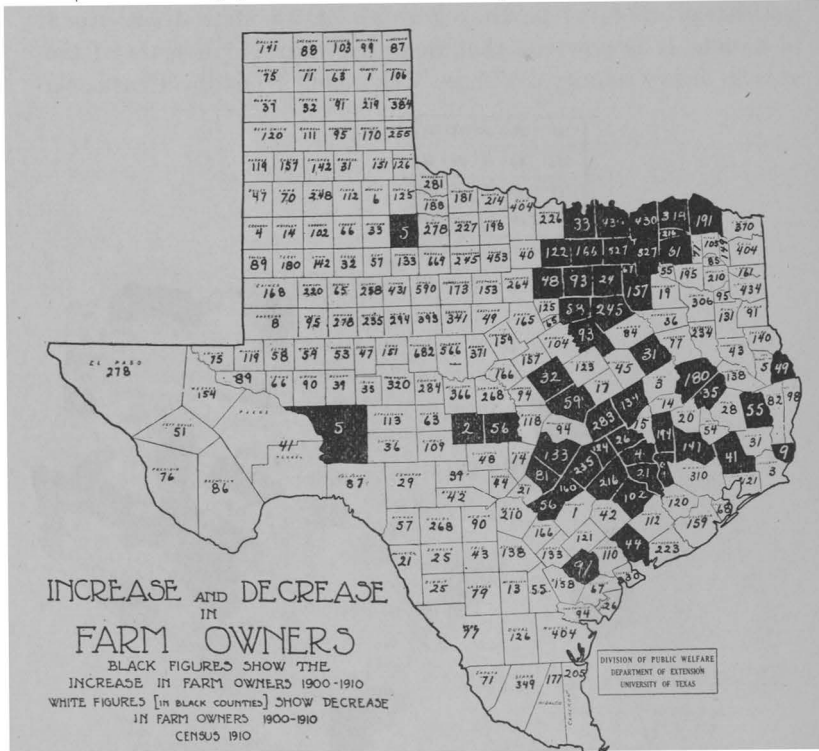


Figure VIII

parison of Figures VII and VIII. For example, in Ellis County, between the years 1900 and 1910, there was an actual increase of 87 farm tenants, and during the same period an actual decrease of 245 farm owners. The problem in this county then, is not that there was an actual increase of 87 farm renters, but that through consolidation of holdings or other means, there was an actual decrease of 245 farm owners. In Clay County where there was an actual decrease of 91 tenants in the ten year period, there was an increase of 404 farm

owners. Other interesting facts can be brought out by continuing the comparison of the two figures county by county.

The map of Figure IX is in a way a combination of Figures VII and VIII. But Figure IX includes all of the rural population, which means that it includes, in addition to the farm operators shown in Figures VII and VIII, their families and hired help. The figures on rural population include all people who live in the country or in towns of less than 2,500

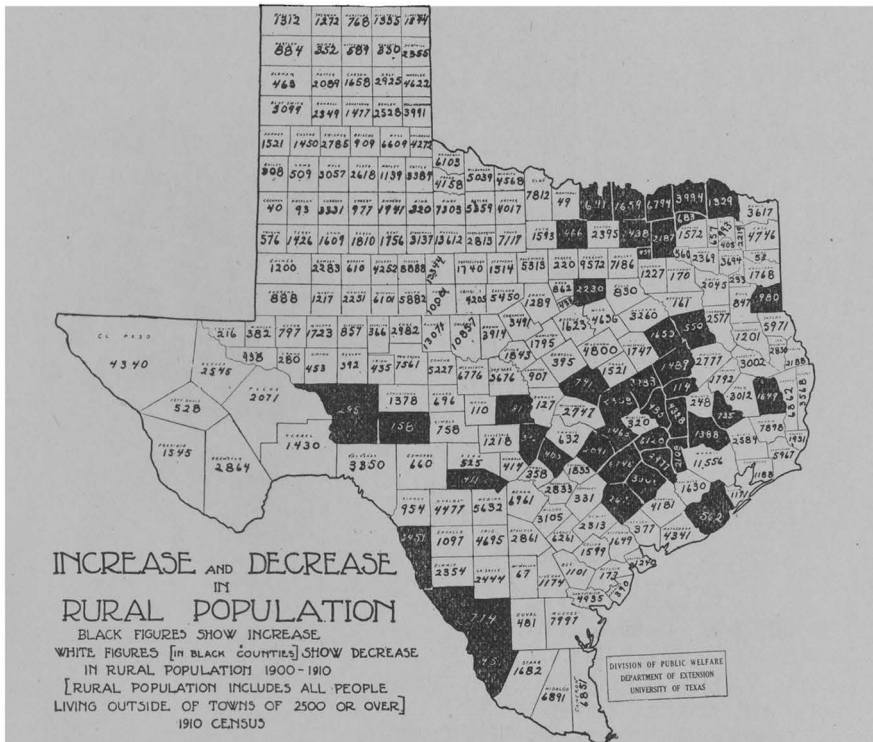


Figure IX

population. It is worthy of note that in every county printed in black there has been a rural depopulation. These people may have moved to farms in other sections of the state or they may have moved into towns containing more than 2,500 people. If we again use Ellis County as an example, we may note that there was an actual increase of 87 tenants and an actual decrease of 245 farm owners, which means an actual decrease of

158 farm operators, and yet Figure IX shows an actual increase of 830 in rural population. This increase of total rural population may be accounted for in several ways. It may be that the farm tenant has been supplanted by the hired laborer, and the laborer and his family would not be shown in Figure VII, or VIII. There may have been a rapid growth in small towns and this would offset the decrease in farmers. It may be that the farm tenants who have come in have brought with

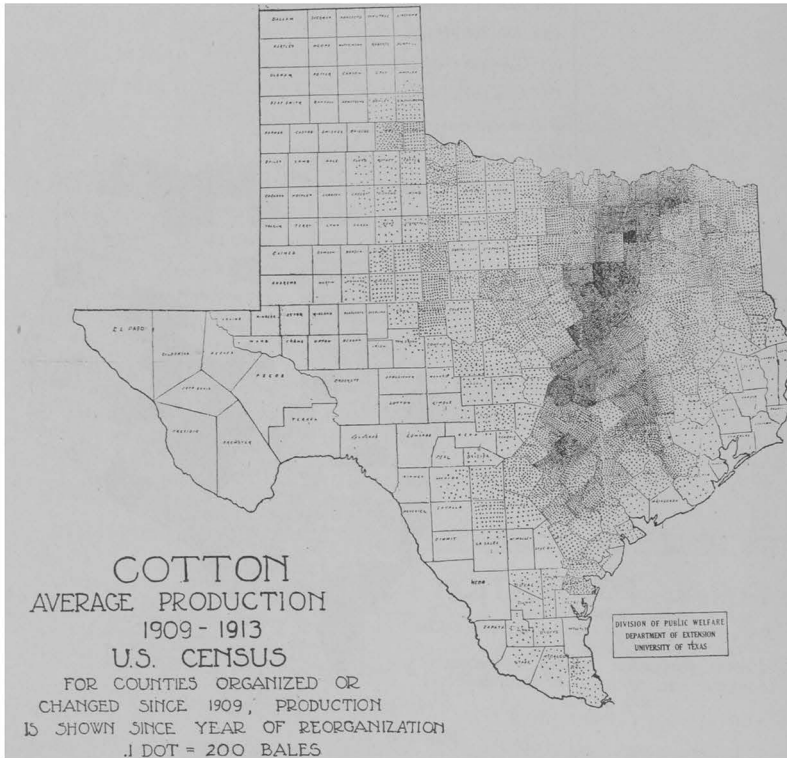


Figure X

them large families and the home owners who have moved out had only small families.

Figure X shows the location of the area of greatest cotton production in Texas, and it is interesting to note the relation between tenancy and cotton production. The cotton belt fol-

lows very closely the black soil belt from Oklahoma to San Antonio. There is a distinct tongue extending from Waco towards Galveston. In the northern part of the state the belt broadens toward the east. Beyond the "Cross timbers" is another belt of cotton land extending from Runnels County to the Oklahoma line, including Hall and Childress counties. By comparing this cotton map with the tenant map it will be noticed that the two correspond so closely that one could be easily substituted for the other, and very few exceptions will be found to the rule that tenancy and cotton go together. The one-crop system with all other crops subordinated or omitted, easily lends itself to renting. One reason probably is that the division of the product is very simple and satisfactory to both parties.

The Census shows that the tenant farmers are divided in somewhat different proportions than the farming population as a whole. (Compare Figure IV and Figure XI.) In Figure

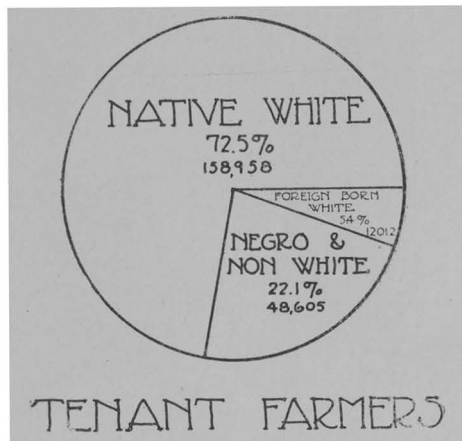


Figure XI

XI it will be noticed that 72 per cent of our tenants are native whites, 22 per cent negroes and 5 per cent foreign born whites. The negro makes up a larger proportion of the tenant farmer class than he does of the whole farming population.

Taking the negro farmer by himself, Figure XII shows that almost 70 per cent of the negro farmers were renters in 1910 and 30 per cent were owners and managers. Figure XIII shows the location of the negro farmers in the state. The great

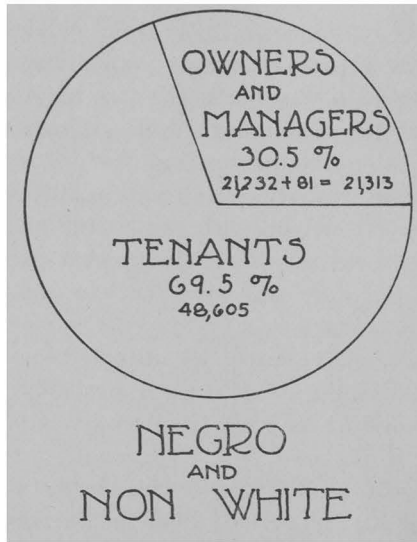


Figure XII

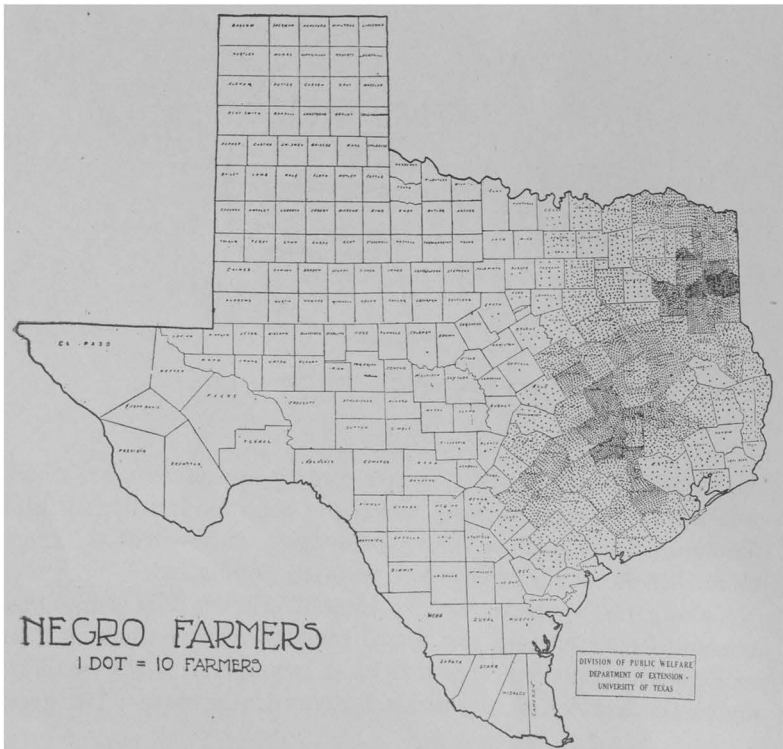


Figure XIII

mass of the negro population engaged in agriculture is located in the northeastern part of the state, and (with the exception of a few counties) not in the black land belt, where the competition for the land is severest. Figure XIV was made to

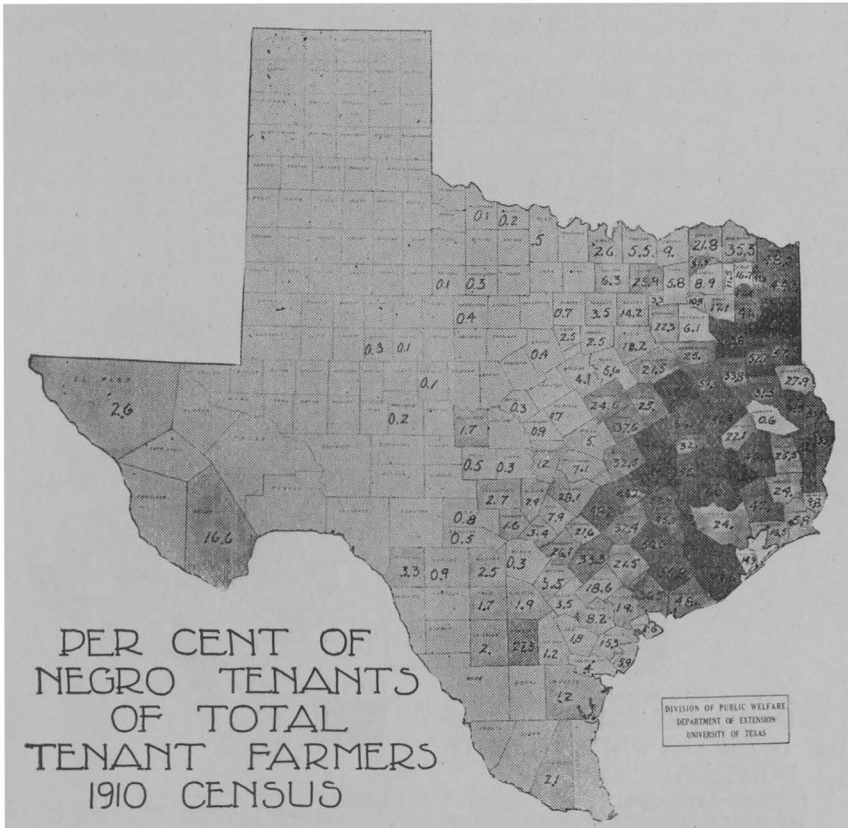


Figure XIV

show what part of all the tenant farmers of Texas were negroes in 1910, and this map corresponds with the map just noticed, Figure XIII. The negro is not a factor, at least as yet, in the severe competition that exists for the land in the best cotton region of Texas. However, in many places the economic competition between the white and the negro is being felt, and the negro is a factor not to be overlooked in this problem of land ownership and tenancy.

In Figure XV, the figures in the counties show the per cent that the negro tenant was of all tenants in that county in 1900.

The counties in black are those in which the percentage of negro tenancy has increased more rapidly than white tenancy between 1900 and 1910. In these counties the negro has become a stronger factor in the tenant situation, and it is seen that several of these counties are in the black land section. In east Texas counties where, according to Figure XIII, most of our negro farmers are located, the ratio of white to negro tenants

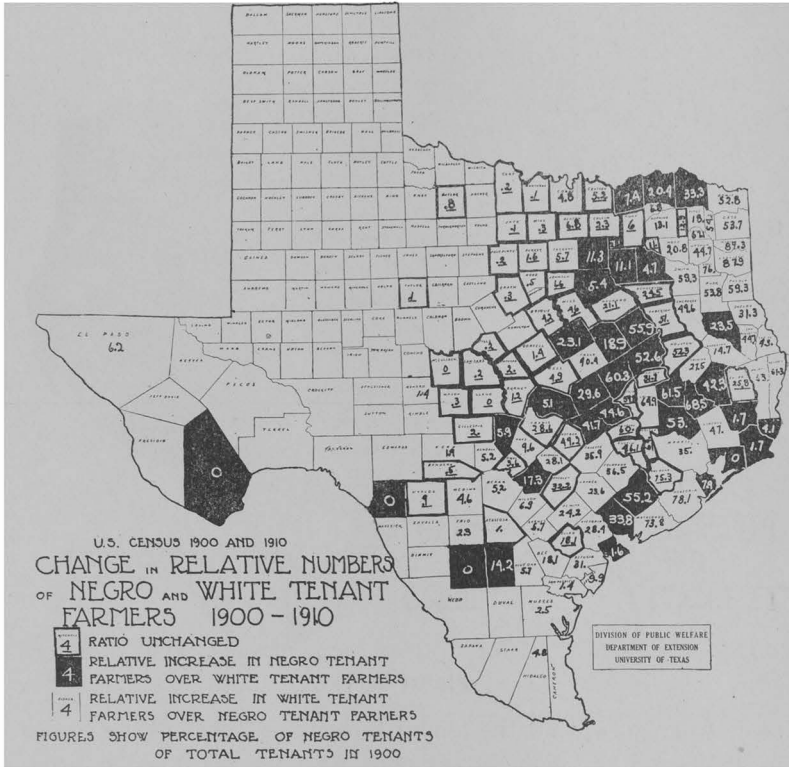


Figure XV

has increased because of the greater increase of the white tenant during the same decade. We may conclude, therefore, that the negro farmer is moving into the black land sections of the state, but he is not moving in with any great rapidity. Since 1860, 30 per cent of the negro agricultural population has acquired land. In the last decade they have acquired landed property about one-half as fast as the white farmer, and have

become tenants less than one-fourth as fast as the white farmer. This is shown by the following table:

	1900.	1910.	Per cent Increase.
White owners	154,500	174,631	13
White renters	129,685	170,970	31.1
Negro owners	20,139	21,232	5.4
Negro renters	45,306	48,605	7

The foreign-born white farmers offer even greater contrasts. Figure XVI shows that almost 60 per cent of those people born outside of the U. S. and coming to this state, have acquired farms. This is done in one generation, for these figures do not

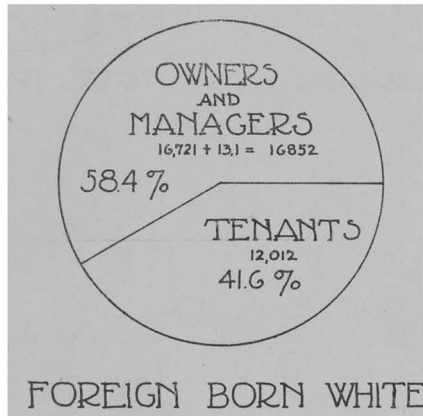


Figure XVI

include persons born of foreign-born parents, and therefore these people have no means of acquiring land by inheritance from father to son—which is possible with the negro and native white. The land must be acquired by the one who is in possession. However, a few cases have been cited to us in which certain new-comers had been assisted by the people back home, but we do not believe that many of these cases could be found.¹ Figure XVII shows the principal peoples which compose our total foreign-born population and the proportions of each that are farmers. The Mexicans compose over one-half of the

¹Two real estate men who have had several years of experience in selling land to foreign-born citizens say our opinion is correct.

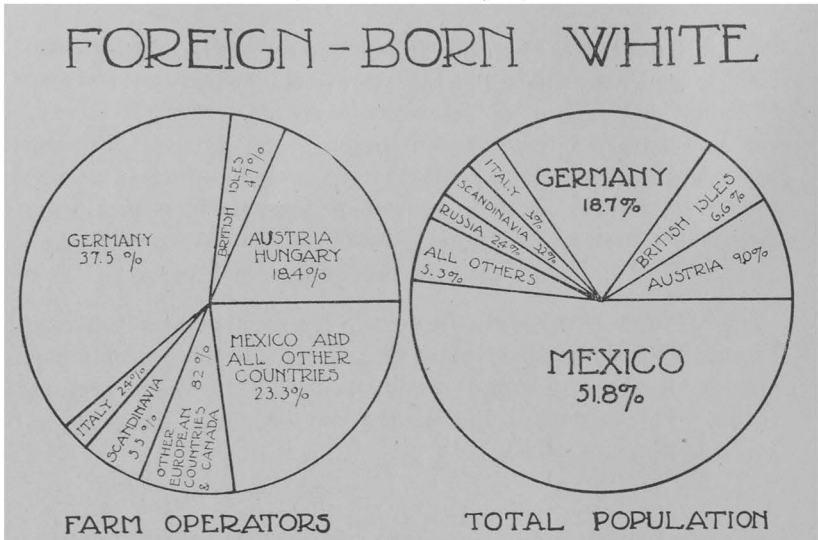


Figure XVII

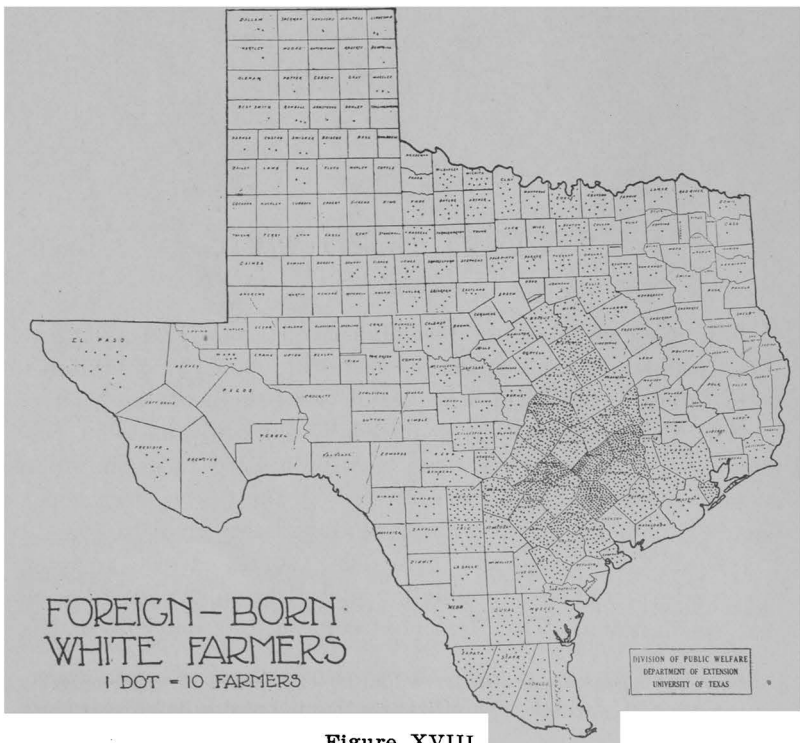


Figure XVIII

total foreign-born; the Germans nearly one-fifth; and the Austrians nearly one-tenth. When foreign-born white farmers alone are considered, as in the second diagram of Figure XVII, the Mexicans are less than one-fourth of the number; the Germans about three-eighths; and the Austrians nearly one-fifth. Figure XVIII shows the location of these foreign-born farmers. They occupy a territory which would be bounded in a general way by lines drawn from Waco to San Antonio, to

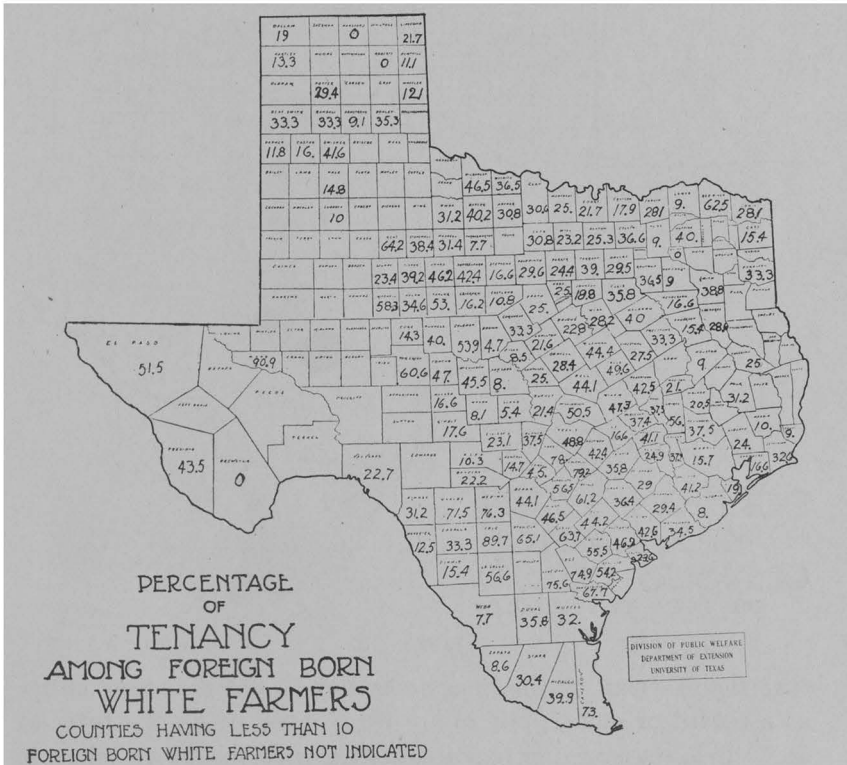


Figure XIX

Beeville, to Houston, and back to Waco. It will be noticed from Figure XIX that owners predominate over renters in most of the counties within this area as well as outside of it.

Figure XX shows the location of the foreign-born Mexicans in Texas. Omitting Bexar County with its large Mexican population, South Texas, the El Paso country and the territory

south of Austin are centers of Mexican influx. Comparing this figure with Figure XVIII it is seen that this Mexican area has very few foreign-born white *farmers*. The conclusion is

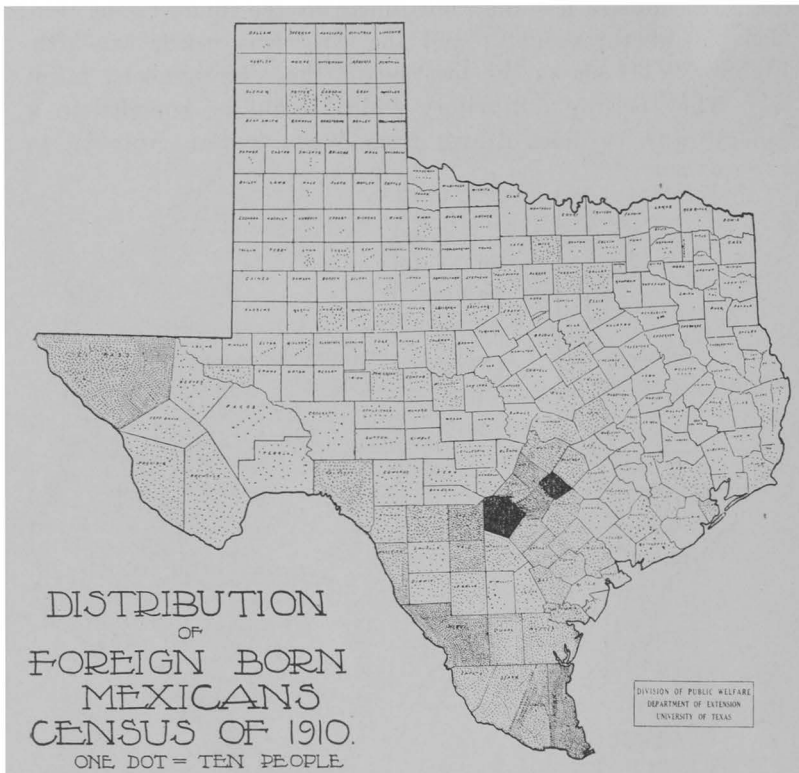


Figure XX

that the Mexican of the first generation is not a farmer either as a tenant or owner, but rather hired labor, if on the farm at all.² In discussing the tenant question care should be taken to distinguish between the farm hand who works for wages and the man who is a farm operator and receives his income from the sale of farm products.

²Mr. Emilio Flores, secretary of the Mexican Protective Association, San Antonio, estimates that after the first year, 25 per cent of the Mexicans become farmers, 50 per cent return to Mexico, and 25 per cent drift into different occupations. In our opinion his first figure is too high and the last too low.

Figures XXI and XXII show the location of foreign-born Austrians and Germans. These maps do not represent *farmers*; so it will be necessary to omit counties having large cities. But on the whole it will be noticed that these peoples are well within the general foreign-born area. A glance at the general tenancy map will show that where these are thickest, there is a smaller percentage of tenancy.

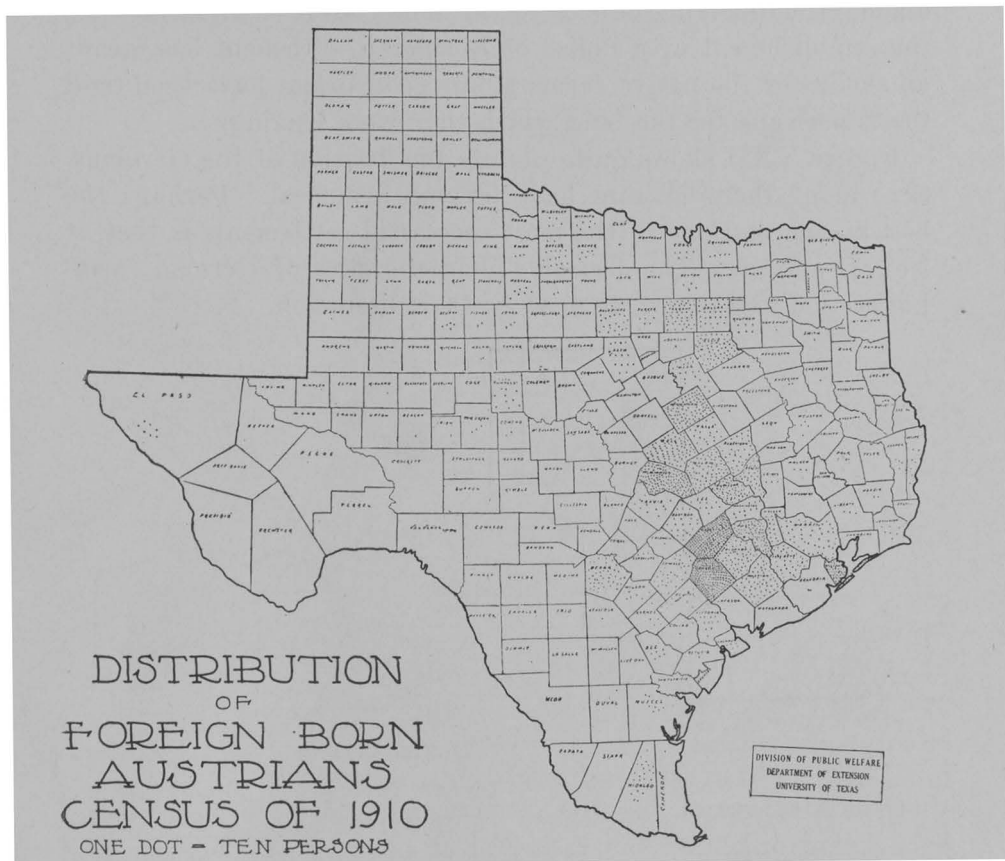


Figure XXI

The Austrians include many peoples commonly known by other names. Many of the Poles and Bohemians come under this heading. The Polish farmers are found in greatest numbers in Falls, Fayette, Grimes, Karnes, Robertson, Washington and Wilson Counties. They have proven themselves good workers in a new country. They are an independent, self-supporting and efficient people.

The Bohemians are found largely in Fayette, Lavaca, Austin, Bureson, Williamson and McLennan Counties. Some recently established colonies in West Texas are offshoots of the older colonies. Mr. LeRoy Hodges, speaking of Slavs on Southern Farms, in Senate Document No. 595 (63 Cong. Sess. 2), says: "They (the Bohemians) have introduced diversified farming in the cotton belt, and have demonstrated that the farms can be made self-supporting outside of the money crop." In some cases the establishment of a Polish or Bohemian settlement has meant an exodus of the native farmers, but good prices have been paid the Americans for the land which they were leaving.

Figure XXII shows quite plainly the location of the Germans. Several of their colonies have become historical. Perhaps the best known and one of the most successful settlements is that at New Braunfels. The desirable characteristics of German farming are too well known to need further discussion.

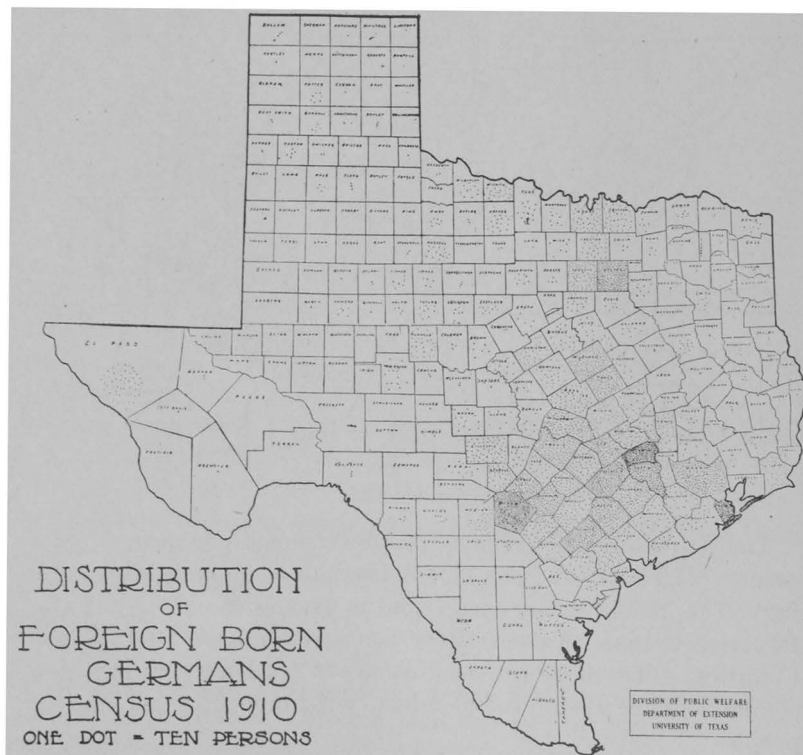


Figure XXII

Figure XXIII pertains only to native born white farmers. We mean by this, farmers who were born some place in the United States. When we consider native white farmers only, the percentages of farm owners and tenants are about equal. The diagram shows the exact figures for managers and owners, and tenants.

One of the points mentioned whenever the tenant question is talked about is the problem of land holding by non-residents.

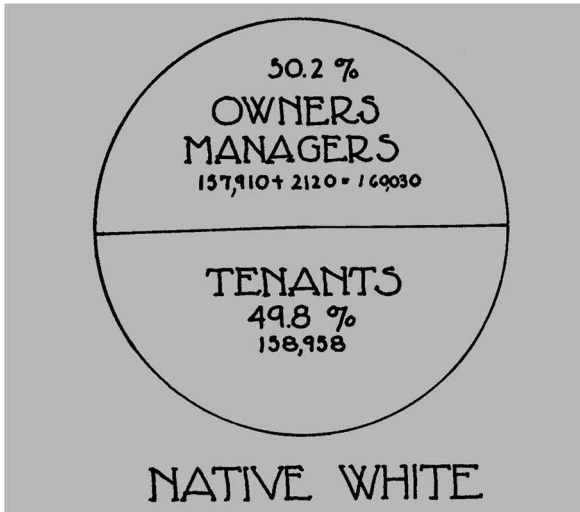


Figure XXIII

We have not secured the figures for all of the counties from which we have secured other data concerning the conditions of the tenant farmer, but we give below the figures for some counties that are located in different portions of the state. The table shows how the holdings may be grouped with regard to size, and we may add that we have taken from the records almost the entire number of holdings.

Non-resident Land Holdings

Size of Holdings.	Brown.	Medina.	Ft. Bend.	Robertson.
0- 49	33	21	83	10
50- 99	29	7	59	19
100- 199	52	16	105	35
200- 499	29	23	107	55
500- 749	8	12	34	21

Size of Holdings.	Brown.	Medina.	Ft. Bend.	Robertson.
750- 999	2	8	12	3
1000-1499	1	3	12	7
1500-1999 .....	..	3	5	3
2000-2999	1	6	5	3
3000-3999 .....	..	1	..	1
4000-4999 .....	..	4	1	1
5000 and over.....	..	6	3	2

In order to go a step further into detail, we give the following table to show the number of non-residents who hold land in one of the counties given above, and the total acreage which is held by each group and by all. These are 1914 renditions.

Group.	No. Cases.	Total acreage for group.
Less than 50 acres	83	1,790
50- 100 acres	59	4,117
100- 200 acres	105	15,089
200- 300 acres	42	9,557
300- 400 acres	42	14,022
400- 500 acres	23	10,401
500- 600 acres	12	6,522
600- 700 acres	16	10,249
700- 800 acres	10	7,385
800- 900 acres	5	4,197
900-1000 acres	3	2,775
Over 1000 acres	26	64,039

The above table gives 426 cases of non-resident land holding, showing a total acreage of 150,163. The following figures show how nearly we have accounted for all of the holdings by men who live outside of the county:

	Acres.	Valuation.
Resident	325,736	\$4,951,530
Non-resident	150,983	2,247,900
Unrendered	77,285	1,010,900

The following table for another of these same counties shows 109 cases of land holding by men who live outside of the county. The total acreage is 123,666 with a valuation of \$901,950.

Group.	No. Cases.	Total Acreage for group.
Less than 50 acres	21	259
50- 100 acres	7	505
100- 200 acres	15	2,186
200- 300 acres	11	2,441
300- 400 acres	6	1,954
400- 500 acres	6	2,582
500- 600 acres	4	2,110
600- 700 acres	7	4,487
700- 800 acres	2	1,487
800- 900 acres	3	2,547
900-1000 acres	4	3,760
Over 1000 acres	23	99,348

The records in Robertson showed that men who resided outside the county owned 91,609 acres of farm land valued at \$887,075. The 110 cases given in the table account for all of this land except 418 acres.

This chapter should be followed by one dealing with the Public Domain of Texas. We refrain from doing this because we know that another person has worked out the history of that question fully, and we hope to have his results in print within a few months. Until then we may rely upon our common knowledge.

CHAPTER II

THE PERSONAL PROPERTY OF THE TENANT

In times past it has been possible for the tenant in the State of Texas to buy a farm, or transpose himself from the renter class to the landlord class, without much money. In many cases cited in different communities there was either no initial payment at all or one of small amount. As long as land can be had cheaply there is little need to save for the purpose of becoming a land owner. In older sections of the country it has long been recognized that if a renter ever expected to become a home owner it would be necessary for him to save from the proceeds of his crops and to gather about him a considerable amount of personal property. It is this personal property, in the form of cows, horses, mules, chickens, and the like, which gives the proceeds to make the first payment on the land purchased. It is the stock, implements, wagons, carriages, and other personal property, which give the renter the financial standing in the community that makes it possible for him to undertake to buy. This is becoming true in the state of Texas. Savings can best be shown by personal property, for the kinds of property mentioned above are the forms which permit savings to grow during the period of waiting for enough accumulation to embark upon the venture of becoming a land owner. The higher the price of land, the greater will needs be the amount of the first payment, and the first payment must come from the personal property.

In several counties of the state we have gathered from the records data showing the amount of personal property owned by the tenant. We find many cases where a tenant who has purchased land, renders for taxation less personal property afterward than before purchasing. This is perfectly reasonable. While our figures will show that in many cases the renter does not have any great amount of property, in other cases the amount given to the tax assessor is so small as to bespeak the meagerest kind of farming so far as efficiency is concerned. We recognize, of course, that the tax records are not

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reliable as to values. But in most cases they are reliable when it is a question of counting heads of stock or vehicles. This tangible property is the working capital of the renter. It shows first of all whether the renter tries to grow one thing or more than one. From the list of holdings, one may tell what kind of living the farmer provides for his family, or at least one can see from what source the living is acquired. If the personal property shows dependence upon one crop, then the renter must be classed with those who are at the mercy of one market and the whims of nature in dealing with one crop.

We have gathered this data for the sole purpose of getting a line on the holdings from which the renter derives his economic power. The accumulation of property shows whether the renter can take advantage of different markets and different opportunities offered by the business world. In a direct way the accumulation of goods and property will tend to hold the tenant to one locality and one farm. Moving usually means a sacrifice of some of the stock or other property. While no one tax record necessarily shows the amount that one man pays to support the state, for his land is assessed where it is located, and many tenants own land in a different county from the one where they rent, it must be remembered that the kinds of personal property mentioned above are the source of income for the farmer. If he does not possess this property, then he depends upon a crop or crops which are annual in their nature and which require the same work and attention year after year, without increased prospect.

Robertson County Tenant Renditions in 117 Cases, 1913

	No.	Value.
Cases	117	
Horses and mules	324	\$24,480
Cattle	314	3,820
Hogs	320	1,125
Dogs	5	115
Vehicles	149	3,830
Implements . . . . .		. . . .
Cash		600
Miscellaneous		2,525
		<hr/>
Total value		\$36,495

The sum total of the property rendered is \$36,495 for the 117 tenants, or an average of \$311.92 each. It will be noticed that there is an average of less than 3 horses and mules or 3 head of cattle, or 3 hogs per farmer. In only one case was any cash rendered: the amount was \$600. The value of implements is not known, as we were told that implements were rendered under the heading of miscellaneous. As shown in the table, however, the average value of miscellaneous property, which includes machinery, is \$21.58. The rendition value is probably not over 50 per cent of the true value, but as this is true in all tables like this which we are using, the tables may be compared. The important feature is to note the absolute number of pieces of property or head of stock rendered regardless of what value may be placed upon the same.

With regard to groupings of cattle:

18 tenants rendered	.....	none at all
20 tenants rendered	.....	1 each
36 tenants rendered	.....	2 each
12 tenants rendered	.....	3 each
14 tenants rendered	.....	4 each
5 tenants rendered	.....	5 each
3 tenants rendered	.....	6 each
1 tenant rendered	.....	7
5 tenants rendered	.....	8 each
2 tenants rendered	.....	10 each
1 tenant rendered	.....	20

It will be seen that 12 men own 105 of the 314 cattle. This leaves 209 to be owned by 105 men, which is an average of about 2 each. Looking at the other side of the table, it is seen that 74 men, out of the 117, own only 92 head of cattle, or that a little over 63 per cent of the men own a little over 29 per cent of the cattle.

With regard to horses and mules:

11 tenants rendered	.....	1 each
52 tenants rendered	.....	2 each
21 tenants rendered	.....	3 each
25 tenants rendered	.....	4 each
4 tenants rendered	.....	5 each
3 tenants rendered	.....	6 each
1 tenant rendered	.....	8

With regard to hogs:

20 tenants rendered	..... none at all
13 tenants rendered	..... 1 each
27 tenants rendered	..... 2 each
23 tenants rendered	..... 3 each
13 tenants rendered	..... 4 each
7 tenants rendered	..... 5 each
5 tenants rendered	..... 6 each
2 tenants rendered	..... 7 each
1 tenant rendered	..... 8
1 tenant rendered	..... 12
1 tenant rendered	..... 15
1 tenant rendered	..... 18

If we take the largest renditions we find 67 hogs are owned by 6 men, which leaves 253 to be owned by 111 men; the average being only slightly over 2 per man. In tables like those given above, it should be remembered that the ages of the animals vary greatly, and the sex is not considered. Special attention is called to the fact that in these 117 cases, over 17 per cent of the men give in for taxation no hogs at all, and over 15 per cent gave in no cattle. One man who gave in 2 dogs at \$25 each, gave in no hogs, and another who gave in 1 dog at \$25 gave in no hogs and no vehicles.

Brown County Tenant Renditions in 103 Cases, 1913

	No.	Value.
Cases	103	
Horses and mules	333	\$17,645
Cattle	339	3,975
Jacks and jennets	2	55
Hogs	140	550
Dogs	12	290
Vehicles	126	3,085
Implements . . . . .	...	2,760
Cash . . . . .	...	4,065
Miscellaneous . . . . .	...	390
Total value		<u>\$32,815</u>

It may be well to call attention to the fact that these 103 tenants render for taxation an average of slightly over three cattle or three horses or mules each. It would take sixty-six more

hogs to average two each. Miscellaneous property averaged \$3.79 for each person. Cash rendered was from six persons. The individual amounts running as follows: \$3,000, \$40, \$40, \$50, \$475, and \$100. The average value of implements rendered is \$26.80. The average value of the animals may be easily found. This rendition value is probably not over 50 per cent of the true value. Hogs are given in at an average of \$3.9 each; dogs at an average of \$24.17. The average value of the total property rendered is \$318.59.

With regard to groupings of cattle:

17 tenants rendered	.....	none at all
15 tenants rendered	.....	1 each
26 tenants rendered	.....	2 each
8 tenants rendered	.....	3 each
8 tenants rendered	.....	4 each
11 tenants rendered	.....	5 each
4 tenants rendered	.....	6 each
3 tenants rendered	.....	7 each
4 tenants rendered	.....	8 each
2 tenants rendered	.....	9 each
1 tenant rendered	.....	10
1 tenant rendered	.....	21
1 tenant rendered	.....	24

With regard to horses and mules:

6 tenants rendered	.....	1 each
33 tenants rendered	.....	2 each
28 tenants rendered	.....	3 each
16 tenants rendered	.....	4 each
7 tenants rendered	.....	5 each
6 tenants rendered	.....	6 each
2 tenants rendered	.....	7 each
1 tenant rendered	.....	8
1 tenant rendered	.....	9
1 tenant rendered	.....	11

With regard to hogs:

54 tenants rendered	.....	none at all
10 tenants rendered	.....	1 each
20 tenants rendered	.....	2 each
4 tenants rendered	.....	3 each
3 tenants rendered	.....	4 each

2 tenants rendered	5 each
1 tenant rendered	6
3 tenants rendered	7 each
1 tenant rendered	9

It will be noted from these short tables that 56.3 per cent of the 103 farmers had only 19.8 per cent of the cattle and that 81.5 per cent had only 74.3 per cent of the hogs. In the case of horses, 80.5 per cent had 66.1 per cent of the total.

The following one hundred renditions from Brown County in 1909 and 1913 show the total amount of property rendered by groups varying in amounts of \$50. The 100 cases of 1913 are the same men as for 1909 except that the records show that four were not assessed in 1913:

Dollars.	Number 1909.	Number 1913.
0- 49	1	5
50- 99	7	7
100-149	14	7
150-199	14	17
200-249	13	9
250-299	7	12
300-349	15	10
350-399	7	5
400-449	5	7
450-499	2	3
500-549	1	3
550-599	3	3
600-650	4	1

The following renditions for 1909 were above \$650; \$675; \$700; \$785; \$900; \$955; \$1160; \$1330. The following renditions were above \$650 for the year 1913: \$810; \$760; \$1051; \$900; \$1080; \$2250; \$1240. Only 11 men, out of 100, are shown to have acquired land between 1909 and 1913. Their personal property for 1909, 1913, and the value of their land, are shown by the following table:

Personal 1909.	Personal 1913.	Land 1913.
\$ 250	\$ 320	\$ 120
1,330	1,290	1,210
355	235	400
130	215	800

Personal	Personal	Land
465	355	500
650	460	760
305	320	1,200
240	255	600
700	280	700
315	20	320
365	405	1,320
<hr/>		
Totals \$5,105	\$4,155	\$7,930

Going back to the first table, we find that the total amount of personal property rendered by the 100 men in 1909 was \$31,129. An average of \$311.29 per man. The total amount for 1913 was \$31,005. This is an average of \$322.97, as there were only 96 cases.

In the second table the personal property rendered in both cases has been counted in this average. As might be supposed, there was a less amount of personal property rendered in 1913 than in 1909 by the men who acquired land. Personal property in the 11 cases fell off \$950. The value of real estate acquired was \$7,930. How much of the land is covered by debt is not known.

Matagorda County Tenant Renditions in Thirty-eight Cases, 1913

	No.	Value.
Cases	38	
Horses and mules	168	\$ 9,745
Cattle	102	1,670
Hogs	65	276
Vehicles	43	838
Implements		760
Miscellaneous		125
<hr/>		
Total value		13,414

The above table, concerning renditions for taxation, covers 38 cases where neither land nor city property is included. The total amount of the property thus rendered by 38 men, is \$13,414, or an average of \$353 per man. In looking at these tenant renditions, in comparison with similar figures found for other counties, it may be well to call attention to the fact that there

is no mention of dogs in any case. It is stated, however, that for the whole county there are about 40 dogs rendered for taxation. In no case was there a rendition of cash on hand, and the \$125 of miscellaneous property was given in by two men. One man gave in a watch and clock at \$25, and another man without mention of property by name gave in \$100.

In the case of implements, it may be interesting to note that 25, out of the 38 men, did not consider that they had enough farm machinery to render it for taxation, and two others rendered less than \$25 worth. A brief table will show the value of the implements by groupings. The average value of the implements rendered by 13 men being \$58.46.

Value of implements.	No. of Cases.
0- 24	2
25- 49	5
50- 74	3
100-124	1
125-150	2

Twenty-five men out of 38 rendered no implements. Nine men out of 38 rendered no cattle. Twenty-seven men out of 38 rendered no hogs. Eleven men out of 38 rendered no vehicles. Thirty-six men out of 38 rendered no miscellaneous property. Thirty-eight men out of 38 said they had no cash on hand.

The following brief table will show how the 168 horses and mules were distributed:

2 tenants rendered	1 each
6 tenants rendered	2 each
8 tenants rendered	3 each
10 tenants rendered	4 each
1 tenant rendered	5
6 tenants rendered	6 each
2 tenants rendered	7 each
1 tenant rendered	8
1 tenant rendered	9
1 tenant rendered	18

The following table will show how the cattle were distributed:

9 tenants rendered	.....none at all
8 tenants rendered	..... 1 each
6 tenants rendered	..... 2 each
7 tenants rendered	..... 3 each
3 tenants rendered	..... 4 each
1 tenant rendered	..... 5
1 tenant rendered	..... 8
2 tenants rendered	..... 10 each
1 tenant rendered	..... 16

The following table shows how the hogs were distributed:

27 tenants rendered	.....none at all
1 tenant rendered	..... 1
2 tenants rendered	..... 2 each
1 tenant rendered	..... 4
2 tenants rendered	..... 5 each
2 tenants rendered	..... 6 each
1 tenant rendered	..... 8
1 tenant rendered	..... 10
1 tenant rendered	..... 16

The following table will show the distribution of the vehicles:

11 tenants rendered	.....none at all
15 tenants rendered	..... 1 each
9 tenants rendered	..... 2 each
2 tenants rendered	..... 3 each
1 tenant rendered	..... 4

In view of the facts stated above concerning these thirty-eight men, how much property does a man need to possess to have as much as the average man renders for taxation? We may answer the question fairly accurately by saying that he would have to have \$3 worth of miscellaneous property, \$20 worth of farm implements, 1 vehicle, 2 hogs, 3 cattle, and 4 horses. But the answer would be quite different if the question were, how much money and property must a man have to possess as much as the majority of these 38 men possess? Since they render for taxation no miscellaneous property, no implements, no hogs, and no money, a man would need to possess only 1 vehicle, 1 cow, and 3 horses to have the equivalent of

what the majority of these 38 men render as property of taxable worth.

Fort Bend County Tenant Renditions in 108 Cases, 1913

	No.	Value.
Cases	108	
Horses and mules	498	\$22,380
Cattle	322	3,360
Hogs	10	40
Dogs	6	230
Vehicles	144	3,280
Implements . . . . .	. . .	. . . . .
Cash . . . . .	. . .	. . . . .
Miscellaneous . . . . .	. . .	. . . . .
Sheep	60	90
Total value		\$29,380

With regard to this table it is well to call attention to the fact that all of the hogs were given in by one man. There was not a single cash item entered in any case; neither are there any implements or miscellaneous property given in. In the case of the sheep, all were given in by one man the same as in the case of the hogs. The six dogs belonged to three men, one man giving three at a value of \$150, the total value of all of his property, including the dogs, being \$440.

With regard to groupings of cattle:

14 tenants rendered	none at all
26 tenants rendered	1 each
32 tenants rendered	2 each
12 tenants rendered	3 each
11 tenants rendered	4 each
4 tenants rendered	5 each
5 tenants rendered	6 each
1 tenant rendered	15
1 tenant rendered	22
1 tenant rendered	25
1 tenant rendered	40

Thus it is seen that 102 cattle belonged to 4 men, or that 95 men owned only 170 head of cattle. The chief point is that nearly 14 per cent of the cases have no cattle at all.

With regard to horses and mules:

2 tenants rendered	1 each
18 tenants rendered	2 each
22 tenants rendered	3 each
24 tenants rendered	4 each
12 tenants rendered	5 each
10 tenants rendered	6 each
5 tenants rendered	7 each
7 tenants rendered	8 each
2 tenants rendered	9 each
1 tenant rendered	10
2 tenants rendered	11 each
2 tenants rendered	12 each
1 tenant rendered	13

The average value of the total amount of property rendered was \$272.03 for each man.

Out of 100 cases given here, we have checked up a special school tax which was being paid in 72 cases. The rate of the tax varied from nothing up to the limit of 50 cents. The total amount of special school tax paid by the 72 men was \$52.34, or an average of a little less than 73 cents per man.

In stating facts like those stated in the last paragraph, as well as the facts stated in the preceding tables, we do not mean in any sense of the word to reflect upon the tenant farmer. The weaknesses of the personal property tax are so well known that we need not stop here to discuss them. It is quite likely that there are hundreds of city men who pay no more special tax than that noted above. But this is not the question which we desire to raise. Our point, as stated in the beginning of this chapter, is to show that the amount of personal property which is possessed by the average tenant farmer, is not sufficient to warrant a healthy social and economic condition. And by statements like those of our last paragraph we hope to show that where the majority of the people of a rural community are tenants, and possess no more than we have put down in these pages, it will be necessary for everything in the way of good roads, good schools and other institutions supported by the state, to come from a tax upon land alone. This fact is worthy of consideration from two points of view. First, the big

farm of the future will be the farm with the greatest amount of capital upon it rather than the farm with the greatest area. Second, as a general rule, the greatest interest in upbuilding community institutions can be had only by having a majority of the people of the community to invest something in these institutions.

CHAPTER III

SOURCES OF CREDIT AND CAPITAL FOR THE TENANT

So far as the people of our own state are concerned we need not say much about the places and persons to whom the average farm tenant must go when in search of credit or capital. The process is too familiar to our own people. But in some sections of the country it will be highly interesting for the people to know that in our section we still use the credit system that we do. In many states contracting in January and February for the year, or until the crop is made, is passing out of use or has never been used, especially where eggs and butter and other products are sold from week to week for the purpose of running the table. Where the products are sold on every trip to town, there one will find the least dependence upon the grocery for canned goods and other eatables which ought to be grown at home. The writer has received four letters from Texas farmers in the last two days asking about a market for a special product if they should take a notion to grow it. Neither one of the three seems to have thought of the fact that the home dinner table ought to be the first market. This is not strange, for they have long followed the plan of buying their living. A little diversification in the way of a home garden, a family cow, a pig, and poultry will diminish in a surprising way the need for the kind of credit that is explained by the following figures. The most of the indebtedness represented by the following figures on the credit system, is due for running expenses in the way of household necessities. Very little of it is incurred because of the purchase of machinery, improvement of stock, or for other purposes leading to a better kind of farming.

Our personal investigation leads us to believe that wherever the farmer depends too much upon the grocery, the chattel mortgage follows farm life.

The following cases represent the character of credit business that is done by merchants, and also some loan conditions between farmers and banks.

The first is the case of a mercantile company which had

placed on the chattel mortgage record in one year 254 loans; or perhaps a better word is advances, for these chattel mortgages represent, in the majority of cases, the amounts for which farmers have contracted with the store in the business of making their crops and paying running expenses. It must be understood that such a company deals in general merchandise and is able to furnish the farmer with practically everything that he needs in his business. The sum total of the 254 mortgages is \$18,292. Which is an average of \$72.02 per mortgage. The following table will show the way in which these mortgages may be grouped:

Mercantile Mortgages

Dollars.	No. of Mortgages.
0- 49	102
50- 99	100
100-149	26
150-199	10
200-249	9
250-299	2
300-349	4
400-449	1

Attention is called to the fact that nearly 80 per cent of these loans are of less than \$100.

The second case represents mortgages recorded by a national bank. There are 47 mortgages of an average value of \$221.47, the total amount being \$10,409.13. The following table shows how these loans may be grouped:

Bank Mortgages

Dollars.	No. of Mortgages.
0- 49	3
50- 99	9
100-149	11
150-199	8
200-249	3
250-299	2
300-349	4
350-399	1
400-449	1
450-499	1

Dollars.	No. of Mortgages.
500-549	1
600-649	1
850-899	1
Over 1000	1

The next case is that of a merchant who placed 39 mortgages amounting to \$5,066.80, the average being \$129.92. The following table will show the grouping of these loans:

Mercantile Mortgages

Dollars.	No. of Mortgages.
0- 49	10
50- 99	7
100-149	10
150-199	4
200-249	4
250-299	1
300-349	2
600-649	1

These three cases are all taken from the same record, and as might be expected, they show that the majority of loans made by the bank are somewhat higher than the majority made by the merchants. This is also true for the average mortgage, as may be seen by comparing the three averages.

The next case is that of a firm which does both a mercantile and a banking business, the total amount of mortgages put on record by this firm for one year being \$29,043.18. There were 178 mortgages, and hence the average amount of the loans would be \$163.16. As might be expected, this average stands between the averages of the two mercantile firms and the average of the bank as shown in the preceding cases. The following table shows how these 178 loans may be grouped:

Combined Mercantile and Bank Mortgages

Dollars.	No. of Mortgages.
0- 49	29
50- 99	44
100-149	25
150-199	30
200-249	17

Dollars.	No. of Mortgages.
250-299	9
300-349	5
350-399	3
400-449	8
450-499	1
500-549	2
650-699	1
700-749	1
750-799	1
800-849	1
850-899	1

In this case it is seen that 72 per cent of the loans are of less than \$200 each.

Although the foregoing figures sum up a very large amount, and show the given number of farmers are in debt to this amount, debts do not necessarily show that these farmers are in a bad condition. The bad condition is shown by the fact that the farmer must pledge personal property for a loan for this amount, and by the fact that we know that the debts are incurred for running expenses or as much for a consumptive as for a productive purpose. The commercial man often borrows as much as the farmer does, but for quite a different reason. If to be in debt meant to be in dire straits, we would have to revise our opinion of the leading nations of the world. The greater part of the world's business is done on credit, which means indebtedness, but there are many different kinds of credit. To misuse it is to run the risk of becoming bankrupt.

As has been said in another place, we do not know what rate of interest the borrower pays to the banker or to the merchant, but we have numerous cases where the rate will run nearly as much again as the legal rate.¹ We do not care to quote many farmers on this point, but the following expressions con-

¹For a further discussion of Rural Credits and interest rates paid by farmers, the reader is referred to Bulletin 355, published by this Division, "Co-operation in Agriculture, Marketing and Rural Credit." Scores of bankers are free to admit that the interest rate is frequently above the legal limit. In our work we often find 15 per cent to 20 per cent being paid in one way or another, and conditions are so well known that we have not thought it worth while to go into detail on this point.

cerning either credit conditions or the financial situation, may prove of interest:

"The bankers charge from 12½ to 15 cents on loans, and some of them do not run over 8 months; but if you borrow you will pay interest for 12 months. Some will say, 'Why don't you make them pay for usury?' But say, friend, first you can't get a county attorney to take hold of it, and if you could, and did make them pay, you would never borrow any more in this county from a banker."

"A great many landlords rent for 'cash' rent, and I am informed that in almost every case when the tenant paid cash rent, his entire crop would not pay the rent and leave the tenant enough to pay the interest on his bank account."

"There is one thing that is practiced by the landlord and merchant. It is done this way: The landlord will go to the merchant and make arrangements for the merchant to furnish the tenant with the understanding that he will let him have the goods in a way that the landlord will make a very large profit; let the landlord have flour at \$1.50 per sack, and the landlord will let the tenant have it at \$2.00 per sack, and so on with everything that is furnished."

"It is almost impossible to build up a permanent school in a rented school district. Your school will overflow one or two years, then fall far below par one, two or three years in this community. After the landlord gets his rent and the merchant his supply account, there is nothing left for the doctor, nothing to build schools nor churches."

"Renters as a rule failed to pay out this year. Merchants have collected less than 50 per cent of their accounts, and carried over about 20 per cent last year. Our leading banker estimates the reduction in cotton acreage at 25 per cent for 1915."

"So you see we have to pay usury now to the merchants. First, they won't pay us enough for our stuff so that we can get out of debt, and they keep us buying on time with such an extortionate price that the tenant is in debt from one year to another; never out of debt for a bare existence."

"Let me say that the 'Cash Bonus' is not what is the matter with the tenant farmer today, but it is the fact that he is the victim of high interest and unreasonably large profit, as well as high rent. He is forced to do just what the landlord says do."

"Since answering your questions as brief and plain as I can, I

wish to add a few words in regard to, and facts concerning, the tenant situation. First, we are in a deplorable condition. Three-fifths of us will never pay our store accounts. I have talked to merchants, and they all tell me they will never collect more than 60 per cent of what they have let out."

It is very true that the reader will need go no further than the first merchant who supplies these same men with their groceries and drygoods, to get the merchant's side of the story. It is generally recognized that goods which are sold on credit must be sold for a higher price than goods sold for cash. Even if it were taken for granted that all men paid their debts and therefore no losses were to be sustained in a credit system, it would still follow that the merchant selling on credit has no power to take advantage of discounts granted by the wholesale houses. But there are losses, and it is very easy for a man to forget his debts when moving time comes. The merchant must be protected in this kind of business, and while we give a few examples above which may be out of the ordinary, it is true that in the great bulk of business there are numerous landlords who stand good for their tenant when it comes to a question of obtaining favor from the banker or the merchant. It would be entirely inconsistent for any commercial banker to loan without proper security. If the borrower has nothing except a small amount of personal property, and has not lived in the community long enough to prove his worth, we see little escape from the chattel mortgage when the banker is depended upon for a favor. We must go back to our original contention that the responsibility must be placed upon farmers, bankers, and merchants alike, the major portion of it resting upon those who are most capable of seeing that the entire credit system is wrong. That the banks are a source of credit to the farmer is proven not only by what has been given above, but by the following example of 413 cases of bank loans from one bank. Cattle loans are not included. The first column shows the range of the amount in dollars. For example, there were 107 loans ranging from \$50 to \$99. The second column gives the number of loans falling in each group as the 107 above mentioned, and the third column shows what per cent the number of loans in each group is to the total number of 413. Thus

it is easily seen that 85.2 per cent of these 413 loans are of less than \$250 each.

Bank Loans

Dollars.	Number.	Per cent.
0- 49	65	15.7
50- 99	107	25.9
100-149	102	24.7
150-199	36	8.7
200-249	42	10.2
250-299	13	3.1
300-349	15	3.6
350-399	12	2.9
400-449	6	1.5
450-499	3	.7
500-549	3	.7
550-599	5	1.2
600-650	2	.5

There was one loan of \$805 and one of \$920.

The sources of capital and credit for the farmer as we have given them in this brief chapter will answer for thousands of cases. In the next chapter will be found a more detailed discussion of the uses of the chattel mortgage in securing credit.

CHAPTER IV

THE CHATTEL MORTGAGE AND THE ONE-CROP SYSTEM

We are not prepared to say how many chattel mortgages were given last year or any year by the farmers of Texas, but as is well known, the chattel mortgage has a wide use. As may be seen from the following pages, the number in certain counties runs into the thousands. No one knows what rate of interest these mortgages bear. In most cases no rate is stated, but the interest is taken either by discount at the bank or by enhanced prices on the part of the merchant. We may dismiss the interest question by simply saying that from personal investigation, we know that in general no farmer can pay the price for capital which is usually paid by Texas farmers and make any profit on the use of that capital.¹

Imitation and custom are present, as social laws, among all peoples and in all kinds of business. To do as has been done before is one of the easiest lines of action. The credit system used all over the South today has become entrenched by custom. To get credit by pledging personal property is a habit. The habit has grown strong because year after year men have depended upon a very few things. One crop and one kind of credit go together. One crop and a chattel mortgage on it, and on the property used in producing it, hold thousands of tenants in economic bondage. We are writing of conditions as we have found them. The chattel mortgage is a dominating influence. The man who pledges his personal property is no longer in economic freedom. But there is no one class of citizens to blame for this condition. We recently heard one banker say in renewing four mortgages, "What are you going to plant this year?" And four times from as many different men came the reply, "The same as last year." It is this "same as last year" business which has put the farmer in the hole. The

¹See note p. 51.

blame in the above case is on the banker. He should be trained to see aright.

Chattel Mortgages for Robertson County

These figures cover the one year, January 1, 1913, to January 1, 1914. We have taken from the records 1715 mortgages. The total amount of these 1715 mortgages is \$362,995.10. We have shown in Figure XXIV and by numbers how many of these

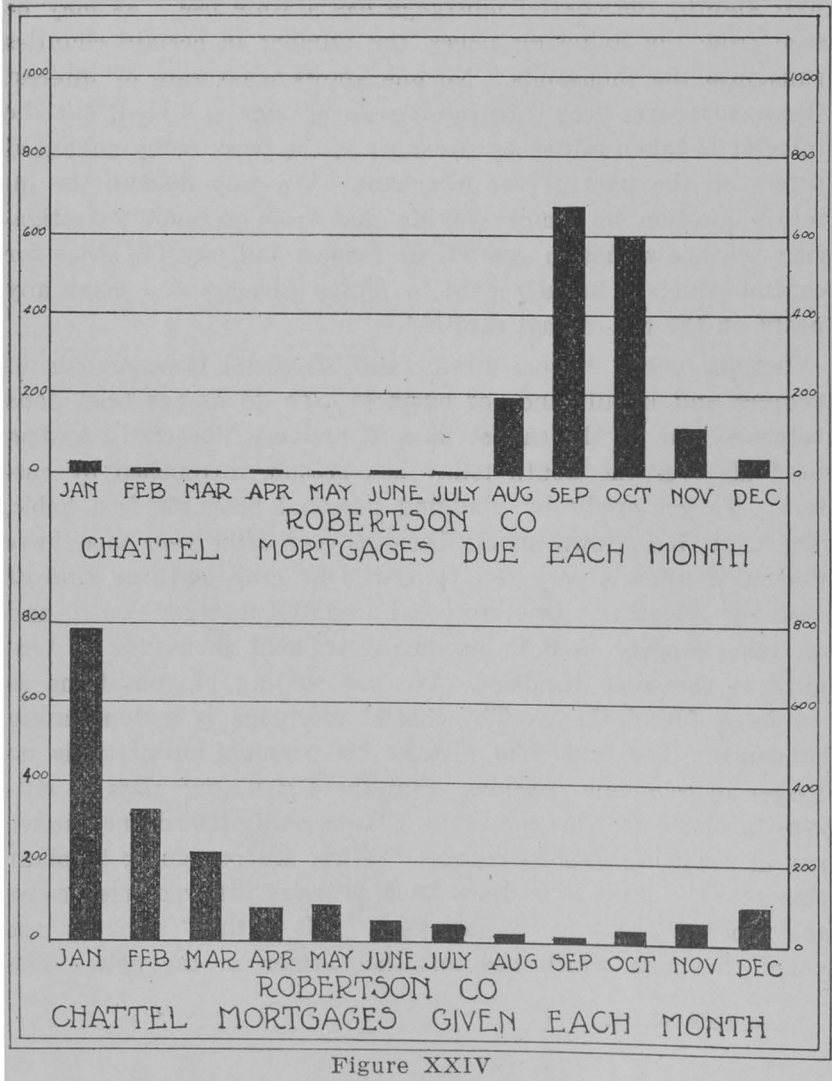


Figure XXIV

mortgages were given in each month, and what per cent was due each month. The following table will show how these mortgages may be grouped as to the size:

Dollars.	Number.	Per cent.
0- 49	136	7.9
50- 99	356	20.8
100-149	309	18.0
150-199	239	13.9
200-249	167	9.7
250-299	127	7.4
300-349	109	6.4
350-399	71	4.2
400-449	61	3.6
450-499	22	1.3
500-549	19	1.1
550-599	27	1.6
600-649	12	.7
650-699	7	.4
700-749	6	.3
750-799	11	.6
800-849	7	.4
850-899	2	.1
900-949	3	.2
950-999	2	.1
1000 and over.....	22	1.3

To cover the amount of \$362,995.10, we have listed the following property:

- 1,385 head of cattle.
- 1,526 head of horses.
- 1,862 head of mules.
- 566 wagons.
- 192 buggies and hacks.
- 29 plows and stocks.
- 1 harrow.
- 26 planters.
- 123 cultivators.
- 81 sets of harness.
- 1 mower.
- 101 hogs.
- 7 saddles.
- 2 engines and hay presses.
- 7 cutters.
- 7 rifles and pistols.

All machinery was pledged in 36 cases; all harness in six cases; all cattle in 7 cases; all hogs in 4 cases; all plows in 19 cases; all chickens in 1 case. Other scattering items consist of certain articles of household furniture.

On the record books from which we took the foregoing information, there were specific columns for recording the amount of corn and cotton mortgaged. In recording this property we have made no mention of these two crops, for practically every case had written in the record the word "all" for both corn and cotton.

Figure XXIV is made somewhat clearer by the use of the following figures showing how many mortgages were given each month and how many were due each month.

Given Each Month											
Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
778	311	216	75	84	42	33	10	6	21	47	93
Due Each Month.											
25	13	9	7	1	4	1	184	669	596	112	32

The chart and the above figures cover the period January 1, 1913, to January 1, 1914. It may be noticed that there are 63 more mortgages given than marked due. In a part of these cases there was no definite statement as to the time when due, and in a part the mortgages were to be paid in installments. It is worthy of note that over 76 per cent of these mortgages came due during the months of September and October.

Chattel Mortgages in Brown County

The following tables are made up of figures taken from the chattel mortgage records covering the year November 1, 1913, to November 1, 1914. We have taken 1445 cases from a total of over 1900 cases. Many of those represented by this difference were given by people living in town, or the character of the property mortgaged did not indicate whether or not the mortgagor was engaged in general farming or stock raising.

The following table shows how many of these mortgages were

given in each month and what per cent that number is of the whole number or 1445 mortgages:

Month.	No.	Per Ct.	Month.	No.	Per Ct.
Jan.	293	20.3	July	72	5.0
Feb.	183	12.7	Aug.	45	3.1
March	91	6.3	Sept.	40	2.8
April	146	10.1	Oct.	51	3.5
May	114	7.9	Nov.	141	9.7
June	84	5.8	Dec.	185	12.8

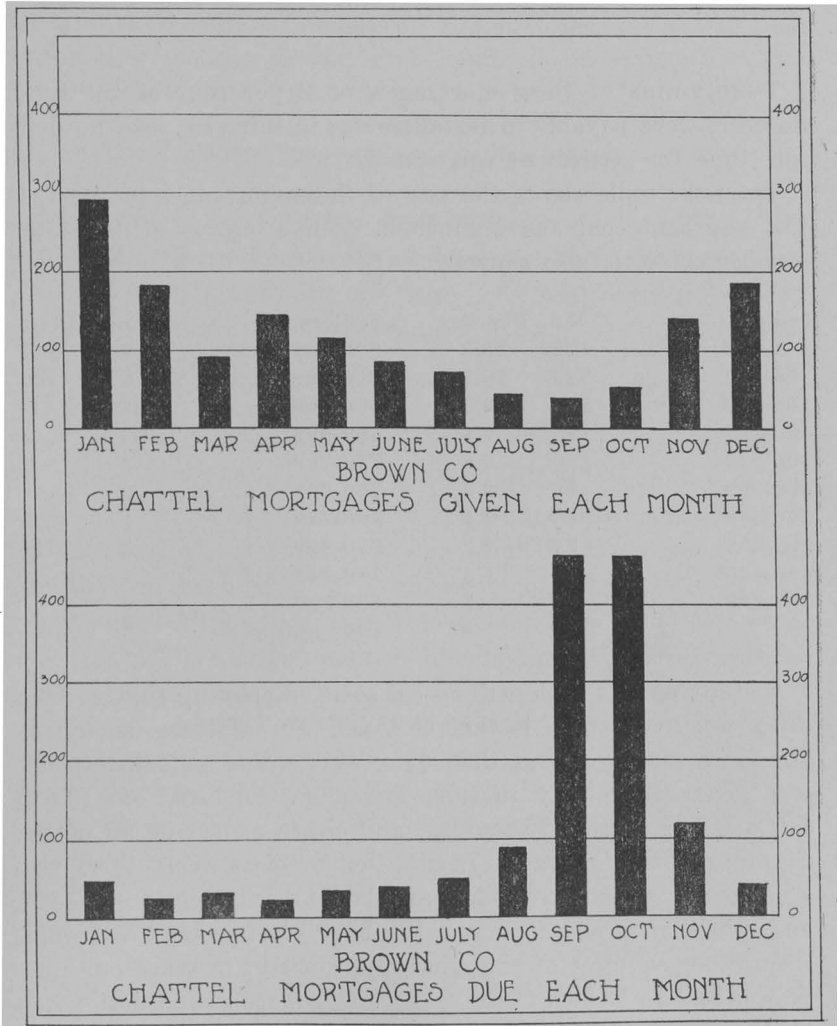


Figure XXV

The next table shows how many of these mortgages were due in each month, and what per cent that number is of the total or 1445 mortgages. See also Figure XXV.

Month.	No.	Per Ct.	Month.	No.	Per Ct.
Jan.	47	3.2	July	52	3.6
Feb.	24	1.7	Aug.	87	6.0
March	33	2.3	Sept.	457	31.6
April	24	1.7	Oct.	456	31.6
May	36	2.5	Nov.	119	8.2
June	39	2.7	Dec.	42	2.9

Twenty-nine of these mortgages, or 2 per cent of the total number, were payable in installments; in thirteen cases no definite time for settlement was stated.

The next table shows the size of these mortgages by groups. The per cent that the number in each group is of the total number, 1445, is also shown:

Dollars.	No.	Per Ct.	Dollars.	No.	Per Ct.
0- 49	322	22.3	500-549	17	1.2
50- 99	389	26.9	550-599	8	.5
100-149	277	19.2	600-649	6	.4
150-199	113	7.8	650-699	3	.2
200-249	100	6.9	700-749	3	.2
250-299	38	2.6	750-799	2	.1
300-349	40	2.8	800-849	1	.1
350-399	24	1.7	850-899	3	.2
400-449	22	1.5	900-949	1	.1
450-499	10	.7	950-999	0	...
			1000 and over...	66	4.6

A study of this table will reveal some interesting things. One thing worthy of note is that 68.4 per cent of these mortgages are for amounts of less than \$150 each. The principal property given as security in these mortgages consisted of: 10,612 cattle; 1,758 horses; 753 mules; and either a part or all of the cotton crop in 652 cases. In addition to these items, there was a great list of hogs, sheep, bees, buggies, machinery, wagons, and other kinds of property. We have given enough examples from other counties of this kind of property, to serve our purpose here. In Brown County, there was more cotton designated by the number of the bale and mortgaged in that way than in

any other county. In some cases all the cotton in the "even" bales, and in other cases that in the "odd" bales was mortgaged; in other cases the first or second, or any other "bale to be ginned." This system of designating the cotton mortgaged is in common use in nearly every county. In every county in which we have been, some farmers mortgaged the 1915 crop before the 1914 crop was gathered. To mortgage the future is quite common, and one need go no further than the county records to find that hundreds of farmers depend upon this system.

Chattel Mortgages in Jasper County

This county has very few chattel mortgages recorded in any one year. There were only 59 farm mortgages recorded last year. The total amount of these mortgages was \$11,674.70. To cover this amount, there was listed the following property:

	Number.
Cattle	895
Horses	56
Mules	66
Sheep	45
Hogs	20
Wagons	15
Buggies	5
Saddles	2
Oxen	6
Harness	1
Cotton, bales	3

There were, however, 8 mortgages amounting to \$7,666.67, which listed 815 head of cattle, 7 horses, 46 mules, 20 hogs, 2 saddles, 6 oxen, 5 wagons, and 5 buggies. This means that there were 51 mortgages left, which amounted to \$4,008.03. To cover this amount, there were 80 head of cattle, 49 horses, 20 mules, 45 sheep, 10 wagons, 1 set of harness, and 3 bales of cotton. The total number of 59 mortgages may be grouped in amounts as follows:

Dollars.	Number.
0- 49	28
50- 99	12
100-149	2
150-199	3
200-249	4
250-299	1
350-399	1
400-449	2
500 and over	6

It will be seen that nearly 68 per cent of these mortgages are for less than \$100.

The following figures will show the number of mortgages given in each month, and the number due each month:

Given.											
Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.
5	7	7	3	5	3	2	9	8	5	0	5
Due.											
2	1	4	6	4	3	1	3	2	10	10	4

In 9 cases no time for maturing was stated. At least 27 of these 59 mortgages were recorded by banks.

Chattel Mortgages in Medina County

The following figures are compiled from 373 cases taken from the chattel mortgage records. The table will show how 253 of these mortgages may be grouped with regard to size. These 253 cases represent the mortgages which bear most resemblance to those given by general farmers:

Dollars.	No.	Dollars.	No.
0- 49	33	550-599	0
50- 99	62	600-649	2
100-149	38	650-699	1
150-199	25	700-749	2
200-249	28	750-799	1
250-299	19	800-849	1
300-349	7	850-899	1
350-399	11	900-949	2
400-449	6	950-999	0
450-499	3	Over 1000	5
500-549	6		

In another place we give a table of cattle loans to the number of 88, taken from this same record.

It should be remembered that in the case of cattle loans and loans on horses and mules there is no lien given against crops as is true in so many cases out of the 253 mentioned above. The next table will give some examples of mortgages on horses and mules.

Amount.	Horses.	Mules.
\$ 86 .....	..	4
160 .....	..	2
175	3	2
200 .....	..	3
270 .....	..	4
280 .....	..	3
312	10	1
368	15	..
400 .....	..	6
430 .....	..	4
458	2	5
500	15	..
500	2	4
580	0	13
800	5	7
1000 .....	..	17
1000 .....	..	40
1200	7	20
1300	25	8
1500	13	10
2100 .....	..	57

The total value of all the mortgages which we have recorded from August 1, 1913, to August 1, 1914, is \$431,546. The total amount of property, including the horses and mules given above, but not including the cattle mentioned in the cattle loan table, is 102 head of cattle, 359 horses, and 404 mules. A part or all of the cotton was referred to in 104 cases. Among other items may be mentioned, in one case, 106 sheep; in another, 90 goats; for 7 cases, 60 hogs; in 6 cases, 6 buggies; in 4 cases, 4 silos. Besides a varied assortment of plows, cultivators, and other farm machinery, there were listed 72 wagons. In addition to this, one man has mortgaged a one-half interest in the crop from 100 colonies of bees, and four other men have mortgaged a total of 1,044 stands of bees.

In order to make this system a little plainer, and to call attention to the large number of acres of certain crops which a man agrees to plant, some specific examples are given below:

When Given.	Time.	Amt.	Property Mortgaged.
May	3 Mo.	\$ 75	70 acres of cotton, 15 acres corn, 8 acres of maize.
May	3 Mo.	90	60 acres of corn, 35 acres cotton, 20 acres cane.
July	3 Mo.	90	1 cow; all cotton; corn; oats; 9 hogs; 1 wagon.
January	7 Mo.	200	3 horses, 30 acres cotton, 15 acres cane, 17 acres corn, 1 plow and 1 planter.
January	8 Mo.	140	1 horse, 40 acres corn, 4 acres cane, 60 acres cotton, 2 planters, 1 cultivator, 1 plow.
January	8 Mo.	917	3 cattle, 2 horses, 115 acres cotton, 10 acres cane, all corn, all oats, 2 plows, 1 harrow, 1 wagon, 1 mower, 1 rake, 1 cultivator, 2 planters.
January	8 Mo.	600	2 cattle, 1 horse, 4 mules, 50 acres cotton, 40 acres corn, all oats, 2 cultivators, 2 plows, 1 harrow, 1 wagon.
January	7½ Mo.	415	2 cattle, 1 horse, 2 mules, all cotton, corn, and oats; 10 hogs, 1 wagon, 1 cultivator, 1 plow, 1 planter.
July	4 Mo.	175	67 acres cotton.

These cases could not be called exceptional, as many more of almost exactly the same wording could be found in the 253 cases which have been mentioned above.

Over 37 per cent of the 373 mortgages were recorded by banks, and the majority of the remainder by merchants. The table below will give some idea of the loans or mortgages recorded by one national bank, the total number of loans being 74. We do not mean to say that this was all of the loans recorded by this bank in one year. The total of these 74 loans was \$121,654.00, and they may be grouped as follows:

Dollars.	No.	Dollars.	No.
0- 99	12	1000-1499	6
100-199	7	1500-1999	9
200-299	5	2000-2999	4
300-399	4	3000-3999	3
400-499	1	4000-4999	5
500-999	10	5000 and over	8

The larger loans of this group are cattle loans, and do not affect general farm conditions.

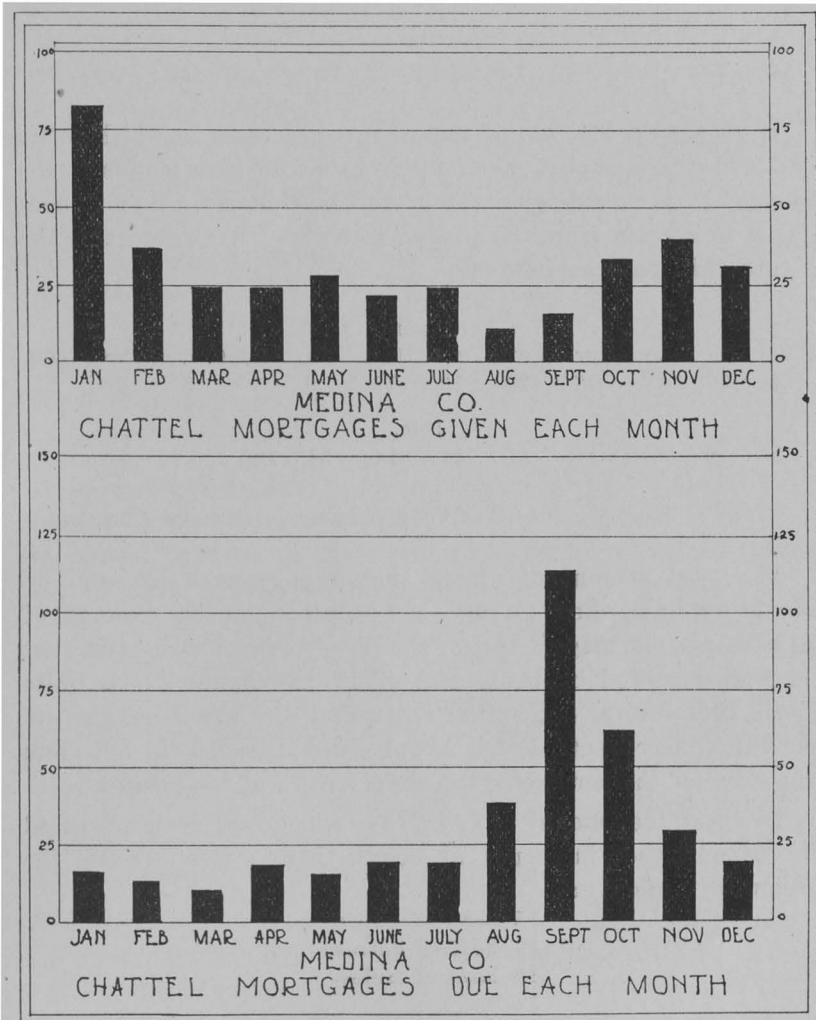


Figure XXVI

The following table is to explain in figures the preceding chart (Figure XXVI). The chart represents 373 chattel mortgages. The following figures show how many of these were given each month, and how many were due each month. There was one case in which no time was given.

Given.											
Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.
83	37	24	24	28	22	24	11	16	34	40	30
Due.											
16	13	10	18	15	19	19	39	113	62	29	19

If we should take out of these figures 92 cases in which cattle is the leading security, we would find that the liens against crops change to a considerable extent the percentages of mortgages given in certain months and due in others. If we do this the figures will read as follows:

Given.											
Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.
74	30	20	17	20	13	18	6	10	20	30	23
Due.											
2	6	7	11	11	11	14	24	105	57	20	12

Chattel Mortgages of Ninety Mexicans in Medina County

The total amount of ninety chattel mortgages executed by Mexicans in Medina County is \$14,088.38, or an average of \$156.54 per mortgage. Out of the ninety cases it is certain that 12 were recorded by banks and 47 by merchants. It is quite likely that several out of the remaining 31 cases were also recorded by merchants, but it is not always possible to tell from the name of the mortgagee the exact nature of his business.

To cover the amount of \$14,088.38 which had been advanced or loaned either in money or goods, there was on record the following property:

- 15 head of cattle.
- 93 head of horses.
- 118 head of mules.
- 34 wagons.
- 6 buggies and hacks.

- 24 plows and stocks.
- 5 harrows and 1 disc.
- 8 planters.
- 20 cultivators.
- 9 sets of harness.
- 1 rake.
- 1 mower.

In 36 cases all or a part of the cotton was mortgaged.

In 35 cases all or a part of the corn was mortgaged.

In 24 cases all or a part of the oats was mortgaged.

The average length of time covered by the mortgages in the ninety cases was 6½ months. The sizes of the mortgages by groups were as follows:

Dollars.	No.
0- 49	19
50- 99	29
100-149	10
150-199	10
200-249	7
250-299	4
300-349	0
350-399	3
400-449	1
450-500	3

To these 86 cases there is to be added four of the following amounts: \$600, \$631, \$900 and \$917.

In connection with the question of when the greatest number of mortgages are given and when due, the following table is of interest. In one case no time of maturity was given.

Given.											
Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.
23	10	8	4	4	6	5	0	1	3	17	9
Due.											
3	1	2	1	5	1	10	14	30	14	5	3

Chattel Mortgages in Fort Bend County

We have taken from the several hundred cases given on the records of Fort Bend County typical cases for each month of the year. In this way we have a total of 448 mortgages. While this is only a fraction of the mortgages recorded, we feel sure,

because of the method of selection, that they are representative of the situation in that county. The following property had been pledged in the 448 cases:

Cattle	321
Horses	543
Mules	616
Wagons	39
Machinery, pieces	26
Hogs	116
Saddles	2
Guns	2
Buggies	12
Harness, sets	23

In 72 cases cotton was mortgaged either in part or entirely. There were also other scattering items of other crops and miscellaneous property.

The following table shows how the amounts of these mortgages run in 424 cases, as we have separated some mortgages which deal strictly with stock:

Dollars.	No.	Dollars.	No.
0- 49	73	450-499	7
50- 99	133	500-549	3
100-149	61	550-599	1
150-199	39	600-649	2
200-249	32	650-699	2
250-299	12	850-899	1
300-349	32	950-999	1
350-399	14	Over 1000	2
400-449	9		

It will be seen from the above table that nearly 50 per cent. of these mortgages are for amounts less than \$100, and that over 72 per cent. are for less than \$200. Less than 3 per cent. are for amounts in excess of \$500. The following table gives examples of mortgages which are secured by stock only:

Time.	Amount.	Cattle.	Horses.	Mules.	Hogs.
1.5 Mo.	\$ 9,370	276	50	..	...
2 Mo.	1,700	100	40	..	...
11 Mo.	550	...	4	2	...
3 Mo.	100	20	..	..	...

Time.	Amount.	Cattle.	Horses.	Mules.	Hogs.
6 Mo.	1,000	...	3	3	...
6 Mo.	425	....	6	..	...
8 Mo.	1,200	...	..	6	100
2 Mo.	11,500	1,148	..	..	...
x Mo.	36,190	2,482	..	..	...
2 Mo.	1,200	...	30	1	...
4 Mo.	156	6	..	..	...
10.5 Mo.	483	...	..	11	...
10.5 Mo.	2,709	...	..	9	...
4 Mo.	12,000	600	..	..	...
2 Mo.	800	11	10	7	...
4 Mo.	10,000	700	..	..	...
2 Mo.	677	...	7	..	...
11 Mo.	2,139	...	..	9	...
10 Mo.	475	15	2	2	...
2 Mo.	1,200	...	1	8	...
10 Mo.	600	...	9	1	...

The majority of these mortgages were recorded by banks. The other three mortgages necessary to make up our 448 cases are for amounts above the average as they deal with farm machinery of the heavier type.

As mentioned above, we analyze only 448 mortgages out of a total of several hundred. The chart (Figure XXVII) shows the time, when given and when due for a total of 1753 mortgages in this county. The figures from which this chart was made may be stated as follows:

Given.											
Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.
424	271	256	199	110	91	36	27	46	73	123	97
Due.											
57	21	18	16	18	25	16	36	503	805	154	56

The upper line shows the number of mortgages given each month, and totals 1,753. The lower shows the number of mortgages due each month, and totals 1,725. In this case, as in other counties, there are always a few mortgages recorded for which no definite time is given.

Nearly 27 per cent. of the 448 mortgages were recorded by banks, and the majority of the remainder by merchants.

In the following paragraph we give five examples of the word-

ing of these mortgages as they appear on the records. In the case of stock, which we have not listed in our examples, it is quite common to go into some detail concerning the nature and de-

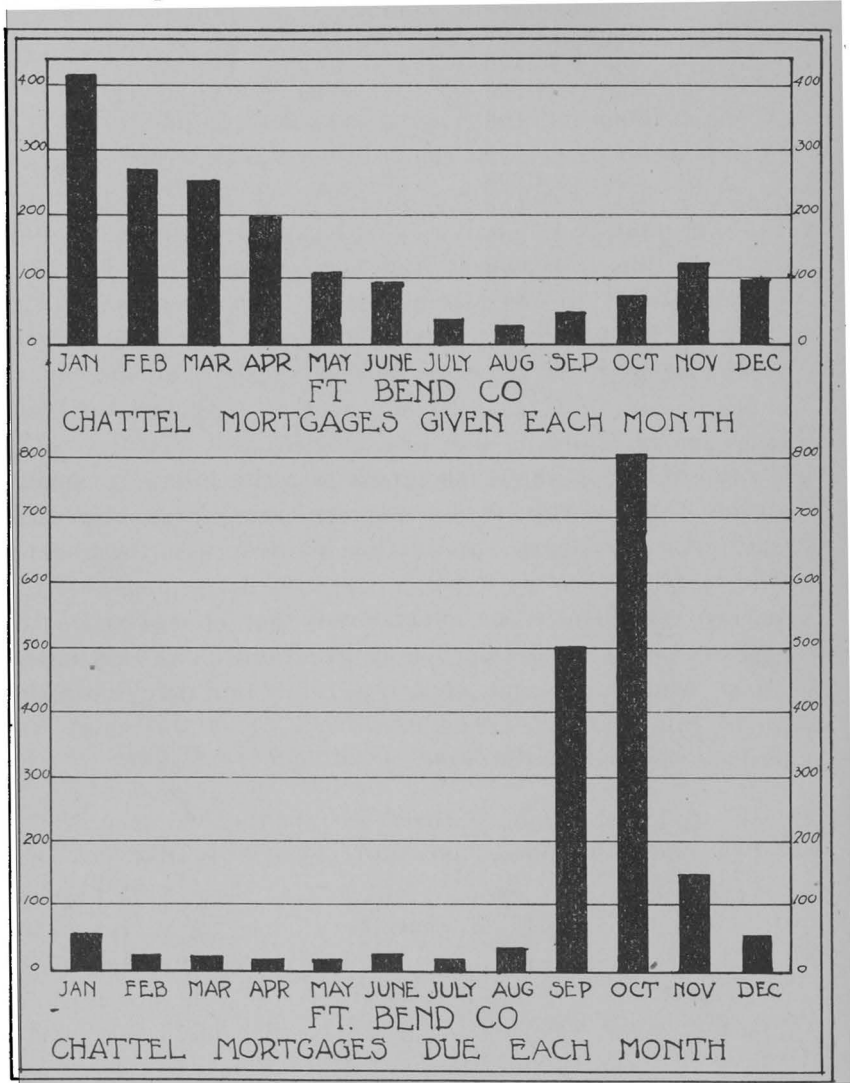


Figure XXVII

scriptions of the animals themselves. In the case of a large herd of cattle or horses, they are usually described by age, and the place where they are supposed to be located is given. Frequently a team of horses will be recorded and described as, "the

team known as the John Doe team.' In this way the name of the particular man who has raised the horses serves as a means of identification.

(1) Mr. D. to Mr. R., February 5, 1914, to September 1, 1914. \$100. Two mules, 1 cow. Entire crop on my mother's place. I agree to break, plant, cultivate, and harvest said crops (about 25 acres, 16 cotton, and 8 corn) and deliver same to R. for supplies I get to perform (*sic*) my duties on said crop.

(2) Mr. H. F. to Mr. S. and Mr. W., Feb. 1, 1914, to May 1, 1914. \$604. All potatoes (Irish) planted and being planted on two 50-acre tracts described in mortgage.

(3) Mr. P. to Mr. M. and Mr. C. No time given. \$2,400. A two-thirds interest in about 60 acres of potatoes grown on farm described. Potatoes to be dug, sacked, and put on board cars at S. to M. & C. to be sold by them. Balance of crop belongs to Mr. P. after notes are satisfied.

(4) Mr. W. to I. M. Co., Jan. 21, 1913, to August 15, 1913. \$65.00. Entire 1913 cotton and corn crop—said crops to consist of 15 acres cotton, and 10 acres corn. Also 2 horses.

(5) Mr. W. to A. R. Jan. 24, 1914, to September 1, 1914. \$85.00. Two horses and entire cotton, cotton seed and corn. I agree to break the ground, plant, work and harvest same in due time. 30 acres in cotton, 20 acres in corn, and deliver same to R.

Chattel Mortgages in Matagorda County

In Matagorda County there are about 2,500 men who pay poll tax. The number of chattel mortgages recorded in one year amounted to 1,813. About 139 of these were put on by city or town dwellers, so that the number of mortgages given by farmers would amount to 1,674. At the time the following facts were taken from the county records there was counted nine foreclosure instruments posted on the public boards at the courthouse, the total amount of these nine cases being about \$4,200. It was estimated that it would cost at least \$600 to cover the cost of proceedings to finish up this legal business.

It was not thought necessary to use all the mortgages appearing on the record, as it was evident that the following 63 cases carried all the essential features of all those appearing on the

records. It has been necessary to take from this number several cases of cattle and stock loans in order to get an idea of the general farm loans. The following 55 cases show how general farm loans or mortgages may be grouped:

Dollars.	No.	Dollars.	No.
Below 50	9	500-549	0
50- 99	12	550-599	0
100-149	10	600-649	1
150-199	5	650-699	1
200-249	4	700-749	1
250-299	2	750-799	2
300-349	4	800-849	0
350-399	3	850-899	0
400-449	0	900-949	0
450-499	1	950-999	0
		Over 1000	0

To cover these mortgages the following property was listed:

Cattle	33	Buggies	5
Horses	45	Harness	3
Mules	54	Hogs	40
Wagons	14	Machinery, pieces	26
19 acres potatoes.		263 acres corn.	
364 acres rice.		669 acres cotton.	

It should be noted in giving this list of property that all the hogs were owned by two men, and one of these owned 38. The 19 acres of potatoes belonged to one man. In a few cases all the crop of whatever nature was mortgaged. The largest acreage of rice mortgaged by one man was 110, the largest for corn 65, and the largest for cotton an interest in 200 acres.

In addition to the mortgages given above we have a few examples of cattle and stock loans as follows:

Amount.	Cattle.	Horses.	Mules.	Hogs.
\$30,000	3,200	..	..	..
2,000	100	..	28	..
1,000	44	..	..	..
11,431	445	..	..	..
3,500	86	19	..	10
1,281	27			

The largest crop mortgage found in this county was one for \$2,317.97 against a pledge of 222 acres of cotton and corn. An examination of the records showed that after May 1 nearly all mortgages given were secured by crops, mostly corn and cotton. In this county, which, as may be seen from the growing of rice, is a Gulf Coast county, the prevailing rent was the third and fourth. No bonuses were found, and very little money or cash rent was being paid.

The following figures concerning land ownership will prove interesting:

Owned by residents of the county	441,191 acres
Owned by non-residents of the county	171,446 acres
Unrendered	83,117 acres

Of the land rendered, nearly 28 per cent. was owned by non-residents.

The total amount of the 55 mortgages noted above was \$10,-820.77. To this we may add \$49,212, representing the total of the six cattle loans given above, and \$1,000 secured by 60 acres of cotton and corn, and the \$2,317.97 secured by 222 acres of cotton and corn, may also be added, making a grand total of \$63,350.74 for the 63 cases. The average for the general farm loans was \$196.74; and for the cattle loans, \$8,202.

The months when the 55 mortgages were given and the months when due may be shown by the following table:

Given.											
Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.
1	1	3	3	0	1	1	24	14	4	2	1
Due.											
0	3	0	2	0	1	0	2	10	14	13	6

In four cases no time of maturity was given. It will be seen that so far as time of maturity is concerned these figures conform with the figures taken from other counties, and for a much greater number of cases.

Chattel Mortgages in Nueces County

The following facts concerning a Gulf Coast county are given

to further supplement the information already obtained on other counties. In this case we selected 109 mortgages during the course of the year as typical of the mortgage business of Nueces County, as dealt in by the general farmer. In addition to these we give some information on cattle or stock loans. The total amount of these 109 mortgages was \$28,188.30, the average per mortgage being \$258.61. They may be grouped as follows:

Dollars.	No.	Dollars.	No.
Below 50	15	350-399	2
50- 99	21	400-449	6
100-149	24	450-499	2
150-199	13	500-549	2
200-249	8	550-1000	3
250-299	4	Over 1000	7
300-349	2		

This table shows that about 67 per cent of these mortgages were for amounts of less than \$200. To cover this indebtedness there was listed among the principal items of property:

Cattle	44
Horses	69
Mules	135
Wagons	10
Hogs	44

This property was about equally distributed except the hogs. These all belonged to three men. One man owned 40 of the 44. In addition to this stock there were several cases where all the farm equipment had been mortgaged and in many cases there was specific mention of plows, cultivators, tractors, and general farm machinery. As is usual, cotton and other crops were mortgaged both by the acreage and the amount. Sometimes the mortgage covered as much as one hundred acres of cotton. In other cases it was possible to mortgage only the fractional interest in a certain number of bales. In addition to the 109 cases noted above, we have the following information concerning some cattle and stock mortgages:

Amount.	Cattle.	Horses.	Mules.	
\$ 6,345	141	..	..
787	20	..	..
10,500	300	..	..
300	16	..	..
2,093	110	..	..
923	...	..	14	(Also all equipment and feed)
13,000	520	..	..
1,700	...	3	14	(Also all equipment and feed)
3,000	40	..	12	(Also two tractors)
1,900	...	..	25	
<hr/>	<hr/>	<hr/>	<hr/>	
\$40,548	1,147	3	65	

There is no way to tell from any of the county records how long some of the mortgages remain uncanceled. There is a recording fee; and after the mortgagee has once paid this and the mortgage has been recorded, he cares little about striking it from the record or making note of the fact that it has been satisfied. It is quite probable that hundreds of mortgages remain uncanceled on the books at the close of the year although they have been paid. It is quite common to find a mortgage recorded several months after it has been given and many times after it has become due.

Neither is there any way to tell how many of the mortgages are given by landowners. But inquiry in each county concerning names and custom makes it certain that it is the tenant farmer who relies upon this system, while the landowner has other means of borrowing within his power.

We leave to the reader's own imagination the worry, the toil, and the sacrifice of health, womanhood, and childhood, which are required year after year as a result of this kind of economic bondage.

Chattel Mortgages in Indiana and Wisconsin

We have referred to the number of chattel mortgages in other sections of the country. In many sections the chattel mortgage is not in use. One reason why it is not in use may be seen in the following information taken from a local paper published on the eastern side of the State of Indiana. In the issue of January 6, 1915, appears the following item:

"Philip Retz, a well known farmer and hog raiser, sold to F. M. Hubbard on September 8, 33 head of hogs that brought \$740; on January 4 he sold 80 head that brought \$1,302.47, making a total of \$2,042.47 in four months and has 41 nice ones left for his meat, breeding stock, and market later on. Philip is surely hard to beat when it comes to raising hogs."

The writer, having personal knowledge of the section of the country where this paper is published, knows that this is not a very unusual record. The following item appeared in the next issue of the same paper:

"Oscar Moyer, tenant of the Spiecker farm in Washington Township, sold to F. M. Hubbard last week 92 head of March and April pigs that averaged 256.5 pounds. Last July he sold 94 head for \$1,700. He has a hundred left for feeding and breeding. Surely a record."

The writer contends that this is not a record but only above the average of what many tenant farmers are doing. However, the interesting item is not on pigs but on mortgages, for in the same column with the latter item appears the report of the county recorder for the year 1914. The following facts are taken from this report:

Farm mortgages (land)	642	\$910,767
Chattel mortgages (all)	271	104,264
Liens (all)	123	18,203
Satisfactions:		
Farms	448	\$655,486
Chattels	185	45,749
Liens	57	6,634

While there is no way in this case of separating the chattel mortgages of town and country, it is seen that combined they total for the year only 271 for the county. The average size of the mortgage is nearly \$385. The writer knows from personal investigation that no merchant ever takes a chattel mortgage for goods advanced to any farmer. It will be noted also that during the course of the year 185 chattels were satisfied.

The following statement has been made to us by a Wisconsin gentleman who has devoted considerable time to the study of rural credit and other problems in that state. This statement comes in direct reply to our inquiry concerning chattel mortgages:

"The situation in Wisconsin, as far as our investigation has brought out the facts, is this: The banks of Dane County reported loans on chattel mortgages aggregating some \$3,000. In Rusk County the chattel mortgage is more common; but the difficulty there is, that it is not, as a rule, made a matter of public record—the approximate percentage which is recorded being left to conjecture. Hence, any material on the subject would necessarily be incomplete and unsatisfactory.

"Because of the meagerness of the material available on this subject I have concluded that it would hardly be worth while to attempt to go any further with it.

"The bankers here do not like the chattel mortgage; neither does the farmer. If the farmer is 'good' he can get what credit he wants on his signature; if he is not 'good,' he has difficulty in getting credit under any conditions."

Dane County is the county in which Madison, the Capital of the State, is located. What is said above concerning Indiana and Wisconsin will apply also to other sections of the grain and stock growing regions. Investigation shows, however, that in some sections of the north, where the farmers have devoted all their time to one crop, that sooner or later, a system similar to our own chattel mortgage system has come into use.

The Province of Ontario, Canada

In 1912 the province had an area of 260,862 square miles. The population was 2,523,274, an increase over 1901 of 15.6 per cent. Toronto, the largest city, had a population of 376,538 in 1911. There was a decrease in the rural population from 1,246,969 in 1901 to 1,194,785 in 1911. These facts are stated so that comparisons may be made with the State of Texas.

Ontario had in 1913, 48 counties and districts. The total number of chattel mortgages recorded against farmers during the year 1913 was 4,831. The way these mortgages were distributed may be stated in the following way:

12 counties had less than.....	50
19 counties had	50 to 100
9 counties had	100 to 150
4 counties had	150 to 200
1 county had	200 to 250
2 counties had	300 to 350
1 county had	412

The totals for the entire province for the five years are as follows:

Year.	Number.	Amount.	Pr. Ct. Decrease in No.	Pr. Ct. Decrease in Amt.
1909	6,816	2,730,119	...	...
1910	6,196	2,658,283	9.1	2.6
1911	5,482	2,624,057	11.5	1.28
1912	5,016	2,310,071	8.5	11.9
1913	4,831	2,279,301	3.1	1.29

The actual decrease in the number of mortgages from 1909 to 1913 was 1,985, the decrease in the amount in dollars, \$450,818.

While in many ways the Province of Ontario may be contrasted with, rather than compared to, the State of Texas, the above facts should prove of interest to all who are concerned with the welfare of the farmer. The small number of mortgages on the record and the fact that the number is decreasing year after year should stimulate our own state to study and imitate the means by which the Canadian people are doing this.

CHAPTER V

FINANCING THE PRODUCTION OF LIVESTOCK

“Texas will feed herself and keep \$200,000,000 at home,” has become a well chosen slogan in a campaign for diversified farming which is sweeping over the state. This slogan was carried into eight or ten counties during a recent Campaign for Profitable Farming conducted by Professor Perry G. Holden and many speakers of prominent standing. It has also been adopted by various commercial clubs and the business men of different cities. It has given a great impetus to the movement for diversified farming with all the possibilities for remedying some of our most perplexing agricultural problems.

In the following brief table, based upon the reports of the United States Census, we set forth some facts concerning the trend of our agricultural production and the movement of industry along agricultural lines for the decade 1900 to 1910. Attention is called to the per cents of decrease or increase in the individual products. It will be well to note the decrease in some of our most important products. We are concerned at this time chiefly with the information on livestock, corn, and grains. Hogs have been omitted from this table because the census of 1900 was taken in June and that of 1910 in April. Since the great majority of pigs are born in the spring months, the figures for 1910 show a decrease which is misleading. This may also be true to a certain degree for other forms of live stock.

Increase and Decrease in Agricultural Products of Texas 1900-1910

Subject—	1900.	1910.	Per Cent	
			Dec.	Inc.
Population	3,048,710	3,896,542	...	27.8
Farms	352,190	417,770	...	18.6
Improved land in farms (acres)	19,576,076	27,360,666	...	39.8
Dairy cows	861,023	1,013,867	...	7.7
All other cows	3,369,880	2,469,321	26.1	.....
Yearling heifers	954,835	716,943	24.9	
Steers and bulls	2,094,197	1,666,626	20.4	

Subject—	1900.	1910.	Per Cent	
			Dec.	Inc.
Horses and mules.....	1,793,122	1,866,034	...	4.1
Sheep	1,889,298	1,808,709	4.2	.....
Chickens	13,562,302	12,889,699	5.0	.....
Butter on farms (lbs.).....	47,991,492	64,993,214	...	35.4
Butter made in factories (lbs.)	252,714	2,133,590	...	744.0
Wool (lbs.)	9,638,002	10,257,779	...	6.4
Corn (acres)	5,017,690	5,130,052	...	2.2
Wheat (acres)	1,027,947	326,176	68.3	.....
Oats (acres)	847,225	440,001	48.1	.....
Kafir and milo (acres).....	22,813	573,384	...	2,413.4
Rough rice (acres).....	8,711	237,586	...	2,627.4
Peanuts (acres)	10,734	64,327	...	500.
Hay and forage (acres)....	938,024	1,311,967	...	39.9
Potatoes, Irish (acres).....	21,810	36,092	...	65.5
Potatoes, sweet (acres)....	43,561	42,010	3.6	.....
*Vegetables (acres)	111,899	124,690	...	11.4
Cotton (acres)	6,960,367	9,930,179	...	42.7
Sugar Cane (acres).....	17,824	34,315	...	92.5
Sorghum (acres)	26,803	55,027	...	105.3
All small fruits (acres)....	3,904	5,053	...	29.4
Value of orchard fruits....	\$1,345,423	\$1,060,998	21.	.....

The following table was frequently used in a campaign for diversified farming in order to show a comparison between eight counties in Texas and one county in Iowa. Our investigation of the census of 1910, upon which all of these figures are based, leads us to the conclusion that the Iowa county is about an average county, with regard to these products, for the State of Iowa. It is rather above the average than below it.

While the table makes comparisons which are against the State of Texas, it is not our purpose to arouse a feeling of regret, but rather to state a condition in such a manner as to promote an interest and an effort to create for the next census enumeration a condition which will show a favorable comparison of our own state.

*Note.—Includes all vegetables except Irish potatoes and sweet potatoes.

	Bell	McLennan	Johnson	Falls	Hays	Comal	Bexar	Harris	Fayette, Iowa.
Gallons milk per cow per year...	315	300	298	216	189	191	272	188	307
No. hogs per farm...	4	3	2	4	3	4	3	10	25
No. cattle per farm...	5	4	5	5	10	27	14	40	24
Poultry per farm...	45	37	34	35	26	50	31	45	110
Income from sale of poultry and eggs per farm.....	\$24.37	15.58	17.34	10.08	9.65	40.64	23.57	28.41	97.74
Income from sale of dairy products per farm.....	\$13.77	21.09	19.44	3.77	22.64	28.00	147.55	79.07	284.57
Income from sale of livestock per farm	\$64.03	84.64	142.82	92.87	91.84	196.59	147.68	122.57	823.37

It is quite probable than an examination of many counties in Texas and in other states will show similar figures. It is not necessary that we give such data for a great number of counties, but it serves our purpose to state here that these comparisons are used by thoughtful students of the problems which confront many of our farmers. Such figures are used to show that where there is the most diversification there is also the highest priced land. The observation is also made that where livestock breeding has received the greatest amount of attention there also is the highest priced land. It is also stated that where farmers have adopted the greatest amount of diversification there exist the greatest export communities. Iowa, for example, is a state exporting a great amount of agricultural products. Tons of Iowa pork are sold in Texas. Iowa farmers not only own Iowa, they also own enough land outside the state to make two more states the same size as Iowa. A well known speaker and student of farm problems makes the statement that in Texas the farmers use the bank as a place to get money from, while the Iowa farmer uses it as a place to put money into. In other words, the diversified farmer has something to sell at all seasons and the income to the farm is steady. It follows that there is a different kind of business connection between the merchant, the banker and the farmer. Neither the banker nor the merchant needs to supply the farmer with running expense money for long periods of time. A simple illustra-

tion will show why this is true. At the time this is being written, farmers are being paid in many markets thirty cents a dozen for eggs. Two dozen eggs each day at this price will amount to \$4.20 per week. This amount week by week will offset the table expenses. And during the course of the year amount to more than \$218.00. One reason why this amount will *pay* the table expenses is because the farmer who sees the value of poultry and poultry products usually sees the value of the farm garden and the garden does as much as the poultry to cut down the store bills. Texas will feed herself only when the individual farmers begin to feed themselves. Each grower must supply his own needs first. The surplus which is sold is then a money crop regardless of what it is. A great deal that is now expended for food supplies goes not into the hands of growers or producers in other sections of the country, but into commercial channels for the purpose of keeping up a needless machinery. It is known, for example, that in one county where hundreds of thousands of dollars are being spent for potatoes brought in from outside the county that about fifty per cent of the cost to the consumer must go to pay the railroad for hauling the potatoes. The tenant farmer who allows a market of this kind to exist without trying to supply it does not produce what is needed most, and therefore does not get the highest price for his products.

We wish to repeat in this connection something which we said in a recent Bulletin¹ on the same subject.

The rate of interest varies with the demand for and the supply of capital. The average farmer's dinner table is not overloaded, but too often supplied from the commercial world. Bacon, meat, butter, canned goods, dried fruit; in fact, everything bought is capital until it reaches the consumer, and when the farmer uses this capital from the commercial world he must expect to pay interest and commercial profits for the privilege. A good method to begin with to lower the interest rate would be "to live at home and board at the same place." When the farmer goes to town with something to sell on each trip, he enters into commercial exchange where one form of capital is traded for another and there is no need for capital to carry the wasteful credit system which now exists. Hence, follows a less demand for capital, and it is interpreted in terms of a lower interest rate.

¹Bulletin No. 355, Cooperation in Agriculture, Marketing and Rural Credits, p. 76.

Some time ago, in making a study of cattle production in the State of Texas, we had occasion to list all of the counties of the state and put down for each county the number of cattle rendered for taxation in that county for the years 1910, 1912 and 1913. We found upon investigation that about 74 per cent of the counties rendered fewer cattle in 1913 than in 1912. We cannot reprint here the entire list of counties with the figures which we have mentioned,¹ but below we give a list of twenty counties with their renditions for the years named. These twenty counties are all found in the list of counties from which we have gathered data for this bulletin. The twenty counties give a fair idea of the fluctuations in the number of cattle rendered from year to year by all of the counties of the state.

County—	Cattle		
	1910.	1912.	1913.
Bell	19,986	19,189	16,256
Bexar	19,095	15,310	14,648
Brown	27,538	23,397	24,612
Comal	12,319	10,859	10,293
Delta	5,313	4,042	3,669
Ellis (census)	15,803	11,748	11,364
Falls	16,120	14,181	11,880
Fort Bend	31,921	33,177	26,447
Harris	45,459	40,334	33,835
Hays	11,192	10,992	8,920
Hill	17,167	15,248	15,181
Hood	15,000	10,445	15,003
Jasper	13,042	12,542	11,542
Johnson	19,105	15,018	16,711
Matagorda	60,304	47,530	50,771
McLennan	16,731	15,654	13,075
Medina	40,464	30,026	23,574
Navarro	20,693	19,022	14,430
Nueces	67,792	45,574	12,539
Robertson	16,914	19,178	11,246

Every one of these counties had fewer cattle in 1913 than in 1910, with one exception, and in that case the number remained stationary. This is to be regretted for many reasons.

¹Assessment lists of this character are printed from year to year in the Texas Almanac and State Industrial Guide, published by Dallas News.

In the first place there has been a constant upward tendency in the price of beef and live stock products. In the second place, such products can be produced as cheaply in Texas as in any other place, and there is as much profit in live stock if it is handled correctly. In the third place, there is a very close connection between the production of live stock and the retention of the fertility of the soil. Good farming, large profits from the soil and the growing of live stock go together. This statement can be proven over and over by the experiences of farmers in other states and countries. In the fourth place, live stock furnishes one of the very best forms into which to put savings and surplus earnings while waiting for the accumulation of sufficient property to permit the tenant farmer to buy a farm for himself and make a reasonable original payment.

Cattle production in Texas is looked upon as a specialized kind of work. We have already presented figures to show the lack of milch cows with the average tenant. But we can show even more closely that in some of our counties the production of cattle is left to stockmen rather than to the average general farmer. In a table given below will be found chattel mortgages covering over 42 per cent of the cattle rendered for taxation in Brown County in one year. Some of these cattle may have been mortgaged more than once during the year. But the statement holds that eighty-seven mortgages controlled nearly one-half of the cattle in that county. If one man recorded one mortgage, then eighty-seven men only were concerned. But the election lists for the county for 1913 show about 2172 farmers of voting age. It is very evident that the farmers do not follow the policy of each one raising a few head of stock in order to enlarge the farm profits.

The situation is similar in Medina County. This county had an estimate (based on the census) of about 1,650 farmers in 1913. The number of cattle rendered for taxation in that year was 23,574. But as may be seen from the following table there were 88 chattel mortgages, which, during the course of the year, controlled 16,195 head of cattle, or about 69 per cent of all that were listed for taxation. It will take but little study of the following tables to show that general farming and stock raising do not go together. Attention is again called to the table

given above, showing the amount of live stock on farms in different counties. And attention cannot be called too often to the importance of a combination of live stock and feed stuffs wherever it is the desire to gain the greatest amount of farm profits and to retain, and not only retain but build up the fertility of the land.

As the tables given on previous pages concerning tenant renditions show, there is a woeful lack of livestock with the average tenant. Some tenants may have milch cows which do not belong to them, but to the owner of the farm. We have found one case of a stock buyer who had "loaned out" about thirty cows to farmers of the community. These cows remain in the possession of the farmer, but all the increase reverts to the owner of the cows. The farmer simply cares for them and gets the milk. At the time we were discussing this question with the stock man he informed us that such farmers were making little effort to secure cows of their own. Other farmers who did own cows were disposing of many of them in order to pay their obligations and thus hold their cotton for a higher price.

Cattle Loans Brown County

(As shown by chattel mortgage records.)

Head.	Amount.	Time (Months)	Head	Amount.	Time (Months)
85	\$ 1,150.00	3	38	\$ 1,290.00	2
96	3,427.50	4	30	300.00	3
28	536.65	5	65	11,000.00	3
27	1,010.12	3	14	300.00	8
10	200.00	6	35	162.00	12
1,930	75,767.75	0	35	400.00	6
10	236.08	6	33	400.00	6
211	5,209.30	6	100	2,400.00	6
8	400.00	*	243	3,250.00	4
783	39,923.00	6	59	1,400.00	6
7	363.00	7	50	1,428.95	7
70	3,000.00	3	40	1,040.17	1
			40	1,500.00	6
36	1,000.00	4	174	4,725.00	6
31	1,050.00	3	12	500.00	6
277	7,190.70	3	67	2,100.00	6
47	1,466.00	3	100	1,800.00	4
930	5,000.00	5 ½	240	8,845.40	3

Head	Amount.	Time (Months)	Head	Amount.	Time (Months)
271	6,315.00	6	16	850.00	12
70	2,789.40	6	10	150.00	9
500	22,955.12	6	7	103.25	3
367	6,816.30	2 ½	20	300.00	11
100	3,252.30	2	116	2,900.00	2 ½
68	2,392.00	1	166	2,925.05	3 ½
385	15,784.20	5 ½	9	155.50	3
40	529.25	5	131	2,500.00	1
140	2,604.75	6	7	110.50	9 ½
80	1,520.00	3	20	500.00	3
50	1,617.10	1 ½	19	311.00	2
27	700.00	2	37	771.52	44
17	210.00	5	14	250.00	3
51	1,450.00	2	75	2,000.00	3
200	5,000.00	6	110	3,000.00	6
24	655.00	6	20	450.00	2 ½
74	1,700.00	*	50	1,500.00	2 ½
10	2,500.00	2	60	109.50	9
390	12,501.25	6	9	100.00	6
432	8,340.00	6	25	1,000.00	1
43	1,500.00	4 ½	7	109.00	8
79	2,310.00	3	7	103.50	3
14	378.00	6	41	3,150.00	1 & 3
10	200.00	6	12	382.62	9
14	223.00	6	7	50.00	6
9	207.40	2			
10	300.00	6			

Totals: 10,431 head; \$308,303.13; 87 mortgages. Out of 87 cases two were payable in installments. In one case no time was given. One case was payable in 1 and 3 months. Average time of the other 83 cases was 4.8 months. The average loan per head in the 87 cases was \$29.56.

Cattle Loans Medina County

August 1, 1913, to August 1, 1914.

(As shown by chattel mortgage records)

Head.	Amount.	Time (Months)	Head.	Amount.	Time (Months)
18	\$ 500.00	6	40	1,560.00	6
15	459.86	0.3	106	4,438.00	1.5
300	5,000.00	6	62	3,055.00	5
254	6,732.00	3	108	4,076.00	3

*Installments.

Head	Amount.	Time (Months)	Head	Amount.	Time (Months)
127	2,540.00	3	17	700.00	3
222	5,800.00	3	40*	500.00	6
160	5,665.00	2	69	1,656.00	6
183	4,000.00	6	97	2,835.00	2
50	250.00	6	60	2,450.00	3
75	2,500.00	2	75*	2,200.00	1
366	5,800.00	2	44	731.12	6
40	1,000.00	4	15	710.00	2
600	5,125.00	1	148*	8,248.55	2
*50	1,750.00	24	60	625.00	5
140	2,000.00	3	30	1,200.00	6
100	2,100.00	6	275	6,950.00	2
*325	6,000.00	6	39	1,872.00	4
125	2,000.00	6	25	200.00	6
97	1,300.00	2	170	3,000.00	5
26	1,100.00	3	28	684.00	3
60	1,466.00	2	90	1,500.00	3
114	4,442.00	3	43	1,500.00	7
63	1,528.35	3	32	979.20	3
245	6,325.00	1	40*	1,173.93	7
64	2,100.00	3	636*	13,000.00	6
147	4,400.00	6	80*	4,000.00	2
50	2,550.00	3	16	451.75	6
151	6,160.80	1	50	1,500.00	6
143	5,565.00	3	304	4,000.00	6
62	1,700.00	1.5	28*	600.00	6
112	1,200.00	3	22*	1,300.00	8
116*	3,068.00	3	1,000	5,000.00	0.5
356*	8,404.46	6	15*	375.00	7.5
100	2,500.00	1.5	46	1,500.00	Demand
2,100	26,000.00	6	10	300.00	7
275	10,000.00	11.5	20	560.00	6
305	4,000.00	6	50	700.00	1
84	1,645.00	2	148*	8,594.00	6
25	800.00	3	1,198*	46,877.00	6
250	1,537.50	3		‡11,503.35	6
249*	12,320.00	4	1,515‡	‡15,546.66	5
141	3,750.00	1		‡13,450.10	6
140	6,711.00	4	296*	5,354.00	3.5
18	700.00	3	405*	17,365.90	2, 3 & 5

Totals: Head, 16,195; amount, \$385,316.41; number of loans, 88; average time per loan, 4.3 months, for 86 loans; one on demand

‡Considered as three loans.

and one in 2, 3 and 5 months. Average loan per head, \$23.79. All loans not marked * were given by banks. Perhaps many of the others were given by private bankers. The others were given by merchants and private parties.

In order to show that the cattle business is a business of all the year in comparison with cotton or any other crop, the following table of cattle loans is given. The upper line shows how many loans were given each month, and the lower line how many were due each month. These figures cover the same loans as the table given above for Medina County:

Given.											
Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.
8	7	4	7	7	8	6	5	6	13	10	7
Due.											
13	7	3	7	4	7	5	14	8	5	8	7

This kind of financing of the cattle business is perhaps as much for cattle dealing and trading as it is for cattle production. There is great need for a different kind of cattle loan. The average time given in the above tables is entirely too brief to allow anything in the way of progressive breeding work to take place. When a man is in the business of producing the calves and keeping them until they are beef animals he cannot turn over his money even in twice the average time given above. Unless there is something more in the cattle business than merely trading herds or buying up stray animals from different farmers and feeding them out for a few months, the decrease from year to year, as indicated above, will continue, and the industry must certainly pass away. The coöperative breeding association in connection with the coöperative credit association is the solution for this problem.

CHAPTER VI

RENTS AND THE BONUS SYSTEM.

The kind of rent that is most common in the state of Texas is the rent known as the third and fourth, which means that the landlord furnishes nothing, or very little, in the way of teams or implements or working capital of any kind, and receives for the use of his land, houses and barns one-third of the grain which is grown and one-fourth of the cotton. In case the tenant furnishes nothing except his labor, and all the capital is furnished by the land owner, the crops produced are usually divided equally. Cash rent is not paid in Texas so frequently as it is in other sections of the country, but it seems that cash rent is increasing in favor. Imitation and custom have been powerful forces in making the third and fourth rent almost universal. In the past few years, however, there has grown up the practice of either requiring, on the part of the land holder, or the offering, on the part of the tenant, some sort of a bonus in addition to the third and fourth for the use of the land. This bonus is either paid in cash or in other ways which will be discussed later on. We have information from certain communities where the bonus system began by the renters bidding against each other to acquire the more desirable places. It was quite natural that the land owners, finding out that certain renters were willing to pay something in addition to the third and fourth, soon began to demand the bonus, and there are now communities in which it would be difficult to place the responsibility for this bonus system. There has been recently a great deal of discussion concerning the iniquities of the bonus system. We shall not at this time enter into a discussion of the economic justness of the bonus, but devote our space to the words of the farmers who have written us concerning its payment. The information which we give is typical of all that we have been able to gather. The following words are the words of the farmers themselves, and, as will be seen, there are many communities in which the bonus is not paid. For

convenience we insert the name of the county from which our information comes:

BELL COUNTY.

"Case I. One hundred and sixty-acre farm; 100 acres in cultivation; rented for one-third and one-fourth; with a bonus of \$50.

"Case II. Adjoining Case I on the north; 100-acre farm; 90 acres in cultivation; rented for one-third and one-fourth; bonus of \$500; house rent in advance.

"Case III. Joining Case II on the west; 100-acre farm; 100 acres in cultivation; rented for one-third and one-fourth; bonus, in form of buying a team of horses at \$100 more than market price.

"Case IV. Two miles east of above cases; farm rented for one-third all around.

"Case V. Several farms in radius of two miles paying money rent of \$8.00 per acre; some all in advance; others, one-half in advance.

COMANCHE COUNTY.

"The landlords take a bonus in various ways. Just at present the people have left here until there aren't enough left to till the soil right now. The money bonus at the present time, I do not know of. However, last year there were lots of them paying from 50c to \$1.00 per acre and lived in shacks of houses."

DENTON COUNTY.

"The bonus system is in the form of teams sold at two prices and at from 18 to 20 per cent interest. This has been in vogue for some years, so I have been told by the landlords who live in town."

FANNIN COUNTY.

"There is no one in this part of the country paying any cash bonus. This county is rented on the halves, third and fourth of the crops. The bonus comes in the way of keeping up fences, cleaning out ditches, and the tenants have to furnish their own wire to fence their gardens."

HILL COUNTY.

"There is only about five men in this community that use the bonus system, but they are among the largest land holders. I suppose about 25 men pay more than third and fourth in this community. The percentage would be something like one-sixth of this voting box. About \$1.00 per acre more than third and fourth with cotton at 7 ¼ c per lb. Most all of them charge one-third all round, but some have \$1.00 per acre bonus."

JOHNSON COUNTY.

"The bonus system hasn't grown to be common here in this community yet, but it is growing each year: the better places renting

readily for a bonus of \$100.00 or more to 100 acres. There is a farm north of _____ of about 500 acres that rents for a third all round and tenants furnish everything, and has been renting on those terms for years. To the best of my knowledge there is about one-third of the tenants that pay more than the customary rate of third and fourth or the half."

MASON COUNTY.

"I do not know the exact number of tenants who rent on the third and fourth or half, and pay a bonus, but there are plenty of them and they are in bad condition."

TARRANT COUNTY.

"Another rents on the third and fourth and this year requires a bonus of \$1.00 per bale, but requires tenants to plant a greater acreage of feed crops. The first instance affects five families, the other some six or eight families. These are the only instances that I know of that require more than the regular third and fourth rents."

LAMAR COUNTY.

"(Mr. B. lived on Mr. A.'s farm. Mr. B. made 34 bushels corn per acre when other tenants on the same land had made comparatively nothing.)

"In the fall A. went to B. and asked him if he, B., wanted to stay the next year. B. answered 'Yes.' 'I am satisfied, are you? I have ditched and worked the place up, so it does not cost so much to make a crop.' A. told B. that he was a good man and a fine farmer, but that he was offered \$100 bonus by Mr. X. and pay before X. moved. A. told the same story as B. B. moved to E.'s farm. A. says he paid a bonus in a horse trade, and B. says he didn't."

DELTA COUNTY.

"The tenant is in a deplorable condition; some few pay bonus, say 4 per cent. The cotton acreage has been 90 per cent. There will be some change this year in cotton acreage, probably 25 per cent. Some pay too much for teams and one-third furnish their own house, or rent house extra, and half furnish their own wood."

FALLS COUNTY.

"Will say that at least 65 per cent pay a bonus in first one way or another. Some pay in the way of high prices for dead old stock, and old second-hand tools and wagons * * *. They want to sell you a lot of high priced stuff and rent to you, some the third all round, and some \$1.00 per acre bonus for the privilege of letting you work clean land. This is mostly in the western part of Falls County, but sometimes it occurs in the mixed land, and in very rare cases it is the case in the sand. I myself have failed to get a place

because I refused to pay standing rents. I personally know one man who pays \$100 bonus on 117 acres, and has been (doing so) for three years. I know another man who has five rent houses and works all on halves and requires them to pay a blacksmith's bill, and give him half the cotton and all the feed. I have known him for seven years, and he has never had a vacant house. There are still others that require the half tenant to do as much work free of charge. There is land right here within half a mile of me that is now, January 6, unrented. They are holding it for money rent, \$4.00, \$4.50 and some \$5.00 per acre, and I can see men going every direction hunting places. One place has come under my observation where a man rented a place on halves, the landlord agreeing to furnish or stand between the renter and the merchant, and since the first of January, 1915, the landlord went to the tenant and made things look plausible to him, and changed the trade to a third and fourth and now this tenant cannot get anyone to run him, up to this writing. I know this tenant to be a good worker and agreeable neighbor. A negro is going to take his place provided he cannot get any help, and I have good reasons to believe that the landlord is doing all he can against him in the way of getting help."

MILAM COUNTY.

"The renters started the bonus in Texas themselves. I remember when the third and fourth was all the go and the renter thought he was paying too much, and he got the landowner to take money rent. Then the weevil came and the renter wanted the third and fourth again. He got it, then he began to pay a bonus to get the best homes and best land and matters got so tight for him he wanted to pass laws to stop the bonus, something he was to blame for himself. The tenants are to blame for most of their disasters. I know—for I have rented out land myself."

NAVARRO COUNTY.

"Fabulous prices have been paid for teams all over the county in order to rent places. I have known men to sell their teams and buy from landlords in order to get places."

The above cases all refer to the payment of the bonus in one form or another. But as has been said, there are many places where the bonus is not used. The following cases are typical:

BURLESON COUNTY.

"The bonus system is not practiced in my community at all, or very little, if any. A majority of the farmers in this community are land owners. But a few of the landlords are charging a dollar more per acre on corn land than last year or any previous year."

EASTLAND COUNTY.

"As to the bonus system in this part of the country, I have never heard of any to amount to anything. The custom of this country is one-third and fourth and one-half, where teams and tools and seed are furnished (by the land owner)."

GRIMES COUNTY.

"I am not in a position to answer your inquiry as to the tenant problem, bonus charges, etc. I know of no other mode of rentals but third and fourth and half where labor only is furnished by the tenant. No bonus is required here that I am aware of."

LAVACA COUNTY.

"The landlords of our vicinity, in fact, in the northern portion of Lavaca County, do not require a bonus of their tenants."

MILAM COUNTY.

"Will say if there is any bonus paid, I have never heard of it. This is mostly a neighborhood of small farmers and truckers. Not much land is rented out, and what is is on the third and fourth. I don't know of any landlords exacting more than one-third and one-fourth."

NAVARRO COUNTY.

Case I. "I know of no one demanding a bonus."

Case II. "The bonus system in this part of Navarro County is not much used that I know of. However, Mr. A. rented his place, and held it until he got the bonus. Year before last Mr. X paid a bonus of \$50. This year, I hear, some are asking half and some one-third and a man furnish himself. Last year one Mr. C. made a share crop and furnished himself. The situation in this country is generally hard on the man that rents land."

NUECES COUNTY.

"I do not know of any tenants in my community that are paying more than a third and fourth. There are several tenants here who are renting on the half. The landlord furnishes the teams, implements, seed, feed, etc., and the tenant furnishes all labor in raising, harvesting and marketing the crop. The bonus system has not arrived in this county."

RED RIVER COUNTY.

"We haven't anything of that kind in this county, I am most sure. I have never heard of it, and I live in a very thickly settled country. We have a great many renters here and also what we call "share croppers." They work on halves, the landholder furnishing everything but labor."

ROCKWALL COUNTY.

"Tenants do not give any bonus direct or indirectly in this country. Rents are only straight one-third and one-fourth where a man furnishes his own teams, implements and feed or one-half where landlord furnishes the tenant."

TITUS COUNTY.

"I know of no one in this county or Morris County that exacts a bonus in addition to the custom rentals, viz: third and fourth and half or share system."

LAVACA COUNTY.

"The tenants, renting from landlords who live on the land, generally pay cash for corn rent and one-fourth of the cotton production for cotton rent. The cash rent per acre ranges all the way from \$4.00 to \$7.50. When the landlord does not live on his land, but in some town or at a distance, he demands cash rent both for cotton and corn. This cash rent generally runs from \$4.00 to \$7.50 per acre, according to the quality of the land rented. Sometimes this or part of this cash is demanded in advance, depending upon the person renting. If he is honest and trustworthy, the payment of the rent is postponed until the tenant markets his crops.

"This year the cash rent worked a hardship upon our tenants, due to the cheapness of the cotton. Very likely many of these cash tenants paid more rent on their cotton than the fourth."

CORYELL COUNTY.

"Relative to the rent, I will say it is a third and fourth, or the half straight. * * * I do not believe there is a score of men in Coryell County that do pay a bonus. * * * There are several renters here that cannot secure a home at all on account of no places to get. * * * So in the light of that fact you will see at once it is not the bonus system that is running us from poverty to starvation, but it is the third and fourth and the half. Also the low price of what we produce and the high cost of what we consume."

ROBERTSON COUNTY.

"I know of no landlord charging his tenant any bonus whatever. All that I know anything of, is renting on one-third and one-fourth. Some few last year paid money rent from \$3.50 to \$5.00 per acre, but none this year, I am sure. The tenant and landlord are well satisfied with the present way of renting; we want it to stay as it is."

We think that little need be said in addition to the information contained in the above cases which have been given by individual farmers. It must not be understood that we put down

what is said here as being the condition for the entire county named. This information is given by individual farmers, and they are speaking first of their own locality. Attention is called to the cash rent which is named in a few places. We have given one figure of this kind in Bell County because there has been a tendency for rents to rise, and some renters look upon the rents that are now paid as being of a rather exorbitant nature. In several cases men have mentioned the fact that there has been an increase in cash rent. To give a general idea of the cotton rent to the landlord, we might say that as our average production of cotton for the ten years (1900-1910) was one-third of a bale per acre, if it could have been sold at 12 cents per pound, the landlord's fourth would have approximated \$5.00 per acre. In some of the more productive cotton counties it would have been higher, while in the less productive it would have been lower.

We find upon investigation that both landlords and tenants are responsible for the growing of one crop. In numerous cases cotton was felt to be a sure crop, and to grow other crops which had not yet been tried would involve too much risk. At this point it would be very easy for us to stop and discuss rent contracts and the defects in our present system of renting. The majority of rent contracts are not written, but only verbal, and in the majority of cases they run for one year only. A "share-cropper" is a renter who furnishes only labor and the landlord furnishes all the necessary capital. The tenure of the "share-cropper" is very brief, and he moves from farm to farm with a great deal of ease and little discomfort to himself. This kind of renting has done more, perhaps, than any other factor to fasten upon us short time contracts and policies. It has also assisted in keeping the cotton clause in the rent contract. Since cotton can be grown without any effort to get out of the rut of the years gone by it is quite evident why a certain fraction of land holders, with a holding of cheap land and incomplete improvements, should prefer not to take any chance with or trouble to teach or assist a "one-year" man in something not tried before. This is only one reason why diversification has been held in check. What we mean by "the cotton clause" is explained by the following brief paragraphs given

by both renters and land owners from many different sections of the state.

"The landlords have generally wanted the greater part of the crop planted in cotton where the third and fourth was charged, and the tenant was forced to plant all cotton where he rented for 'cash.'"

"There has been a tendency to demand most of the land to be planted to cotton, but the cotton crisis this season has caused a reaction on this line, and all landholders are talking of a reduction in cotton acreage."

"The renter is compelled to put all or nearly all in cotton, and pay a very high cash rent on all grain land. Some even get for grain land just what the cotton pays per acre."

"It has been the custom to have as much cotton planted as possible, say, five to ten acres of cotton, one of grain."

"Now, you ask is it true that the landlord **demand**s that cotton be planted in whole or in part in the rent contract? To this I will say, 'Yes, sir, in the past.' I don't know how it will be this coming year."

The above cases might be repeated many times, but those that we give are typical of all which we have been able to gather. The following instances come nearer explaining the comment which we made above, that there are certain landlords who have, by their rental policy, tended to keep the tenant growing one or two crops year after year. We know that one or two cases given are very extreme, but even one case of this kind in all the state of Texas is worthy of serious consideration for social as well as economic reasons.

"But few are allowed to have more than two cows, and all the landlords in this part of the country want their land planted in four parts: three parts cotton and one in corn and oats."

"The landlords want tenants that will cultivate 100 acres or more; of course, the preference is to have them to plant about 9-10 in cotton. The tenants use negro labor to cultivate and gather the crop. In some few cases on sandy land farms the tenant can only plant or sow other crops besides cotton by paying \$3.00 per acre money rent."

"Yes, the landlords, many of them, demand certain crops to be planted on the land. The crops are cotton and corn, a quarter or, perhaps, an acre or two of sorghum for stock feed. The landlord generally limits the number of cows, hogs, horses, and mules which the tenant may hold. This, of course, works a hardship upon the tenant."

"There are two landlords who require their tenants to furnish teams and landlords furnish feed and get half the cotton. They don't allow the tenant to raise any hogs or to keep cows or raise anything but cotton."

"There is one farm near me of 800 or 1,000 acres that requires all tenants to pay \$6.00 standing rent for all grain or cane planted. This is adopted on all large farms. So you see that means tenants plant cotton. How can we diversify under such rules?"

"The extreme low price of cotton and the necessity of diversification in order to supply food products have been the direct cause of a change of the entire rental system. Land owners who heretofore have required their farmers to plant cotton are this year instructing their renters to plant wheat, oats, corn and not more than one-half the land in cotton. One gentleman who owns a fine farm near _____ states his renters can plant a part or all of the land in corn if they wish."

"I was among friends in the country three miles from W. during cotton picking the past fall. The farm joining where I was stopping is owned by a Mr. C. To my knowledge he will not rent land at all except on halves, and won't allow the renters to plant anything but cotton. The year before last, 1913, a negro on his place planted four rows in the edge of the yard where he lived, 30 or 40 feet long, in sugar cane, and C. made him pay him \$4.00 for that little space. If they raise gardens they must plant them in their yards. This is all I can give from my own observation."

"I am sorry to say the landlord in this county requires rather much cotton planted. This is not a good corn county. Our cotton is the surest crop. Another reason landholders don't want much corn planted is that so many tenants don't work their corn land good, and it leaves the land in a bad shape and hard to rent next year. I believe landholders should not rent to tenants that won't keep a good milch cow, and raise one or two hogs for meat. A tenant that wants to succeed should get a good place, and do some work on it for his own convenience, and build up and not tear down, and be reasonable and agreeable with his landlord, and he can keep his place as long as he wants it."

We have several instances in which there is a close connection between renting land and the paying of high prices for something which the land holder may have to sell. We gave one example above from Fannin County which is looked upon as the indirect payment of a bonus. The following is from another county but is of exactly the same nature:

"The bonus comes in: if you will build so much fence, he will rent to you. The landlord has a team to sell; if you give him so much for that team, he will rent to you. His well has caved in; if you will clean it out and wall it up, he will rent to you. He has some hogs to sell, and if you will pay him so much he will rent to you; and the prices go higher and higher. I could name dozens of other ways in which the landlord skins the tenant."

"As for prices on mules and horses being high, I am sure they have gone to the extreme. There is a man in my neighborhood that has eleven families on his place, and they bought teams from him last year, and just little pony mules that will weigh from 700 to 900 lbs., and promised to pay from \$200.00 to \$300.00 per pair and 10 per cent interest, and their crops consisted of cotton four parts, corn one. This same man has a store and furnished his peons their supplies at a high figure; when meat was selling in other places at 14c to 17c, he was charging 18c to 20c per pound, and adding 10 per cent on that, so you can see how quick these fellows will become home owners."

The last example comes from a county some distance from the county from which we obtain the first example. We may very properly say that in past experience one could find numerous examples of company stores and stores belonging to land holders which have always followed the policy of charging either directly or indirectly a price for products which is above the market price. So numerous are the historical examples that the company's store is looked upon with a great deal of disfavor. However, because some men have acquired wealth by this process we are not at liberty to condemn every man who runs a store for the purpose of selling supplies to his renters. The system has in it the possibilities of great good, but in actual practice it has probably worked to the detriment of the wage earner and the tenant. We feel, however, that before we could condemn a man for running a store of this kind that it would be necessary to examine his individual case. It

upon examination we found that the information given in the last example above would apply to his business dealings, then there can be but one solution, and that is to put him out of business. This can be done by the community acting in a co-operative way and making his renter independent of him.

We do not see a line of defense for the owner who sells mules, horses or other working capital to his tenants at a price which will consume all of the profit on the crop which they produce.

It is a question as to whether some of the facts mentioned in the first example could be considered as the payment of a bonus. To discuss this question in the right way we would need go back to the fundamentals which are placed in our rent contracts at the present time. As is well known, there is a great lack of an incorporation into the contract of the proper statements concerning permanent improvements or the features which tend to build up such things as fertility of soil and the keeping in repair of farm property, or the putting out of fruit trees, etc. The land owner and the land renter must share equally in the benefits in some cases, and should therefore be held jointly responsible for certain kinds of improvements. It is obviously unjust to ask a tenant to get rid of certain weeds or grasses, cut so many bushes, wall up a well or put a certain amount of fertilizer into the soil, and then permit him to have a rent contract that must be renewed each year. On the other hand, it is unjust for the renter to be given a contract that extends over a period of years without putting into that contract definite statements concerning the amount of work to be done on permanent or temporary improvement. We conclude, therefore, that the charges made in the first case above are charges against a system rather than against the individual land owner. The remedy for this condition lies not so much in legislation which would try to destroy the bonus, but if in legislation at all, certainly in that kind of legislation which would back up a new system of rent contracts.

The need for some of the things that have been discussed in a very brief way in the foregoing paragraphs is brought out by many experiences, and we prefer to allow a few of the farmers, both land owners and renters, to speak for themselves.

"I know that the renter in this part of the country is in hard circumstances, and I can see no route out for them. There may be some way yet. Our community has a large per cent of renters, and, of course, when he fails to please the landlord, he has a move coming. Not that the renter is an undesirable citizen, but not knowing where he will be next year leaves him solely unconcerned."

"Now the renters in this part of the country are up against it to my certain knowledge. There are plenty of renters in this part of the country that have to pay half, furnish their own teams and plow tools, and the third and fourth renter has to furnish his house, buy wood, pay pasturage on his team, and after doing all of that the landlord won't let him stay but one year if he don't vote as he wants him to; not over two years at the outside."

"There are some tenants who rent the land, to work the landlord, and do not half try to make a home, but there are others who try hard to own a home, but can never do so on account of the price of the land and the high rate of interest. He puts up no good improvements on the land nor does he keep those that are already on the land in good repair. This is not as good a county for the tenant as it was twenty-five years ago. No pasture to speak of for the tenant's live stock, and no one can make good without pasture in Texas. There are men in business and there are business men in business, and they are entirely different men. There are farmers farming and there are men farming. One great drawback to the tenant system is that the people cannot stay long enough in one place to get live stock and poultry around to become prosperous. Also they cannot co-operate in regard to selling and buying; they impoverish the soil, and make feuds or quarrels in the neighborhoods."

"The tenant does not make any effort to keep up the fertility of the land or rotate his crops. The reason is that the tenant is never sure whether he will remain on a place longer than one year. In general, the class of tenants, and not the renting system, does not fit into the best type of agriculture."

"This year is a hard one. Some have fallen behind and the landlord is closing them out. Thus the landlord is demanding enough from the next year tenant (for teams and tools) to offset his loss."

There is a very close connection between the short time for which rent contracts run and housing conditions. It is quite true that housing conditions are not good in our own state, re-

ardless of whether the owner or a renter lives in the house. The rent house of the town and city is a great problem. It is well understood that there is a large class of house renters who care not for the property. It is also true that, owing to the mildness of our climate, it is not necessary to build as substantially as is necessary in sections where the winters are longer and colder. But it cannot be said that the housing problem in Texas is a problem of either the city or the country. There is much room for improvement in both places. At the present time we are concerned with the houses of the tenant farmer, and there is certainly great need for improvement in housing conditions. It is a matter of regret that on some of our very richest soil we have such miserable houses for the people. We do not believe that this is any more a lack of interest on the part of the land owner than it is a lack of pride on the part of the tenant plus a kind of house which was of exceedingly cheap construction in the first place. There is a great deal to be said on both sides of the question, and both the owner and the renter must bear a share of the burden. We could give many pieces of testimony, but the following sum up what hundreds say concerning present living conditions:

"I consider the tenants of this county fairly well treated every way, except in houses to live in and barns for stock. I blame the tenant for this, for, as a rule, there are but very few tenants that stay more than two years at a place or three at the most. On account of their moving disposition, no landholder feels like going to a great expense fixing them a comfortable house, knowing they won't appreciate it, or keep it up with a very little work or repair with material furnished them for such."

"I am going to give you a description of the house that I am in while I am writing this letter. It is a four-room shack, two big rooms 14x14; two little side rooms, 8x14, just boxed and stripped; no overhead ceiling; no shutters inside; no strips inside; three windows, 8x10 light; no porch and there is plenty of cracks in the outside walls that a half-grown rat can run through."

Certainly no thinking person could read the testimony which has been put into this chapter without feeling that we are here dealing with a great fundamental question which threatens the peace and vitality of the state. The system of renting now

in general use and the kind of contracts to be found everywhere demand revision. By the present methods the natural fertility of the soil is being depleted. Little systematic effort is being put forth to leave the land in every way superior to the condition in which it was found.

Neither is the money from this soil depletion being turned into the right kind of houses and living conditions. On the contrary, it will be found that right living conditions and the building up of the soil generally go together. Our soil and our right living seem to go into a crop which carries both beyond the boundaries of the state. It is high time that landlord and tenant should get together to study the question of the ultimate effect of the present system upon society.

CHAPTER VII

THE ECONOMIC ASPECTS OF THE TENANT PROBLEM IN ELLIS COUNTY.

(WILLIAM E. LEONARD.)

This county is typical of all black land cotton growing counties of the state. The cash crop is cotton, and the producers of it are largely tenant farmers. Upon these two factors, cotton and tenantry, the emphasis of this study is laid, the chief purpose being to set forth the economic status of the latter.

The sources from which data were drawn are the federal census of 1910; the various county records; private account books; personal interviews with merchants, bankers, land owners, disinterested but intelligent outside parties; and, most of all, the tenants themselves.

The General Facts.

In 1900, according to the Federal Census, 65.7 per cent of the farms of this county were operated by tenants. In 1910 the percentage was 69, showing an increase in the ten years of 3.3 per cent. This is a significant fact. It is even more interesting and important to note that white tenant farmers decreased by 235; that negro tenants increased 312. That is, in 1900 white tenants composed 94.6 per cent of all tenants and negroes 5.4 per cent, but in 1910 white tenants were reduced to 86.9 per cent, while negro tenants increased to 13.1 per cent of all. Put in the simplest and most general form, we conclude that tenant farmers are increasing, but that this increase comes wholly from negro tenants, there having been an absolute decrease of white tenants.

Evidences of Property.

Let us now turn to the heart of this question and ask what are the resources of the tenant farmers as a class. The diffi-

culty of making any exact measurement of their wealth is apparent to all. In the absence of more dependable data why not turn to the tax rolls and see if they will not contribute something to a better understanding of the question? We know full well their shortcomings and limitations, and because they are so well known, due allowances may be made. The first error for which allowance must be made is evasion. It is believed by the assessors that so far as country personal property is concerned, rather truthful renditions are made; that the actual number of horses, mules and other farm animals are given, and that the number and kind of machines are listed with a fair degree of accuracy. These forms of wealth constitute the great percentage of property owned by the tenant classes. This element of error is less important than the second one, which is under-valuation. But this error has one virtue, it is constant. We know that all men undervalue their property, the only question that need concern us is the extent of its under-valuation. And here the best we can do is to take the word of the assessors. They insist that property is rendered for approximately one-half, never less and rarely more than 66 2-3 per cent of its real value. Assuming a uniform undervaluation of 50 per cent, we are able to arrive at an approximation to real values by doubling the rendition made. This enables us not only to get some notion of the wealth of tenants, but, what is more important so far as this question is concerned, to classify the whole body of tenants into wealth groups. The character and structure of these wealth groups is highly significant.

Of all adult male country dwellers, 25 per cent render nothing but a poll. These are presumably, though not invariably, farm hands. Those who render property in any amount are shown from lower to higher groups in Figure XXVIII. The group up to \$200 constitutes 22.3 per cent of all, the \$200 to \$400 group 17 per cent. Together these two make 39.3 per cent of all property groups. This is significant for the following reason: Four hundred dollars is not sufficient to equip a one-team farm, the lowest estimate found for a one-team farm being slightly over \$400. If this be true, then all property groups below \$400 must be composed of men working on the halves,

the land owner furnishing all the capital, the tenant all the labor, each receiving one-half of the product. All groups, however, above \$400 are owners of sufficient capital to equip either a one-team farm or a two or more team farm. It is probable that those possessing from \$400 to \$800 are one-team farmers, and this group constitutes 29.9 per cent of all. A one-team farm ordinarily ranges from 50 to 70 acres. All the remaining

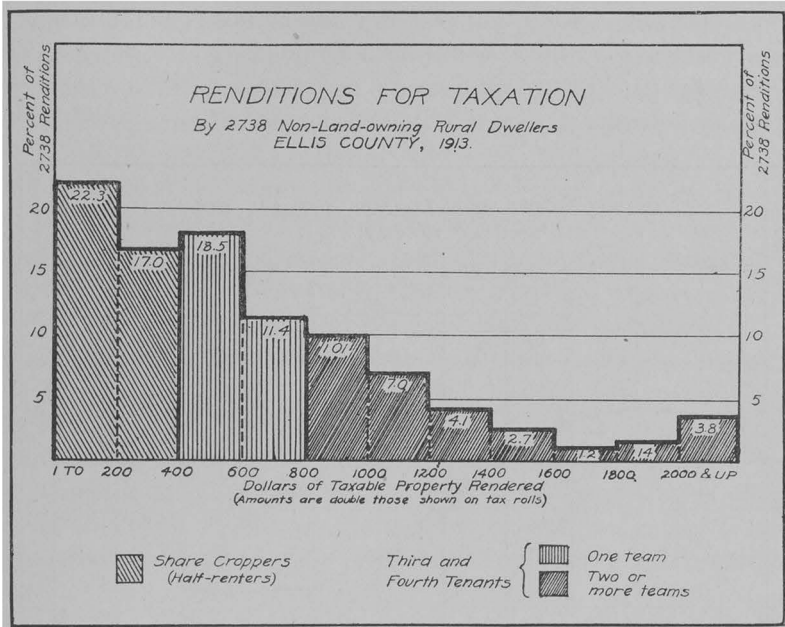


figure XXVIII

groups are two or more team farmers constituting 30 per cent of all property groups. These farmers are fully equipped with capital to cultivate farms of 100 to 130 acres, and, other things being equal, are in the best position to prosper as tenants. The full significance of these facts will appear when earnings of different classes of tenant farmers are considered.

Indebtedness.

(a) Chattel Mortgages.

In Ellis county the chattel mortgage form of indebtedness assumes enormous proportions. From September, 1912, to

September, 1913, 3,760 different mortgages were placed upon some form of farm property other than land. These mortgages aggregated \$840,000. It is not asserted that all of these were made by tenant farmers, but it is evident that the vast bulk of them were: First, because land-owning farmers are in the great minority, and secondly, because such farmers are seldom reduced to the chattel mortgage plan of making loans. It is believed that such loans in the vast majority of cases are for working capital rather than for spendthrift or emergency purposes. Practically all chattel mortgages are for one year, and are made to mature during the four autumn months (Figure XXIX).

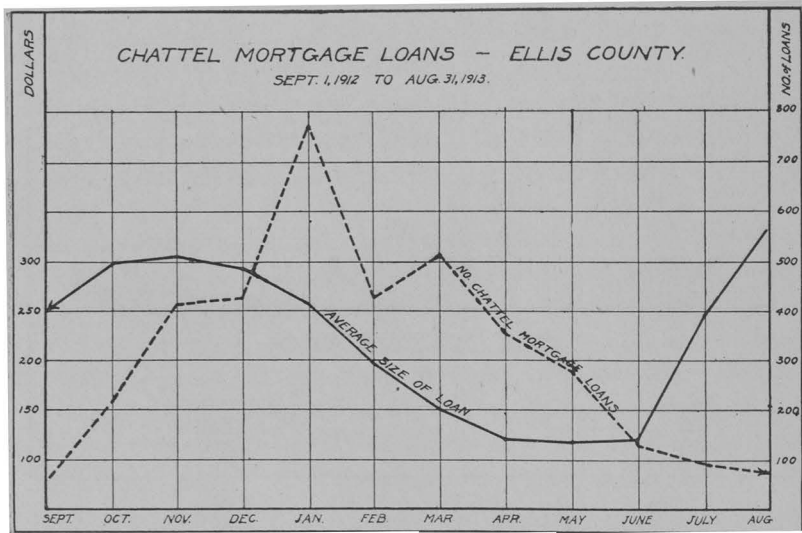


Figure XXIX

In September few such loans were made; in October the number rose to 200; in November and December to 400 for each month. That is, during the very time when loans from the previous year were being cancelled, more than 1,000 new loans were contracted. This calls for a word of explanation. It is evident these were not for new capital, for it was not the season when new capital was needed or could have been used, the crop having been made much earlier; nor can they be mere consumption loans; for then, if ever, the tenant farmer should have money in his pocket. These loans are continuation loans

coming over from a previous indebtedness, which indebtedness was unpaid, and for which new mortgages were given.

The loans made in January were undoubtedly loans of new capital in view of the next year's crop. Old established farmers were adding more mules, horses and other equipment; young men embarking in business for the first time were completing their outfit, and most of the latter must of necessity incur some mortgage indebtedness. For a similar reason loans continued high during all the spring months. These were largely for machinery, ordinarily the dealer selling the machine on time and taking a mortgage on the same machine together with a few bales of cotton as security. By June the crop was made—at least all the necessary capital for making it has been secured. Hence the number of loans, during June, July and August steadily decreased. In most cases they were for small sums, \$10 to \$50. Presumably they were needed to secure the many small necessities for which credit was not available. These are real *consumption loans* as distinguished from *loans of capital*. It may be true, of course, that they were small in number because mortgageable property had already been pledged to the last dollar, but this seems hardly possible. It should be noted that there were a few very large loans, \$2,000 to \$5,000, made by large scale farmers and it is due to these that the average amount to each loan rises from \$150 to \$350 during these months.

(b) Store Credit

Ordinarily the tenant farmer goes to the merchant in January and arranges "to be carried" for his necessities until the following October. There are two forms of practice which differ only in method, not in results. (1) The farmer gives his note for the supposed amount of goods he will require. This note bears interest at 10 per cent from January to maturity. The farmer is then given advantage of a cash price. But it is to be observed that he pays interest for the total sum for nine months, although his purchases, and hence his actual use of credit is for a much shorter average time. In the end he pays on a \$300 store bill an interest charge of \$22.50. If he had secured the same amount of money at the same interest rate

by periodic loans from the bank his interest bill would have been \$12.37. Thus he has really paid 19 or 20 per cent instead of 10 per cent. (2) The same results, exactly, follow the second method where a book account is run with 10 per cent added to the cash price, through each month from January to October.

It is little wonder that the tenant farmer does not prosper as he should. With much of the capital borrowed, and a good portion of that carried from year to year in continuation loans,—this together with a store bill averaging not far from \$200 a year, piles up an annual interest charge which too often absorbs what otherwise would have been his profits. Could one or both of these forms of perpetual encumbrances be abandoned, other conditions remaining as they are, he would immensely improve his condition. One man remarked that he had observed that the farmer whose wife was a "butter and chicken woman" was the man who ultimately bought a farm. In such a case the burden of a big store bill was lifted.

Why this abuse of the borrowing power? There are several reasons: (1) The tenant farmer usually has good credit. That is to say, he produces a commodity which confers upon him good credit. His bales of cotton can be placed only on one market, and here they are capable of complete identification. The credit men have no difficulty in protecting themselves in this market place. However, were farmers producing corn there would not be the same opportunity for these men to identify a product more capable of reaching the market in different ways. Again, credit associations have very nearly eliminated the dishonest tenant. To get credit at all he must have a straight record, and since credit, under present conditions is indispensable, he is honest whether he wants to be or not. (2) The part which custom plays in the credit system of tenant farmers is most serious, for it is difficult to break a long standing custom. Many, perhaps most, have never known the time, either in their own lives, or that of their fathers', when the burden of debt did not press. It is looked upon as a natural kind of encumbrance. It has been observed that even following very prosperous years, debts are not fully lifted, as

they well might be, but profits are used to launch out more heavily in the production of cotton, and this, with frequent reverses in the market, brings disaster. High interest rates upon loans merged in ill-considered ventures account for much of the poverty found among tenants.

Evidences of Earnings.

Having in mind the tenants' serious handicap so far as capital is concerned, and its consequences in the form of indebtedness, let us pass to the question of their productive power. What earnings are they able to make out of their business? On this point there is no evidence more conclusive than actual returns, as shown by statements made by tenants themselves and by account-book records. Statements of income from the sale of cotton were secured from twenty-five tenant farmers, all living in the same community, and all on relatively the same kind of land. This covered the crop for 1913.

In this group one-third of them were "share-croppers," i. e., those furnishing no capital and working on halves. Their income from the sale of cotton, over and above rent and hired labor, averaged \$753. There was very little variation above or below this general average, and what there was is due to differences in number of acres cultivated. The other two-thirds of the group operated chiefly on the regular one-third-of-the-corn and one-fourth-of-the-cotton basis. These got an average income of \$1,253. A few operated on the one-third-of-the-cotton basis, furnishing all their own capital, and they made an average earning of \$1,017. In this group there were not a sufficient number to warrant any very absolute conclusion. It should be remembered that the incomes for these groups are not gross incomes, nor are they entirely net incomes. The larger expenses, land rent, house rent and hired labor are deducted. But many other expenses, such as seed, ginning, interest, feed, are to be taken out of these amounts. If now we are permitted to generalize from the earnings of these men to the respective numbers in each class of tenants as shown in the preceding chart, it appears that share-croppers, 39.3 per cent of all tenants, get an average income of \$753, or there-

abouts. The remaining 60.7 per cent get \$1,253, on the average, *but only so far as they are operating on a strictly one-fourth basis.* To the extent that they pay a bonus of any kind and to the extent that they pay one-third of the cotton, their average income is reduced in the direction of \$1,017, which is the average for those who pay the one-third.

The foregoing is not, of course, intended as an exact statement of the earnings of these tenant farmers. It is rather given to illustrate a logical method of approach to the question. Tenants must be grouped into classes, according to the basis of operation, after which the economic opportunities of each class may properly be considered. If, however, the above estimates are true, or even approximately true, they clearly illustrate the enormous advantage which the one-third and one-fourth tenant has over the "cropper," and hence we have a fairly accurate measure of the importance of capital.

It may be more interesting to present gross earnings from cotton over a period of years made by another group of 20 farmers on similar land, all working under the same general conditions. Figure XXX represents the average annual gross

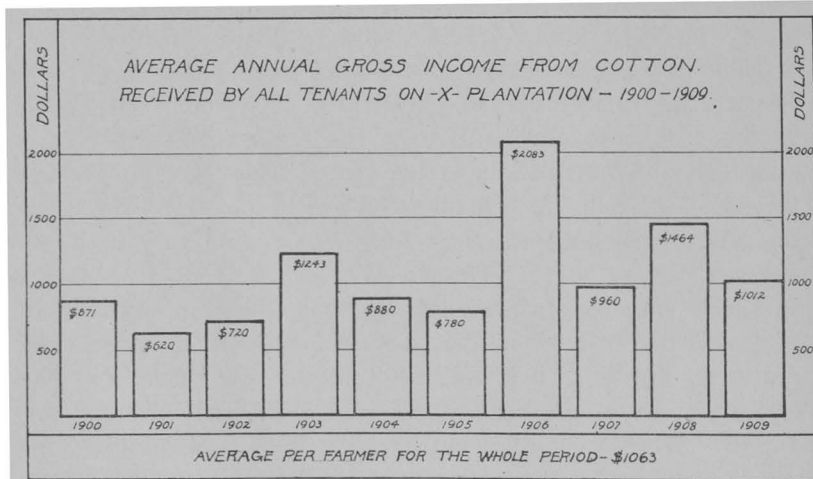


Figure XXX

income for each tenant from the sale of cotton. All were operating on the one-third and one-fourth-of-the-cotton basis. This is one of the most favorably known plantations in the county.

There are about 3,000 acres under cultivation and the records here shown cover the ten year period, 1900 to 1909.

Doubtless the most striking thing in this chart is the wide yearly fluctuations. The lowest average gross income, 1901, was \$620 per farmer; the highest, 1906, was \$2,083,—which is an increase of nearly three fold. But the following year records a fall of more than 50 per cent. Against these remarkable changes the farmer can make no provision, since they are due to climatic and market conditions entirely beyond his control. This is a clear illustration of the fact that, after all, cotton production is a kind of gamble in which the odds are against the producer. A close inspection of this chart seems to indicate a slight tendency on the whole for incomes to increase, but this is not very pronounced.

As between different farmers the average yearly earnings vary considerably, even among equally good farmers living as neighbors on the same lands. For instance, the earnings of "J." were \$872, those of "V." \$1,572. The explanation is that the first was a one-team farmer, the other a two-team man, which illustrates again the importance of capital. "S." had an average annual earning of \$1,161 for the whole ten years; "D.," \$1,098; "P.," \$1,328. All these men raised their own feed crop, kept a cow or two, received their wood free, and had garden space. Under these conditions, assuming they were not too heavily in debt, and that they had some considerable labor force of their own, no clear reason appears why they should not, in a moderate way, prosper.

In fact, the man who has the lowest average annual income has bought a piece of land in another county, and it is now practically paid for. These men are not discontented. They are hard workers, and avoid debt as much as possible. There is scarcely one, but who, if pressed by an exacting landlord, could not go out and acquire property of his own.

There are no "share-croppers" on this plantation and no bonuses are paid. Moreover, these tenants have been assured by their landlord that the higher rent of one-third of the cot-

ton will not be demanded until this rent shall become universal.

Evidences of Progress.

One more excursion into the tax rolls seems desirable. Let us compare the renditions made by an identical group of men at two different periods, say 1909 and 1913. This should enable us to determine the rate of progress made by the group. This would be true except in those instances where some of these men may have withdrawn their property from taxation in this county by investing it in other counties. If such cases occurred they represent a variable on the favorable side of the ledger. What the record shows for 89 identical men in one election district is as follows:

	1909.	1913.	Increase 5 years.
Total renditions for all (doubled).....:	\$57,240	\$67,920	19.0%
Average property for each.....	643	763	\$120

In 1909, there were 18 of the 89 who rendered nothing at all; in 1913, there were 14 of the 89 who were in a like circumstance. On the face of it, remembering that this includes those who lost as well as those who gained, 19 per cent—about 4 per cent a year, does not seem a bad showing. But we should not fail to note that this percentage of gain is on small capital sums. The real question is: How long would it take the average farmer with this meager capital to become a property owner?

These 89 men may be arranged according to the number in each property group as shown below. It is interesting to note that about 6 per cent hold their own with nothing at all at both periods. However, more render something in 1913 than at the earlier date. In 1909 about 50 per cent list property up to \$800, while in 1913, 40 per cent render to this amount. In amounts above \$800, there were in 1909, 30 per cent of all, and in 1913, 43 per cent. The groups receiving the largest number of accessions were those from \$800 to \$1,600. Here again is illustrated the importance of capital.

Renditions (doubled in amount) made by 89 identical men in 1909 and 1913. "X" voting district, Ellis County:

Number having:	1909.	1913.
Nothing at both periods	5	5
Nothing at one period	13	9
\$ 1- 400	23	16
400- 800	21	20
800-1,200	14	21
1,200-1,600	5	13
1,600 and over	8	5

Tenants as Producers.

The most serious criticism which can be passed upon the tenant as a producer is this: he is an inefficient business man, and does not carefully organize his time so that his labor may be most economically applied. In planning, in organizing, in anticipating the needs and demands even of the immediate future, he is very weak indeed. In making his capital outlay, he too often shows an extravagance far beyond the needs of his business. For instance, in equipping a one-team farm, one man is known to have gone in debt approximately \$1,200 for mules, machines, tools, etc. One-half of this sum, and less, would have been quite sufficient. Another man with five children within the working period was a "share cropper." He was absolutely without capital. He, of course, could have more than doubled his earnings by being able to equip a two-team farm. Thus there is little careful attention given to combining land, labor and capital in the most advantageous way.

Moreover, there is the most wasteful use of machinery. Doubtless in this county, nine-tenths of all the machinery is standing out in the weather, to which fact may be attributed fully one-half its depreciation. Farmers excuse themselves by saying the landlord will not provide shelters for machinery. It is an open question where the blame lies.

But most of the tenants are hard workers. They do not spare themselves when it comes to long hours and heavy manual work. Neither do they spare their wives nor their children.

In a group of twenty-five tenant families there were 148 living children, an average of six for each family. The younger

families were still incomplete. Three had families of ten living children and the smallest family consisted of two, their father being thirty-seven. At thirty-two one father had eight children living. This gives us some notion of the high birth rate. The relation of the size of the family to the tenant problem is a very intimate one. For it is quite universally the opinion that landlords prefer large families on their farms. As one tenant said, the first question asked by a landlord of a prospective tenant is, "What is your force?" The idea is that the larger the family the more promptly the crops will be cared for. One landlord modified this idea with the proviso that he preferred large families on his land, "if it was a well disciplined family." The pecuniary importance of a large family is shown in the following illustrations:

Tenant "R" has 3 children; oldest 6 years; rents a farm of 120 acres; in 1913, produced 43 bales of cotton, for which he received 12c per lb. After paying rent and a labor bill of \$789, he had left as the result of his year's work \$904.

Tenant "S" has 10 children, between years of 5 and 28. He had in 150 acres of cotton, produced 68 bales, which he sold for 12c per lb. After paying his rent and a labor bill of \$150, and also a bonus of \$150 for a house, he had left at the end of the year more than \$2,500.

Of these twenty-five tenant families, the average age of the father was 44, the oldest being 68 years, while 3 were 60; 4 were in their fifties, and all the rest below. They had been tenants on an average of 18 years, the shortest period being 9 years and the longest 35. These men had occupied 113 different farms, which gives an average of 4.8 years on each. However, the greatest extremes appear as to frequency of moving. Three men had never moved, and they had been on their farms 12, 17, and 25 years, respectively. Five had moved twice; one ten times in 25 years, and one 9 times in 13 years, and he plans to move again next year. "Share croppers" move more frequently than the one-third or one-fourth renters.

As to length of years on the present farm, the average for all was 7.7 years. Here, too, great variations appear. One had lived on present farm 25 years, another 17, and another

15; 9 for less than 5 years, and 16 of them had lived on their present farms less than 10 years; the other 8 had lived on their farms more than 10 years. It is needless to say that the more successful farmers early become adjusted to a farm and remain there. The poorer farmers move most frequently and have made but slight accumulations.

The reasons given for moving to the present farm are significant. Among the principal causes mentioned are: "to get a better house"; "to get more land"; "to get better water"; "to avoid an increase of rent"; "to get nearer the pike"; "to change from share cropper to one-third and one-fourth"; "to get nearer schools"; "farm sold."

Of the 25 tenants one-fourth of them had bought land some time. Much of it had been sold, some at a profit, some at a loss. One man said that he owned land because of the labor of his children. Most of them hoped some time to become land owners. Two men had small houses in town; one had interest-bearing notes to the amount of \$1,840; two held stock in cotton gins, and two more had lost snug little fortunes by speculation. The oldest men, who have not already acquired property, have abandoned hope.

Some Types of Landlords.

On the plantation just referred to, tenancy is practically at its best. The present owner bought the land when it was cheap. He is interested in building up a permanent, well-ordered estate. He is rightly seeking to retain the fertility of the soil through efficient and permanent tenants. To secure these, he offers a generous lease and provides excellent standardized improvements,—good comfortable houses and commodious barns. He does not try to restrain his tenants from voting for good roads and better schools. Moreover, though a non-resident, he makes it a point to meet all his tenants every summer at a community picnic, and then to visit among them for a week or more, eating at their tables and sleeping in their houses. Naturally, he has the pick of tenant farmers and the "waiting list" is a long one. He is neither paternalistic nor philanthropic. He holds his tenants to a strict accounting. He gives

them encouragement and a square deal and expects them "to make good." Under these conditions, few fail to make a good showing for themselves and for him. To all external appearances the plantation is comparable to a community of home-owning farmers. He is a type of the right-minded, far-seeing landlord.

Within four miles of the outer boundary of this plantation, is another representing conditions at nearly their worst. The landlord, a non-resident, consulting only his immediate interests, drives the hardest bargain in his power. His "waiting list" is made up of the most ignorant and wretched tenants. He rents only on the halves. The teams and tools which he provides, have long since seen their best days. The two and three-room, unpapered and unpainted box houses are scarcely habitable. The barns are equally poor. The farms are inaccessible in bad weather, the roads and creeks being impassable. With poor machinery and poor mules, the land is in a bad state of cultivation. The turnrows are unkept, and Johnson grass is a constant menace. No tenant lives here longer than he can help, and he is always on the lookout for a better place. This continuous procession of tenants to and from the land hastens the general ruin and decay. And why not this continuous procession, since, as the tenants say, they are barely able "to make buckler and chain meet." This landlord, short-sighted, narrow-minded, with no conception of just human relationships, with no feeling of his responsibility in connection with the ownership of land, follows a policy destructive even of his own permanent interests.

Between these two landlords there is another class made up of all "sorts and conditions of men." They are not utterly without the milk of human kindness. They are interested both in their lands and in their tenants. If they drive a hard bargain, it is rather because they themselves feel the driving force of economic necessity. At least 50 per cent of the lands in this county are unpaid for. They have, in the last few years, been rapidly changing hands, not on a productive but a more or less speculative basis of valuation. Thus these landlords are heavily in debt. Each year they must meet heavy interest

charges and payments, and to do so they must get the utmost out of their lands. The bonus system, in all forms, offers an easy means of increasing revenues.

By way of illustration, Figure XXXI shows in diagram form

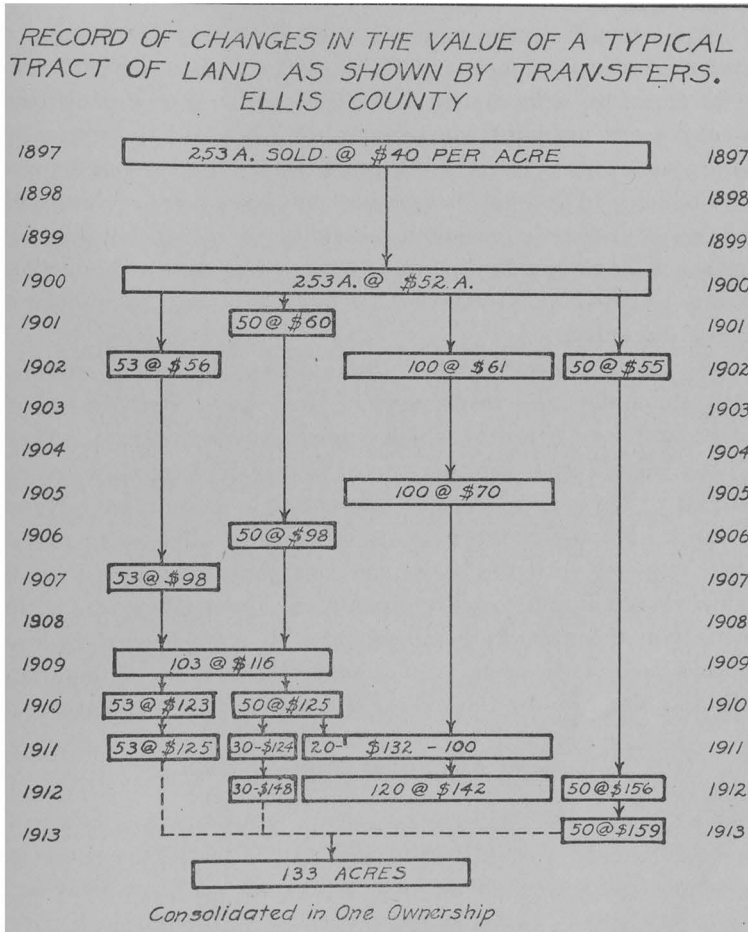


Figure XXXI

the transfers through which a certain tract of land has passed in seventeen years. There have been twenty-one titles on the land, either in whole or in part, in this time. Every transfer records an increase in the price per acre, beginning with \$40

and closing with \$159: an increase of \$119 per acre or almost 300 per cent in seventeen years. As shown by the last transfer there is a tendency toward consolidation in this case as was discussed in connection with Figures VII and VIII in Chapter I.

Again, twenty years ago a landlord owning 1,000 acres of land was estimated to be worth \$25,000. Today with the same 1,000 acres, he is known as a \$100,000 man. But during these twenty years his land has perceptibly weakened in productive power, and this is scarcely compensated by the increased prices of products. Thus his income has not grown with his wealth, and he is under the economic necessity to increase his income so that he and his family may live as becomes a man whose wealth is listed at \$100,000. To him, also, the bonus system makes its appeal.

Still another group, with all sincerity, but with unsound logic, claim for their investment in land the current rate of interest, and levy a rental which approximates this rate. There is little justification for this; for it is evident that they are not entitled to the current rate of interest on a speculative advance in lands. Moreover, the absolute security of land as an investment, together with the social considerations attaching to ownership should induce a willingness to accept a lower rate of income, than the prevailing interest rate in more hazardous lines of investment. So in spite of a generous interest in their tenants and their lands, they press for an increase of rentals.

Causes of Discontent Among Tenants.

The foregoing is intended to rest upon ascertained facts. It may not be entirely fruitless, however, to set forth some of the common expressions of opinion found in this county. One prominent banker and real estate man said that 85 per cent of all the land owners in the county were once themselves tenants. This opinion was supported by many others. Another man, an owner of 1,000 acres of black land, made this statement: "Nine-tenths of the tenants never get out of tenantry"; while another said, "Most renters have been renters years and years and make no effort to become anything else than ten-

ants." Another expression from a prominent land owner runs thus: "Many tenants are coming to think that all they will ever get out of life is a living, and a little more." A tenant, in the prime of life, said, "All I expect out of life is just a living, and it is my opinion that 75 per cent of us just get by." These widely differing expressions represent the two extremes, and both are pretty largely true. The real estate dealer was evidently referring to a condition which has prevailed in the past; the others voiced the current opinion as to the present situation. In these very facts is found the basis for the present unrest among tenant farmers. The present generation of tenants look upon their lot as less fortunate than the generation which preceded them, and they naturally raise the question, Why should this be?

As supporting their contention they assert the following reasons: (1) That the old rent standards of one-third of the grain and one-fourth of the cotton have in part disappeared, and threaten to disappear entirely in the near future. Tenants a generation ago, they say, were able to acquire property because the rent paid was a reasonable rent, fair alike to both parties. They invariably speak of this rent as *customary rent* and sometimes they designate it the *natural rent*. But what is taking place, they ask. More and more one-third of the cotton is being demanded, and this, they assert, makes it impossible to acquire property as in the old days. Where the one-third is not required, the landlords often levy all sorts of bonuses in addition to the one-fourth. Sometimes the tenant is required to pay a certain proportion of the taxes on the land; again, certain cash sums are given; or, rent for the use of a house is paid; and occasionally the tenant is required to purchase of the landowner mules, horses, and machinery at a price beyond their real value if he wishes to obtain a farm. One tenant said, "Of course, we will go to a one-third basis, and by and by to a bonus on top of that."

(2) Again, it is asserted that even the best soils have deteriorated through continuous cropping in cotton. To get the same yield of cotton per acre as formerly more capital must be used. This means more labor, which is more highly paid

than formerly, more machinery and more work animals. But with all this added expense it is scarcely possible to produce as much cotton per acre as 20 or 30 years ago. Who, asks the tenant, bears this burden of soil deterioration? The tenants assert that they do, and assign this as one important reason why they are less prosperous than their predecessors. They feel that since the one-crop system has been forced upon them by the landowner, he, and not they, should suffer the penalty.

(3) An inevitable result of the harder economic pressure upon present day farmers is to force them to remain longer in the lowest grades of tenancy. That is to say, those who cannot provide the necessary capital for a two-team farm must content themselves with a one-team farm, and those who cannot support even a one-team farm must remain among the "share croppers." The stages of progress upward through the various grades are much slower than formerly with the consequence that fewer tenants ever reach the grade of highest opportunity. On the other hand, the landowners are more inclined now, especially if they live near their lands, to rent only on the halves, since by so doing they not only retain a more rigid control over their lands, but also secure for themselves all the great advantages arising from the use of capital. These two conditions, the increasing need for more capital which the tenant has difficulty in getting, and the advantage to the landowner in furnishing the capital, results in swelling the numbers in that group of tenants who have the least chance of ever acquiring property. This serves also to explain why tenants today are less prosperous than formerly.

(4) Furthermore, the tenants of the present suffer not only the severer economic pressure just noted, but also they are made to encounter new competitive groups, such as the negro and the Mexican. Many landowners, it is claimed, will lease to these classes, since with them they can drive a harder bargain than with the native whites. The increase of the negro, and the recent, but permanent, appearance of the Mexican is the cause of no small amount of resentment on the part of the tenant farmer.

(5) Finally, as a culmination of all is the asserted tendency,

slight, yet distinct, to discriminate socially between landowner and tenant. Some landowners deny the existence of any such discrimination, saying "Our sons and daughters will doubtless marry into tenant families, and for this reason we can hardly afford to draw lines of social distinction." Others frankly admit, but lament the fact, while others accept it as a matter of course. If there is, in fact, such a cleavage, it portends two undesirable results: (a) It will permanently drive from the tenant classes those who are the most aggressive and ambitious, and this would be a most serious matter. (b) Those who remain as tenants, being less resourceful, will more and more find it impossible ever to rise out of that status, since they will no longer be aided through the leadership of the most ambitious.

Such are the more significant causes of discontent among these tenant farmers. That there is discontent, all admit, even the most ignorant and conservative landowner. It is always deplored, but sometimes justified, even by landowners themselves. It is found most apparent among the more ambitious and progressive farmers, and is especially prevalent among farmers between 30 and 40 years of age. This is perfectly natural and is easily explained. This is the period in the young farmer's life when his brood of children are so young as to be of little service to him, but their expense is a heavy burden. It is the period when the farmer's load is heaviest, and to the weight of this burden is being added, either the landowner's actual pressure for higher rents, or the fear that such an increase will be shortly demanded. These two considerations lead even the most thoughtful and enterprising men to question their ability ever to rise out of tenancy to ownership, which is the goal of their ambition. The ignorant, indigent, thriftless, and unambitious are never troubled by such considerations. To get land they will readily make any kind of a contract with a landowner, and then trust to their luck in "skinning" both land and landlord, and this they very frequently succeed in doing.

"These conditions," said a careful observer, "have not made socialists, but they constitute an excellent seed-bed for socialism." And yet, among the tenant farmers in certain parts of

the county, it is true that there are socialists. Their number is not large, nor is their growth spontaneous. They do, however, constitute a source from which a rapid growth in socialistic thought may be expected should the present economic pressure continue, and this will develop to a certainty should this pressure be increased. It is true these men are not socialists in any strict sense of the word. They have no objection to private property in land. They desire only a reasonable opportunity to obtain some of it for themselves. But their chances of success, due to the increased value of lands, and to an increase in the costs of production, including an increase of rents, are narrowing, and they are looking in the direction of socialism, not that they want socialism, but rather because they want land brought under a system of tenure which shall be both equitable and standardized.

Constructive Suggestions.

It must be apparent to everyone who studies this question of tenantry that there are, at the present time, no accepted standards, and this very fact alone is the cause of much discontent. This lack of any standard is shown:

(1) In the rent payments. These in every case result from higgling between the landlord and his tenant. That they are of unequal bargaining strength goes without saying.

(2) Again, there exists absolutely no standards as to improvements on the land. This applies equally to the house, to the barns, and to the water supply.

(3) Finally, the cotton patch has, in varying degrees of course, encroached upon the pasture to such an extent that scarcely enough is left of it to support even a cow. In a similar way the orchards and the garden lots are diminishing.

As a possible means of arriving at some standardization of tenant farming two suggestions are made. This assumes, of course, that many farms will continue for some time to be cultivated by tenants.

(1) That the state establish an Agricultural Commission, charged with two duties:

(a) To make a careful investigation into all the facts relative to tenancy. This is important since at the pres-

ent time we have very little exact information on this subject.

(b) The second duty should be to establish a set of general standards in reference to various factors in the rent contract. For instance, it should be able to give some notion as to what a just rent is; it could determine how large a part the location of land should play in the rent paid; it might well name the minimum standards for improvement; and, finally, it could determine what sort of an income a tenant family should have in order to live on a decent standard of living. On all these questions we have nothing except individual opinion to give us guidance. Along these two lines a competent commission should be able to render an excellent service to the state.

(2) The second suggestion would provide a system of legalized collective bargaining through a joint conference. This plan of securing industrial peace has worked very successfully in some of the most complex industries—industries certainly as complex as is agriculture. In this case the area of bargaining would necessarily be the county. The principal parties to the collective bargain would be representatives of the resident landlords and representatives from the tenants. To these might well be added a certain number of farmers working their own lands, preferably men who have come up out of tenantry to ownership, and, more important still, a few agricultural experts representing the state. This group might be known as a Rent and Land Regulation Board. This board would create a Committee of Investigation in which also there should be represented all interests, and it should be composed of the ablest and fairest minded men in the community. It should be directed in its work by a specialist from the outside, possibly from the Agricultural Commission itself. This committee would proceed to study in detail the following questions: (a) The varying degrees of fertility of all rent lands in the county. (b) The location of the lands in reference to good roads, schools, towns, etc. (c) The improvements upon the land.

With this information in hand, these lands may be intelligently graded from the best to the poorest.

Upon this classification of lands the whole Board would act

and at the same time establish for each grade the rent it should bear. For resident landlords this would be declared the standard rent, and public sentiment would have much to do in making it the actual rent paid. Or, if thought wise, this rent might be made the legal rent. In any case it might well be the legal rent for all landlords living outside of the county. These rent schedules would, of course, be subject to frequent revisions.

Many other functions might fall within the jurisdiction of this Joint Board. It should encourage standardization of all the lower grade farms; it should teach the tenants how to properly use more capital, at the same time devising ways and means for securing it at a low interest rate; it should throw about the tenants themselves the utmost encouragement to become better farmers, and to eventually themselves become landlords.

It would be necessary, of course, that a general law be passed creating and legalizing the system. It might be made to apply only in those counties where tenancy is large, say 60 per cent or more, and then, if successful, to counties where tenancy is above 50 per cent, and so on.

The desirability of some such approach to this question would seem to be apparent to all who are familiar with Texas conditions.

(a) It takes account of all local differences in soil, in improvements, in location, and even differences in population.

(b) It aims, not at any arbitrary or artificial standards, but rather at those based upon actual facts, and upon a desire to render justice to all parties concerned.

(c) It introduces the element of co-operation where it has never been before, but where it must begin to work before the first step towards better conditions is taken.

(d) In standardizing rent farms, lands will be made more productive, and hence more valuable, because they shall be operated by farmers who have been given a little intelligent social encouragement.

(e) Above all, this plan aims to begin the process of up-building among the people who are to be benefited most by it, landlord and tenant alike.

CHAPTER VIII

PERSONAL EXPERIENCES OF TENANTS AND LAND-OWNERS WHO HAVE BEEN TENANTS

(a) TENANTS

In our study of tenant conditions, we have had personal interviews with a great number of men, and most of them have interesting stories to tell. It is not possible for us to give much on personal experiences. In what we do give we have thought it better to confine ourselves to a very small area. In this way we are more likely to get a true picture than to give only a very few cases from each of the many counties in which we have worked. In this chapter we deal with the personal experiences of about thirty men living in the same county. Comparing this data with the other data which we have gathered, we find that these men, in their experiences, are fairly typical of all the men we have interviewed. In this instance we have taken about as many tenants as landowners. A similar discussion for Ellis County was given in Chapter VII.

Here, we will first consider the personal experiences of more than a dozen tenants. The age varies from 30 to 68. The average age is about 43, and there are about as many above that age as below it.

The residence in the county varies from two years to sixty years. One man of the age of sixty has been in the county all his life. He has been renting farms for 35 years. Six men who have been in the county respectively, 10, 12, 20, 5, 18 and 25 years, have been renting for like periods of time. Thirteen men, including the six just named, have an average period of tenancy of over 14 years. The personal opinion of one person who is acquainted with this county is that this period would not be far wrong as an average for the entire county.

Since the period of tenancy is so long, it is interesting to note the number of farms that have been occupied by these men. The number varies from one to twelve. Only one man has lived continuously on the same farm since he came to the county. This

man has been in the county ten years and has rented always on the third and fourth. He cultivates forty acres and has absolute control of it as to kinds of crops, amount of livestock, etc. But he has never raised livestock for the market. The landlord does not live in the community. The renter has no grown children. He is a hard worker. He has done a credit business and has saved nothing. Across the road from this man lives another who has been in the locality for the same length of time, ten years. The facts of interest in his case are discussed under the heading of men who have bought land (see case number six). Five years ago this second man bought the place he was renting and made a \$500 payment. He has since paid \$700 more and is in a fair way to pay out. The two cases may be compared with profit. Little credit business, chopping cord wood, raising mule colts and yearlings for the market have won out.

To go back to our discussion of the number of farms occupied, we may say that the average number is nearly five. While the figures which we are now using are not large, it is interesting to note that the average period of tenancy is 14 years and the average number of farms nearly five. In other words, these men, more than a dozen in one county, move on an average of once every three years. The greatest number of farms occupied is 12. This man has lived in the county 25 years. His average is two years to the farm. One man, who is 68 years old and has lived in the county 25 years, and has been renting 20 years, lived on one farm 14 years and four other farms one year each. Fourteen years is the longest that any man has lived on one farm. The next longest is seven years and the third five years. One farm one year, occurs 15 times; four times in the case of one man, two times in the case of four different men and one man has moved every year for three years.

With regard to the kind of rent we can say that there was no case in which cash rent was paid, nor was there any case in which any bonus was paid. In over 38 per cent of the cases cited, the first kind of rent paid was the half-rent. This lasted for one year, and then the rent changed to the third and fourth. In every case the lease or rent contract covers one year only.

The size of farm cultivated varies from 40 to 200 acres, for the farms now occupied, the average size of nine farms being 91 acres.

The majority of these tenants do not hire any labor except to pick cotton. They have an average of five children each. Every tenant has one or more, and the greatest number is seven.

Only two of the men who own the land live on it with the tenant; one lives on a different farm; and the most of them live in town. In all cases except one the crops are not dictated by the landlord. In one case the tenant is not allowed to raise any cattle, but in all the others they are free to have a garden, hogs, and cattle. In the majority of cases there was pasture to be had.

There was not a single case in which hogs were raised for market. About as many do not raise their own feed as raise it. It may be well to call attention here to the fact that this is not a "black land" locality.

Only two or three men make any claim to diversification. One of these claims to diversify with wheat, corn, and cotton.

As is true in other places, most of these men use credit with the merchant. Only two claim to use the cash basis. Most of them have credit with the bank. All who use credit with the bank also use it with the merchant, and state that they use much credit. In two cases the men carry accounts in three different counties. They go to the bank and merchant in one county seat and go into debt as far as possible, then go to another county seat. Some accounts are two years old. One man owes about a thousand dollars now, charged in three different towns. He has not been able to pay up for two years. As may be supposed, this kind of credit dealing leads to abuses which finally puts the man into a dishonest position. To mortgage the same property over again is dangerous and not resorted to so frequently as is the practice of merely getting credit in one town without letting the merchant know of obligations in other towns.

In those cases where the most credit is used, there is the least amount of diversification. Little live stock is raised, even for home consumption. In the case of the man who owes the \$1,000, he has bought practically all the feed for his teams. In this

community, when the late disturbance of the war came, the merchants tried to go to a cash basis, but the tenants were so helpless that it could not be done. To have stopped credit for the purpose of meeting the cash wanted by the wholesale houses would have been to cut off the possibility of the tenants meeting their obligations in the future.

One banker of this community gives it as his opinion that 90 per cent of the renters do a credit business with the merchants or bankers or both. Twenty-five per cent do business with the bank alone. The average bank loan to the renter is \$100 for eight months.

The writer desires to call attention here to the fact, as has been said elsewhere, that the existence of a credit system is no sign of an unhealthy condition. All the commercial world borrows, and the nations of the world are in debt. But the disease comes with the terms of loans, with exorbitant interest rates, and with doubtful chances of payment.

One merchant of the community says that 75 per cent of the renters who are his customers buy all their meat. He sells feed stuffs and 90 per cent of the renters have bought feed in the past year. But this is due partly to the short feed crop and is above the average. The average annual grocery bill of the renter customer is \$150. He attributes their plight to "too free spending." As one renter put it, "I had a good credit and used it." The renter says he bought unnecessary implements and carriages.

There could be much said in detail concerning present conditions as to debt or savings. We have one case of a man who has lived on three farms in twelve years. He has done no credit business. He does not hire any labor, although he has no boys in the family and cultivates a relatively large farm. But he does have some girls almost grown to womanhood, and these have helped in the making of the crops. Among other work, they run the cultivators. He has saved \$2,000, and has some good mule teams and fine vehicles. When questioned as to why he had not bought land, the reply was that he expected to buy land cheaper than it could be bought in the locality where he

has been renting. He lives about ten miles from town and his spendings have been relatively light.

Some renters who have been able to save money and have money in the bank make the statement that they do not care to own a place. Such a man is one who is sixty years old and has been a renter in this same county for twenty years. In this time he has lived on eight farms. He has always rented on the third and fourth. At present there are six boys in the family large enough to work. He has had money in the bank for several years, and believes that he can do better renting than he could if he owned the land. He runs a 200-acre farm and has the best of implements and teams.

The two cases given above are the best examples and about the only ones of men who have been able to save anything in the locality under consideration. Most of the tenants here are in debt; some, as we have noted above, to the extent of \$1,000, running back for three years.

The man who owes \$1,000 has everything mortgaged. The rates of interest and terms of loans and mortgages are so varied that prevailing rates could not be given. All are high enough. In this locality the banks carry most of the chattel mortgages, as goods can be bought from the merchant without this. Here as elsewhere the chattel mortgage is most used. In some cases the landlord goes security. This sometimes puts the landlord in a position to lose. The following is an example: The lady who owns the farm went security for the renter to the extent of \$175 on a note held by the bank. The renter explained that his crops were not mortgaged, although his teams and other property were, and that he would pay the note of \$175 out of the first sales of his cotton. Later, needing more money, he went, without the knowledge of the landlady, into an adjoining county and mortgaged all his crops. As it turns out he cannot meet his note from sales of crops; even if he could, there is now a prior lien. When he sells a bale of cotton, he must go to the adjoining county and pay on the grocery bill. His other property was already mortgaged to the bank which holds the note for \$175. The landlady has nothing in the way of recourse except to take the word of the renter that he will pay some time

in the future. The bank has consented to carry the note over, but the interest has not stopped. The only hope is to keep this renter on the same farm and urge him to make enough next year to pay out. This means that he must make enough to pay the note with interest, the mortgage on machinery and other property with interest, and the running expenses for next year.

Another landlord in the same community went on his renter's note last year and still owes on it. He attributes this fact to laziness on the part of the renter. In addition to the note he now "stands good" for the grocery bill. It is evident in a case like this that the renter holds the lever, and while some owners, as for example the lady above noted, would be glad to get rid of their renters, they must retain them until they have regained the amounts due for going security.

It is always interesting to ask renters concerning the rate of interest paid, because the rate varies so widely. There are several ways in which the rate is apparently made to stay within the legal limits, but in reality it gets above such rate. The rate in the cases now under discussion varies from 10 per cent to 25 per cent. One man pays 10 per cent for seven months and another pays 10 per cent for eight months. The man who is least in debt or who is in the most favorable condition for borrowing pays the least interest. As debts are contracted, the kind of security becomes less and less desirable, and the bank must protect itself for the risk incurred. In this community, as in many places, the interest is taken out of the face of the note in advance, and is not stated in figures. One man borrowed \$50, and it was discounted \$6.50 for eight months. In this case a horse and two cows were taken as security. When a man asks for \$50 for eight months and is given \$43.50 in exchange for a note of \$50 due in eight months, his rate of interest is a shade less than 15 per cent. This loan was not for a productive purpose, and the man was already deeply in debt, most of his property being already mortgaged. While it is true that the banker and merchant lose a great deal of money in this kind of business, it should be noted that the system is wrong. An interest rate such as we have above noted is the means of keeping out methods of diversification and more extensive production.

Nothing said in this discussion is for the purpose of arousing any criticism against one class in the industrial world. Nor do we wish to have one class set itself over against another; but in condemning the system of rural credit as we now have it, it is necessary to state the facts as we find them, and that means to state some unpleasant truths.

There is an understanding between some landlords and the tenants whom they wish to keep. Said tenants having proven themselves good farmers the landlord will not allow them to go into debt nor to buy goods on credit, least of all to put a chattel mortgage upon any of their property. It should be noted, that in this county money is not as cheap as it is in other counties. Even first-class vendor lien notes draw 10 per cent interest.

In the county under consideration the tenants do not cultivate large farms. Neither do they make the best use of their time, which may be said of most people, urban as well as rural. But there is food for thought in the statement that a renter with a loft full of peas that need to be threshed out, does nothing because it rains for several days in succession. Excuses can be easily given, as, for example, the renter who grows 95 acres of cotton and no corn and says that even if he did grow corn he has no crib to keep it in. Neither has he a shed for his mules. However, this year he has not made enough to pay his debts.

At this time there are a number of renters in this community who are forced to move and have no place to go. The reasons for moving are the cutting down of the cotton acreage and the taking over of the place by the landlord, who says he can handle the land himself by putting in feed crops. The reduction of the number of rent places, means that some of the tenants will either have to go to another county or hire themselves out as day laborers.

A certain man cites four cases in one community of an adjoining county where the landlord will not allow renters to raise feed. The landlord himself lives on the farm and raises his own feed. In these four cases the rental contracts are for strictly one year and one crop—cotton. In such cases there is sometimes a change in the rents from the third and fourth back to the half rent.

(b) LANDOWNERS WHO HAVE BEEN TENANTS.

On the opposite page will be found a table setting forth certain pertinent facts gathered from sixteen landowners who were once tenants. The amount of information of this kind would be limited only by the number of cases existing in the state. We have gathered considerable data, but it serves our purpose at this time to discuss in a brief way only these sixteen cases, all from the same county. While we might give as many more from different counties, we believe that the cases here set forth will give in a concise way a view of the problems which must be solved in the change from tenant to landowner.

The man in the first case raised both cattle and hogs while a renter, and nearly always he had a few to sell. Sometimes he used his livestock as chattels to secure credit. His personal opinion is that too many tenants depend almost entirely upon the merchant for their living, and as they raise so little at home, their living is quite expensive. His observation is that renters and landlords do not get together often enough to discuss questions of mutual interest. One result is that the tenants take little interest in the farms upon which they live. In his community a lack of both honesty and industry has caused considerable moving from farm to farm. At moving time many tenants dispose of their stock, and in this way they are prevented from accumulating any considerable amount of property in this form. On the other hand, there are some landlords who do not like for the renters to have livestock, as it creates additional expense and trouble.

In the second case, the accumulation of property is attributed to trading in mules and other livestock. During the second year as a renter, which was the first on the third and fourth basis, this man cleared \$750. The next year this was raised to \$1,000. Books were kept and all expenses itemized. The year that the \$1,000 was made, 33 bales of cotton were produced with an expenditure of only \$20 for hired labor. The cotton was sold for 10 cents a pound. There has been little money borrowed from the bank, and the man says he has never given a mortgage in his life. A few yearlings have been sold each year and all meat supplies have been raised. At the time the place was

Landowners Who Have Been Tenants

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Average
Number used in text.....	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Age	35	43	40	50	40	40	46	55	25	40	53	40	35	38	50	41	42+
Children	4	2	2	—	0	2	5	3	0	3	—	5	3	8	4	9	3+
Years in County.....	35	43	8	20	10	10	10	—	25	—	3	40	—	—	20	10	20-
Years a tenant.....	3	7	3	2	5	5	11	4	5	12	1	2	8	12	6	3	5.6-
Farms occupied as a tenant.....	3	2	1	2	1	2	4	3	1	2	1	2	1	3	2	1	2-
Years on each farm.....	1	4,3	3	1	5	1,4	—	1,1,2	5	6	1	1	8	—	3	3	2.8
Date of purchase.....	1909	1906	1909	1899	1899	1910	1912	1905	1912	1910	1912	1907	1914	1912	1900	1905	—
Size of farm.....	80	112	200	1500	100	75	50	70	150	160	66	80	200	152	160	125	119.
Price per acre.....	\$ 20	30	25	—	30	24	40	25	20	30	38	10	6	24	18	15.5	23.70
First payment.....	\$ 600	1,400	500	—	1,500	500	1,000	400	500	—	300	800	250	150	600	200	621.43
Subsequent payments.....	\$ 700	850	All	All	All	700	All	1,150	0	All	0	0	0	0	All	All	—
Amount now due.....	\$ 300	1,110	0	0	0	600	0	200	2,500	0	2,200	0	950	3,498	0	0	—
Present value per acre.....	\$ 35	55	—	—	40	45	55	40	30	35	50	35	—	—	45	50	43.
Interest on land notes.....	10%	10%	—	—	—	—	9%	—	10%	10%	10%	10%	—	—	—	10%	—
Other acreage purchased.....	0	0	0	0	0	0	47.5	0	0	0	0	100	—	—	—	0	—
Livestock raised	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	—	Yes	Yes	Yes	Yes	Yes	Yes	—
Kind of rent paid.....	¾	(1)*	(1)	(1)	(1)	(1)	¾	—	¾	¾	(1)	(1)	¾	¾	(1)	(1)	—

*In cases marked (1) the half rent was paid in some years and the third and fourth rent in the others.

purchased, \$2,000 could have been paid down, but \$600 was kept in reserve for the purpose of making improvements. During the past four or five years there has been nothing paid on the purchase because of the low price of cotton this year and short crops, due to dry weather, the other years. However, a good living has been made each year, and the interest payments have been kept up on the amount yet due on the farm. No serious misfortune has ever occurred. His policy has been to raise as much of the living as possible at home. His personal opinion is that if he had taken the \$2,000, which he originally had, and continued to trade in livestock that he would have made more money than he has from the farm. He thinks that he could have leased pasture at a greater profit. His comment is that now he has his money tied up where he can do nothing else than go to the bank for credit and keep up his large rate of interest.

In case number three, where the man has been in the county eight years, the personal testimony is that when he first came to the county he cleared land for 75 cents a day. As he says, he always works six days in the week "and from sun to sun, too." There are no boys in the family. Many different kinds of crops have been grown, and a policy of diversification is followed. There have been no serious family misfortunes.

Livestock raised for the market is given credit for the accumulation of money with which to buy a place in the fourth case the same as in the second case. The man in case number four came to the county twenty years ago. He rented the first year as a share-cropper. The second year he bought a team, and rented on the third and fourth. Two years later he bought a place, and he now owns 1,500 acres.

In the fifth case, also, money was made by trading in cattle and mules. The most of the money put into the farm was obtained in this way. While he was a renter, this man had access to plenty of good pasture for his stock.

The first year the man in case six was in the county, he chopped cord wood for a living. That year he lived in a tent. The next year he rented as a share-cropper. The next year he went to a better place and began renting on the third and fourth rents. He rented in this way until he bought his place. He has done little credit business until this year, and has been very

careful in handling his money. He diversifies by supplementing cotton with peanuts, corn, and other crops. He has a reputation in the community as a very hard worker. No family misfortunes have occurred.

The man in case seven has raised his own feed all of the time except one year, and that year was the only year during which he did not clear some profit. He never borrowed any money until he bought his place. He never gave a mortgage to a merchant. He believes that he has been able to make money because he diversified and received relatively high prices for his products. As a tenant he had two good teams and plenty of tools, but he lived in a very poor box house. He lived on one place in Dallas County six years. The average size of the farm that he rented was 80 acres. Books were kept while he was a renter on one farm for six years, and he knows that he paid \$2,100 rent. He left this place because another man offered the woman who owned it a cash rent. The woman had not asked for this kind of rent, and the man who made the offer and took the place was not able to meet his promise, and she had to change the rent back to the third and fourth basis.

Case number eight is that of a widow. The husband has been dead for about twenty years. This woman moved almost every year because she thought she was getting a better place each time. While renting, she raised her own meat supplies and feed stuffs. She always kept three cows, and raised and sold the calves. The size of the places which she rented varied from fifty to sixty acres. As the table shows, she has been able, both while renting and since she purchased land, to save not only enough to meet her interest payments, but to apply more than \$100 a year toward the purchase of a home. As the children have grown up, the burdens of labor have grown constantly less.

In case nine the man was single while he was a renter. He has recently bought the farm which he had been renting for five years. He paid a third and fourth as rent, and this amounted to \$400 to \$600 each year. He had no money when he first started to rent land. The first year he borrowed from the landlord money with which to buy his teams and tools. Part of the time while renting he did all the housework for himself and two hired men. He raised his own meat supplies, but sold none. As

a rule, he bought half the feed for his teams. After he had paid his first payment of \$500 on his place, he still owned four good mules, five head of Jerseys, and five head of hogs. The man from whom he rented lived in town, but had given his permission that anything might be planted and any kind of stock might be raised. The first and second years of his tenancy period this man borrowed for running expenses \$300 each year at 10 per cent.

There is little to be mentioned concerning case ten where the farm has been all paid for, except that this man makes it a rule never to buy on credit. Most of the living has been raised at home. The three children are all small, but there has been little paid out for farm help.

The man in case eleven has really been a tenant three years, but the first place he rented was in East Texas. On that farm he accumulated considerable property and invested \$1,000 in cattle. The cattle were driven to another state to obtain free pasture, but disease took the most of them. He then went to New Mexico and stayed there about three years. He returned to the county that he is now located in with \$50 in money. He rented one year and then bought his place. Since his return from New Mexico he has raised his own meat supplies and has sold a few cattle each year. He has borrowed no money from the bank and has given only one mortgage. The mortgage was for \$50 for grocery supplies. He has worked very hard at different kinds of work, and his children (we do not have the exact number) have all worked. In this case there have been serious family misfortunes. The mother has been temporarily taken away from the family.

In the twelfth case the farm was paid for in one payment. While a renter, in as much as he depended entirely upon cotton, this man bought his feed. He bought on credit from the grocery, but never mortgaged anything. The first place was rented as a share-cropper, and he found himself at the close of the year \$60 in debt. The most money has been made by buying and selling livestock. Since purchasing this place, he has also bought another one of 100 acres. The price paid in the second case was \$11 an acre, and a part of this is paid out. The largest gain in

any one year has been \$500, and this was made in livestock. Since the man bought his place, he has kept two hired men.

There are eight children in case fourteen, but as the oldest is only fifteen, there has been slight assistance from the family. The place has 152 acres in it, but only 60 acres are in cultivation. This year nothing can be paid on the principal of the purchase price, but the interest payment will be taken care of. There is no livestock on the farm at the present time except two good teams. All feed is raised on the farm.

The man in case fifteen had trouble in finding a place for the first three years that he rented, and during that time he furnished his own teams and tools and farmed on the half and half. The boys of the family are now grown and have left home, but when he was renting the boys were from ten to eighteen years of age, and no hired labor was ever employed.

Number sixteen rented seven years in Georgia and then came to Texas and rented three years. The oldest child is a young man of nineteen, and the youngest an infant daughter. The information which we give deals with the experiences in Texas and not Georgia. The land, which was purchased at \$15.50 per acre, is estimated to be worth not less than \$50 per acre at the present time. It was all paid for three years ago, and the land notes bore 10 per cent interest. The owner does not think that he could become a landowner now so easily, as land is higher and money not so easy to get. Now he raises a great many hogs, but while a renter he was allowed no livestock. Little credit is used because it is the belief of the family that renters buy too many things which they do not need, and buy most of them on mortgage contracts. The first year this man was a renter he made a gross income of \$960 on cotton and raised three or four hundred bushels of corn. That year he farmed on the halves. The second and third years, while living on the same place and renting on the third and fourth, he had 70 acres in cotton and 11 acres in corn. He bought no feed while a renter. He says that he has saved no money because of the low price of cotton, and he pays a high rate of interest. One loan from the bank indicates that he pays for \$135 as much as 15 per cent interest. Nothing has ever been mortgaged. Six years were given in which to pay for the place, and it took seven. The large family of

boys has made it unnecessary to hire any labor at any time. While a renter he raised only enough hogs to furnish his meat. He started with two heifers and raised 16 cows. He also started with one sow and now sells about 35 hogs a year. From one cow he sold \$300 worth of of cattle increase, and he now has 8 head. The family depends upon the merchant for only sugar, flour, and coffee. Only \$50 worth of feed for stock has been purchased in 13 years, and that was all bought last year. As much as \$250 worth of corn has been sold in one year. The crop proportion is about 30 acres of corn to 40 to 60 acres of cotton. The family has had much misfortune, and the doctor bills have averaged about \$100 a year.

The foregoing paragraphs concerning personal experiences may be supplemented with the following comments upon the figures given in the table.

The longest period of tenancy is twelve years, and the average for the sixteen cases is slightly less than six years. These periods of tenancy may be grouped in the following manner:

One	man	rented	1	year	before	buying.
Two	men	rented	2	years	before	buying.
Three	men	rented	3	years	before	buying.
One	man	rented	4	years	before	buying.
Three	men	rented	5	years	before	buying.
One	man	rented	6	years	before	buying.
One	man	rented	7	years	before	buying.
One	man	rented	8	years	before	buying.
One	man	rented	11	years	before	buying.
Two	men	rented	12	years	before	buying.

The average number of farms occupied by these sixteen men while renters was two. One man who rented eleven years lived on four different farms. Six men lived on just one farm for the entire time that they were renting. The average number of years on a farm was 2.8. The longest time for any man to live on one farm was eight years. The average age of these sixteen men is now over forty-two years. The youngest is twenty-five, and four are fifty or over. The average period of residence in the county in twelve cases is less than twenty years. Four of the men have lived in the same county all of their lives, and only two of them have been living in the county less than

ten years. The average number of children in fourteen families is over three. The following statement shows by years when the different farms were purchased:

In 1899 2 farms.	In 1909 2 farms.
In 1900 1 farm.	In 1910 2 farms.
In 1905 2 farms.	In 1912 4 farms.
In 1906 1 farm.	In 1914 1 farm.
In 1907 1 farm.	

Seven of the farms purchased were of not more than one hundred acres in size, and eight of them were of not more than two hundred acres. There is one extreme case of fifteen hundred acres.

The average price per acre in fifteen cases was \$23.70. The highest price, which was paid in one case only, was \$40.00. At the present time the average estimated value of the land per acre in twelve cases is nearly \$43.00. The average first payment in fourteen cases was \$621.43, or slightly over 22 per cent of the average purchase price. The smallest amount of the total purchase price paid in the first payment was about 4 per cent. Another man who paid only \$500 on \$5,000.00 in 1909 has since paid all of the balance. The largest per cent paid on the total purchase price was \$800.00 on 80 acres at \$10.00 per acre. Eight men have their farms all paid for. Four of them have not been able to pay anything since the first payment. Four of them have since paid a total of \$3,400.00 on their land. These last eight men still owe \$11,358.00, or an average of \$1,420.00 each. This means an average indebtedness of \$12.55 per acre. It may be noted from the table that case fourteen brings this average indebtedness up, because of a small original payment and no subsequent payments. Two of the men who have paid out have since bought more land, in one case 47.5 acres and in the other 100 acres.

In only one case is the rate of interest on land notes less than 10 per cent. Only three men say that they have ever used credit to any extent, either with the banker or the merchant. In more than 50 per cent of the cases the rent has at some time been on the share (one-half) basis. But all were changed to the third and fourth after the first year or two.

In fourteen out of fifteen cases, live stock was raised for both home use and the market.

One man who says that he raises cotton only, bought 150 acres in 1912, making a first payment of \$500.00. All of his land is in cultivation and he has had for each of three years about 140 acres in cotton. His rate of interest is 10 per cent, and he has made no other payment.

Below we give a table comparing the data gathered concerning these sixteen landowners with the fourteen renters who were discussed in the first part of the chapter. One group is still tenants, while the other group is making an effort to become permanent land-holders.

Average.	Owners.	Renters.
Age.....	42	43
Years in county.....	20	19
Children per family..	3	5
Years a tenant.....	5.6	14
Farms occupied.....	2	5
Years on each farm..	2.8	2.8
Live stock raised....	93 per cent yes.	100 per cent no.
Diversification.....	80 per cent yes.	75 per cent no.
Kind of credit.....	20 per cent with merchant and bank.	82 per cent with merchant and bank.

CHAPTER IX

FARM TENANCY AND THE PUBLIC SCHOOLS

(E. V. WHITE.)

In the brief space allotted to this discussion, an endeavor is made to show the effect of farm tenancy upon the public schools in the light of facts well known to the most casual observer and also in the light of school statistics in this State. It is not intended, therefore, that the discussion shall embody a comprehensive study of all the conditions which affect the relation of non-ownership and public education.

The evils of farm tenancy are many, and it seems that the present time has received a generous inheritance of those that were attendant upon former ages. Nothing superior, no advantages, no contribution to human welfare, have resulted in Texas, either directly or indirectly, from the iniquitous effects of tenancy. Poor farm houses, social ills, religious apathy, class distinction, all accompany this undesirable system. In common with other institutions, the school has suffered and will continue to suffer in point of efficiency as a result. Farm tenancy, poor farming, squalid homes and inferior schools are mutual associates.

Distribution of Tenancy.

A study of the distribution of tenancy throughout the United States will show that those sections having a large percentage of farm tenants, with few exceptions, have also some of the most fertile soil and the best climate in the country. In Texas the more fertile the soil the higher the price of land, and the higher the price the harder the land is to get. A study of this question shows that the highest percentage of tenancy obtains in the counties where cotton is the principal product, and where the land is the highest in price. It is impossible to find a county whose chief agricultural product is cotton which does not have a high percentage of tenant farmers. So far as Texas is concerned, therefore, a discussion of the effect of tenancy upon the

public schools involves also a discussion of the economic effect of cotton raising.

Comparative Studies.

That the schools and the factors which contribute toward good schools are retarded in the sections where a high percentage of tenancy obtains is evident from the tables given below. Table I shows a few vitally important school statistics for the school year 1912-13 for counties of the State where the percentage of farm tenancy is comparatively low. Table II shows the same items for the same school year for counties where tenancy is high. In selecting the counties, an endeavor was made to select those that were typical of the sections which they represent. The counties were also distributed over the entire state. In other words, a consideration of all the counties would present approximately the same results as are presented in the few counties selected.

TABLE I.
Counties Having a Low Percentage of Farm Tenants.

Name of County	Per cent of farm tenants	School property per child	Average length of school term in days	Per cent of districts levying local taxes	Per cent of enrollment to scholas- tic enumeration	Per cent of aver. daily at. to scholas. enumeration
Hansford -----	16	\$ 32.00	122	100	89	63
Galveston -----	18	48.50	164	100	88	45
Garza -----	21	*582.00	132	86	†132	70
Gillespie -----	22	25.70	137	21	62	49
Jasper -----	23	15.80	135	95	†104	59
Harris -----	26	57.00	149	96	86	52
Lubbock -----	30	43.40	210	100	82	33
Hale -----	32	34.95	160	100	96	59
Marion -----	39	10.65	130	33	91	54
Brown -----	42	18.80	110	69	89	61
Mills -----	44	9.65	102	67	97	65
Van Zandt -----	46	10.90	102	72	87	54
Average for entire group -----		32.55	135	75	89	52

*Evidently due to a large county school fund.

†Evidently due to rapid settling of the country.

TABLE II.
Counties Having a High Percentage of Farm Tenants.

Name of County	Per cent of farm tenants	School property per child	Average length of school term in days	Per cent of districts levying local taxes	Per cent of enrollment to scholastic enumeration	Per cent of aver. daily at. to scholastic enumeration
Wharton -----	60	\$ 11.52	137	85	75	48
Fort Bend -----	61	8.82	144	76	75	48
Denton -----	61	17.90	111	78	83	47
Wilbarger -----	61	32.80	114	100	96	48
Dallas -----	61	19.28	126	15	86	50
Haskell -----	61	25.10	113	100	89	53
Bell -----	61	17.25	111	61	84	52
Hill -----	61	12.95	100	90	85	56
Frio -----	62	20.00	144	87	45	31
Grayson -----	63	20.93	130	75	89	41
Red River -----	63	8.85	109	59	73	48
Milam -----	64	11.05	115	51	82	47
McLennan -----	64	9.45	107	35	80	55
Lamar -----	66	9.32	107	51	86	52
Falls -----	66	10.73	115	54	73	56
Hunt -----	68	13.67	104	92	86	56
Ellis -----	69	13.71	114	65	76	44
Robertson -----	70	7.83	122	35	94	49
Average for entire group -----		13.76	117	64	81	47

Possibly some factors other than tenancy enter into the results indicated. It remains true, however, that the counties having a low percentage of farm tenancy have certain uniform conditions which vary from certain other uniform conditions in counties having a high percentage of tenancy. These conditions are observed in the following comparisons:

(1) School Property.—An examination of the tables conveys the information that a few counties in Table II have a larger property valuation per child than a few counties in Table I. This, however, is the exception. An equitable comparison upon this point would consider averages in the two groups. It is a significant fact that the average value of property per pupil

of the group of counties having a small per cent of tenancy is two and one-half times that of the group having a high per cent of tenancy.

(2) *Average Length of School Term.*—It is further noticed that the average length of school term in the counties having a low percentage of tenancy is 16 per cent, or 18 days more than for the average term in counties having a high percentage of tenancy. It will be observed that only three, or 25 per cent, of the counties in Table I fall below the constitutional requirement of a six months' school term, whereas twelve, or 66 2-3 per cent, of the counties in Table II fall below this constitutional requirement. The facts given indicate beyond doubt that short school terms and tenancy go hand in hand.

(3) *Districts Levying Local Taxes.*—One of the best evidences of a wholesome school sentiment is indicated' by what the people of the community do for themselves. Seventy-five per cent of the school districts in all the counties given in Table I levy a local tax, against 64 per cent of all the school districts in the counties of Table II. Again, the evidence is in favor of home-ownership.

(4) *Enrollment and Attendance.*—The tables further show that 89 per cent of the children in counties having a low percentage of farm tenants are enrolled in the schools, and only 81 per cent of the children in the counties having a high percentage of farm tenants are enrolled in the schools. The item with respect to average daily attendance is still more significant, being 52 per cent in Table I and 47 per cent in Table II. In other words, if the efficiency of a school may be judged by the percentage of average daily attendance of the pupils in the community, the counties having a low percentage of tenancy are 17 per cent more efficient than the counties having a high percentage of tenancy. Let us remember, also, in making this comparison that the counties included in Table I have a longer term by 18 days. These facts show that interest in school matters, both on the part of the parent and the pupil, bear an intimate relation to home-ownership.

How Tenancy Makes Poor Schools

(1) As previously stated, the high percentage of tenancy in

Texas follows the cotton belt. The raising of cotton calls for much work to be done by the children of school age in the spring and fall months. This means that the children are deprived of attending school during the time that the schools are generally in session and during the months best suited for school work. School records invariably show a low attendance in tenant communities.

(2) Our system of tenancy generally means industrial inefficiency. People become tenants because of poverty, and as a rule remain in poverty because of tenancy. It is an economic principle that a large earning per man is more to be desired than a large production per acre; but the small amount of land allotted by the landlord does not permit the observance of this economic principle. Furthermore, the landlord is often more interested in rentals than in the human element involved. All of this is necessarily reflected in the school life of the community.

(3) In Texas high percentage of tenancy has always meant a constant shifting of the population from one community to another, the effect of which decreases community pride and interest. This shifting of the population means also frequent changing of pupils from one school to another. Last year a teacher came into a county superintendent's office, and when asked how he was getting along, replied: "Well, I think we are doing a little better now, but I tell you our work has been anything but satisfactory for the past month. The trouble is, all my patrons are tenants and most of them moved Christmas. We were doing very nicely up till that time, but now I have only two children who were in school before the holidays. It has taken me a month to get properly acquainted with my new crowd." Such conditions also render it impossible to keep a system of records from year to year regarding the individual pupil, thereby making intimate acquaintance between the teacher and the pupil difficult, if not impossible.

(4) It is further obvious that local school taxes are not voted so readily in communities where a majority of the farmers are tenants, as in communities where a majority of them are homeowners. This is accounted for partly because community pride is at a discount in the former, and sometimes because of intimi-

dation on the part of the landlord. It is idle to expect a person whose citizenship is only temporary to have the same enthusiasm in community affairs as a person who expects to live permanently in the community.

(5) In contrast with the development of wholesome community sentiment, tenancy lends encouragement to the spirit of individuality in the citizen. It cultivates in him the habit of thinking in small units—small schools, small districts, and small ambitions. Invariably school districts are smaller in tenant sections than elsewhere. For example, one county in Texas has 93 districts with an average area of 3.2 square miles per district, while still another county in the cotton belt has an average area of less than 7 square miles per district. The traditions that cluster around the one-room school and the small district constitute one of the greatest barriers to school progress.

Conclusions.

(1) The tenant sections do not show as favorable educational conditions as other sections, whereas they should make a better showing since they are older and wealthier. In other words, home-ownership contributes to longer school terms, larger investments in school property, better financial provision for the schools, and increased school attendance.

(2) The raising of cotton tends to produce industrial and economic conditions which are unfavorable to good schools, whereas crop diversification has the opposite effect. The opponents of compulsory education argue that the production of cotton presents a peculiar economic situation which renders good attendance upon the schools impracticable; but the answer must be in all seriousness and candor, that any industry which takes the children from the schools imposes a cost too high to be profitable. It is doubtful if exclusive cotton raising and good schools can ever be made to exist in the same community.

(3) The fundamentally weak point in the country schools of Texas is that the training for industrial efficiency is sadly neglected. The course of study has little correlation with farm life, and, therefore, contributes little or nothing to the solution of farm problems. Since tenancy is in part the result of industrial inefficiency, it is obligatory upon the school to offer prac-

tical courses that will in turn make for an industrially efficient citizenship.

(4) Encouragement of home-ownership by appropriate legislation and by co-operative agencies would have the effect of uplifting and bettering the rural school.

(5) Since a high percentage of rural tenancy is already with us, with little prospect of immediate change, it behooves us to make the best of a situation that actually exists. Isolation, intimidation, inefficiency, all complements of the system of non-ownership, can best be offset by enlarging the school unit, either by the consolidation of several districts or by accepting the county as an administrative unit in educational matters. By so doing the poor districts of the county can be provided for as well as the wealthy districts and those which include railroad or other valuable property for assessment. Furthermore, conditions, as they now exist, demand that the country schools of the entire county have the support and advice of its best citizens. This can be done only through an enlargement of the school unit.

CHAPTER X

CONCLUSIONS

Since we believe that the increase of farm tenancy is not the result of any one cause, it follows that we believe also that there are several ways or agencies which may be used to retard the increase in the number of tenant farmers and to solve many of the perplexing problems which now confront us.

In the first place, we have made a beginning in compulsory education, and from this time on there should be a constructive program along educational lines. After a brief time it will be seen where our law is weak or where it could be modified to advantage, and this can easily be done. There are several things to be gained by taking the children out of farm work and placing them in the school houses where they belong. There will, no doubt, be a slight readjustment of the labor supply in doing a great deal of the farm work, especially the farm work in which children have been large factors. If there are those who would depend upon the labor of their children, compulsory education will protect such children, and it will be necessary to substitute adult labor for the work which they have done. Thus, we see that a great amount of our agricultural production will be lifted like a burden from the shoulders of the children. In the second place, compulsory education will make it possible for all rural children to gain the elements of an education, and from education must come the business management which will be necessary on the farms of the future. It is quite true that a lack of education has thrown many men into the renter class, and because of a lack of business ability, they are unable to so manage affairs as to become home-owners.

A piece of constructive work can be done by the establishment of rural agricultural high schools in which the right kind of farming will be taught, and courses may be given showing the reasons for farm tenancy in other States and countries. In this way the farmers of the future may be warned against the forces which have placed some of their fathers in the renter class. When men and women are trained for farm life, there will be less likelihood of competition from untrained people who enter farm life

simply because they are not prepared to do anything else. A little reflection on the relation between compulsory education and farm life will show how training is sure to raise the standard of living of rural people; and when the standard of living is raised, the time will have arrived when not even the smallest fraction of the people will put a premium on a renter who has a large family.

The State of Texas needs a system of registration of land titles and a revision of many things connected with our surveys and the transference of deeds. This will put into real estate affairs an element of surety which is needed.

The time is ripe for a careful scientific consideration of some kind of graduated land tax and of laws which will prevent certain types of speculation in real estate. We do not make a dogmatic assertion on this point, but conditions are such that we may well question how much land one man should own, and particularly so if that man is not making use of the major portion of his holdings, or resides in some section of the country removed from the location of the land.

Closely connected with the study of this kind of a tax should go an official investigation into the uses and abuses of our homestead law. We have pursued our studies far enough to convince us that much of the laudation of this law is unjustified. The homestead law does not protect in a way that a great many people seem to think. The general use of the vendor's lien notes has taken away much of the beauty which the homestead law is supposed to possess. If the general public will study the facts as we have stated them in some of our former work,¹ we are quite sure that they will see as much to be gained by a modification of the law as they have heretofore believed the law affords them.

In the past we may have greatly limited the amount of investment of capital in Texas by outsiders, through the attitude which we have adopted in our corporation laws. However, even if this is true, we can create our own capital and our own funds, which can be invested, if the right kind of constructive farming and industry be followed. There must be a certain

¹Bulletin 355, *Co-operation in Agriculture, Marketing and Rural Credit*, p. 82.

amount of capital for investment purposes before the interest rates in our state tend to become lower.

Diversified farming will do more than anything else to lower the interest rates which the Texas farmer must pay on both personal and real estate loans. Crop rotation and diversified farming are closely connected with the accumulation of personal property and working capital, and will result largely from the kind of schools and education suggested above. One of the most hopeful signs of the age is the campaign that has been launched by so many different agencies in an effort to break up our dependence upon one crop.

The chattel mortgage must go. It is an antiquated method of securing working capital and has remained with us because we were content to accept something through custom and imitation instead of using business sense. The chattel mortgage will go as soon as dependence upon one crop is abolished.

One of the greatest things in the new type of farming will be the growing of horses, mules, and cattle, which will compare favorably with the best types grown in other sections of the country. In our chapter on "Financing the Production of Livestock," we have suggested the co-operative method of developing this kind of work.

We believe that there should be established under State supervision, a Land Commission for the use of all landowners and farm laborers, the work of this commission to be similar to the labor exchanges established in some of our larger cities where every effort is made to keep the job and the man together and thus prevent as much unemployment as possible. A commission of this kind for the farmer would fill a large field of usefulness. Among other things, it would give the landlord a larger choice of tenants, and the tenant a larger choice of landlords. It would also keep the farmers who expect to become home owners in touch with the possibilities in the different sections of the State, and would tend to equalize the demand for and the supply of tenants and farms to be rented. Attention is called to other suggestions of this character which have been made by Mr. Leonard at the close of Chapter VII.

One of the great services which could be performed by a commission of this kind would be to give us a new system of

rent contracts. The present system of land leases is as antiquated as the chattel mortgage. What is needed now is a careful study of the situation and the development of a system of rent contracts which will lead toward greater permanency in land tenure and the introduction into the contract of constructive terms concerning both temporary and permanent improvements upon the land. Land leases which will embody features of this kind cannot be written offhand nor without a scientific study of the character of the farm and the personal relationship between the landlord and the tenant.

Finally the co-operative movement is growing, and with the assistance of the constructive legislation here suggested, additional impetus will be given to it. Inasmuch as it is largely a matter of education, people cannot be legislated into co-operation. But with the type of education suggested above, the time would not be far in the future when we could expect business organizations, rural credit associations, and similar agencies to be successfully operated by the farmers of the average community. But in that day, we shall find ourselves to be in possession of sociological wealth as contrasted to our sociological poverty which we mentioned in our first chapter. Then we shall have learned how unwise it was for any one to depend upon representation either in a legislature or a congress to do for them what they by community organization could have done for themselves so much more quickly and effectively.

