

CERTAIN ECONOMIC ASPECTS OF  
FARM TENURE IN KANSAS

by

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## CERTAIN ECONOMIC ASPECTS OF

## FARM TENURE IN KANSAS

## INTRODUCTION

During the pioneer stages of United States history land was abundant and its ownership easily acquired. Under such conditions the operation of the farm by the owner was common and tenancy, or the operation of the farm by a tenant, was uncommon. The superabundance of land, the ease of acquisition, and the infrequency of tenancy, led many people to believe that land ownership by the operator was normal

and that absentee ownership and tenant operation were abnormal.

At the present time there is a complete change in conditions relative to land tenure. Free land is no longer available, land is not easily acquired and tenancy has become a well rooted and important institution in our present economic life. The element which has remained unchanged is the belief that tenancy is abnormal. In fact, tenancy is looked upon by many not only as an abnormality, but as the cause of many of our economic ills.

#### PURPOSE OF THESIS

The purpose of this thesis is to present the facts regarding land tenure with special emphasis on conditions in the state of Kansas and to consider the criticisms of the institution of tenancy.

#### MATERIALS USED IN THESIS

The materials for this thesis are based on available literature (see bibliography), the 1890, 1900, 1910, 1920, and 1925 agricultural census and on data collected by Theodore Macklin and Eric Englund, both of the Kansas Agricultural Experiment Station, and by members of the Division of Land Economics, Bureau of Agricultural Economics, United States Department of Agriculture. Mr. Macklin

is now with the Federal Farm Board and Mr. Englund is with the United States Department of Agriculture. Both were formerly professors of agricultural economics at Kansas State Agricultural College. Neither of these men fully analyzed and summarized the data collected. The author of this thesis has analyzed and summarized certain of these data and compared them with other available data on the land tenure problem in Kansas.

#### ACKNOWLEDGMENT

The author of this thesis wishes to express his genuine appreciation of the competent direction and able assistance of Professor Harold Howe, under whom this thesis was prepared. The author also desires to acknowledge the indebtedness to Dr. W. E. Grimes, head of the Department of Agricultural Economics, for his constructive criticism and helpful suggestions in the preparation of this manuscript. At all times Professor Howe and Dr. Grimes have given their time and effort unselfishly. To them I feel greatly obligated.

Special acknowledgment is also due Mr. Theodore Macklin and Mr. Eric Englund for the data which have been used in this thesis from the studies they conducted on tenancy in Kansas.

## DEVELOPMENT OF TENANCY

For the purpose of comparison, the tenancy situation in the United States and in some foreign countries will be briefly reviewed. The United States is not the only nation in which there has been a rapid rise of the institution of tenancy. Most countries which have had at some period of their history an abundance of land easy to acquire, have seen tenancy grow as the country developed. The greatest per cent of tenancy is to be found in England where 93 per cent of the land is tenant farmed. Tenure in England is perhaps an evolution from the manorial type of agriculture prevalent during the Middle Ages and its high per cent may be partially accounted for by this fact. Other countries which show a greater per cent of tenancy than United States are Australia with 78.9 per cent in 1917 and New Zealand with 58.5 per cent in 1917. 1

## DISTRIBUTION OF TENANCY IN UNITED STATES

The production of a stable cash crop is usually found in districts in which the tenant operated farms predominate.

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1. U. S. D. A. Yearbook, 1923. Farm Ownership and Tenancy, page 508.



This relationship may be readily noted in the accompanying Table I.

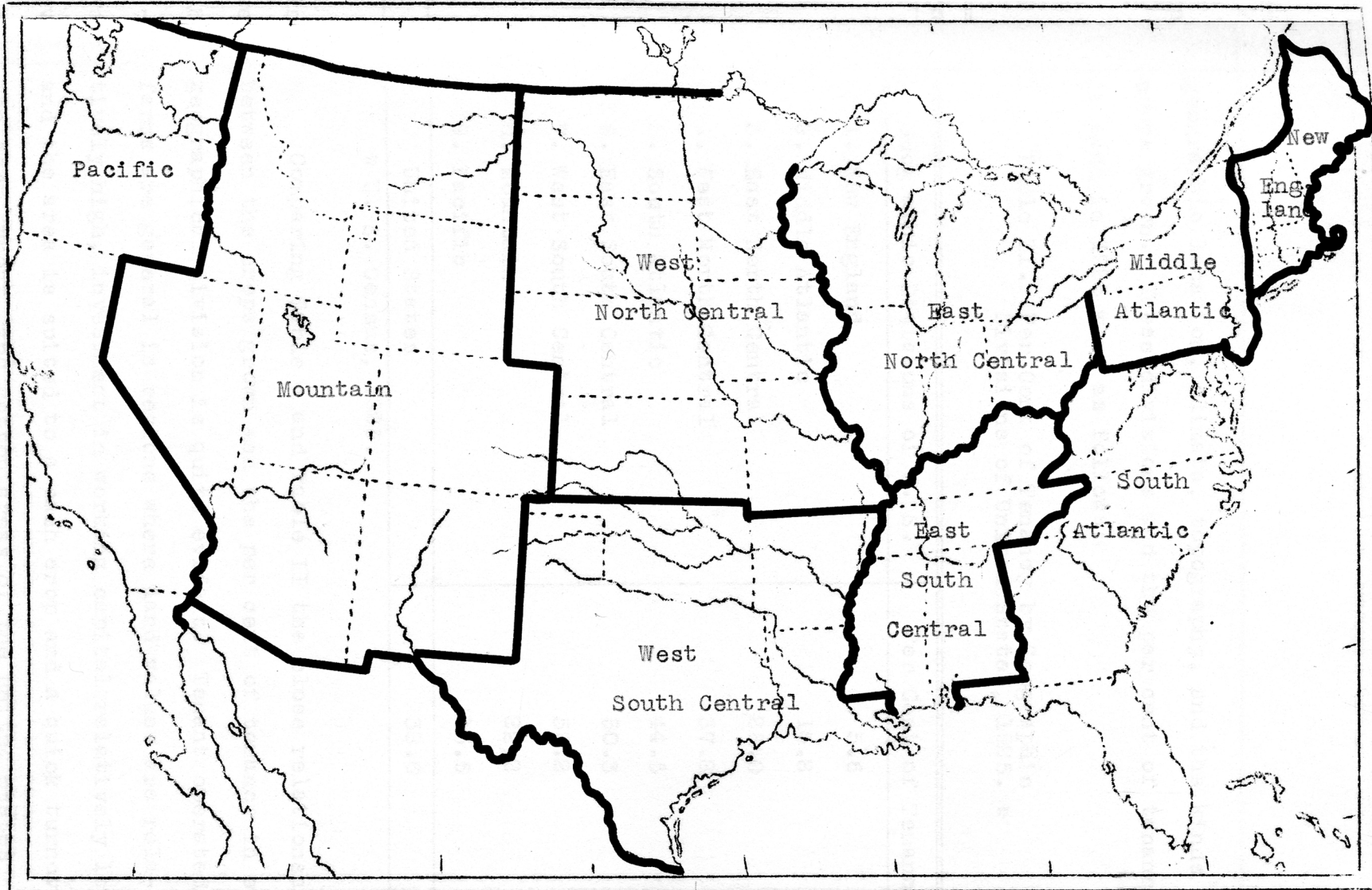
Table I. Per Cent of Tenancy According to Source of Income in United States. \*

Principal Source	Per cent	Principal Source	Per Cent	Principal Source	Per Cent
Cotton	67.7	Hay & Grain	39.3	Dairy prod.	23.3
Tobacco	47.9	Sugar crop	35.1	Livestock Prod.	20.3
Rice	45.7	Vegetables	30.4	Fruits	16.5

\* Census Monograph, 1900. Chapter IV, Page 33.

Table I shows that the annual cash crop with a quick turnover is the crop which tenants prefer. Those crops requiring a large investment in working capital and in which money is tied up over a considerable period of time are not undertaken by tenant farmers and are for the most part produced by owners. Thus a crop which has a quick turnover, a small investment in working capital, and a ready market is one which attracts the tenant.

This same relationship may be further clarified by a study of the distribution of tenancy in the geographic divisions of the United States (see Fig. 1 and Table II). The United States is divided into nine districts based on



Census Monograph, 1920, "Farm Tenancy in the United States," page 8.

Fig. 1. Map of United States Showing Geographic Divisions.

geographic location, climate, topography, and the kinds of crops grown. These divisions and the per cent of tenancy in each in 1925 were as follows:

Table II. Per Cent of Tenancy by Geographic Divisions of United States, 1925. \*

Geographic Divisions of U. S.	Per Cent of Tenancy
1. New England	5.6
2. Middle Atlantic	15.8
3. East North Central	26.0
4. West North Central	37.8
5. South Atlantic	44.5
6. East South Central	50.3
7. West South Central	59.2
8. Mountain	22.2
9. Pacific	15.6
United States	38.6

\* U. S. Census, 1925.

Comparing Table I and Table II the close relationship between the crops grown and the per cent of tenancy in each geographical division is quite evident. Tenant operated farms are general in regions where land values are relatively high, investment in working capital relatively low, and the area is suited to a cash crop and a quick turnover. The corn, wheat, and cotton areas of the United States

suit this condition best and have the highest per cent of tenancy.

Tenancy is also the common method of land tenure when the land is owned by large corporations other than farming corporations and on land owned by the government. The manager under farming corporations, although not playing an important role now, may be increasingly important in the future.

In the south the cropper is responsible for the large per cent of tenancy. Often he is regarded as a farm laborer but in this thesis he is included as a tenant as is usually the case when there is not a cropper-tenant distinction.

#### EXTENT OF DIFFERENT CLASSES OF TENANTS IN THE UNITED STATES

Land may be either owned by the operator or rented under some form of lease. The United States census for 1925 classifies tenure as follows:

I. Full owner: Farmers who own all the land which they operate.

II. Part owner: Farmers who operate some land which they own together with additional land which they rent.

III. Managers: Farmers who operate farms or ranches for the owner, receiving wages or salaries for their services.

IV. Tenants: Farmers who operate hired land only.



1. Cash tenants: Farmers who pay cash rental.
2. Croppers: Farmers who rent for shares to whom the landlord furnishes the working capital.
3. All other tenants: Includes all farmers giving a share of the product for the use of the land or a share for part and cash for part.

The 1925 census defines a farm as all the land which is directly farmed by one person either by his own labor alone or with the assistance of members of his household or employees.

The relative importance of each class of land operator may be determined by a comparison of the acreage operated, the crops harvested, the value of land and buildings, and the total area of improved land cultivated by each class. This is summarized in Fig. 2.

Fig. 2 shows that of the total farm population 38.87 per cent are tenants, 59.99 per cent owners, and 1.14 per cent are managers. Of this total farm population part owners are included under the classification of owners. Of the total number of farms in United States, owners operate 52 per cent, tenants 38.65 per cent, part owners 8.7 per cent, and managers .39 per cent.

There is a considerable difference between the number of farms and the per cent of farm land operated by each class of tenure. Of the farm land in United States, 45.3

Total Farm Population

Numbers of Farms

Farm Land

Harvested Crops

Farm Values

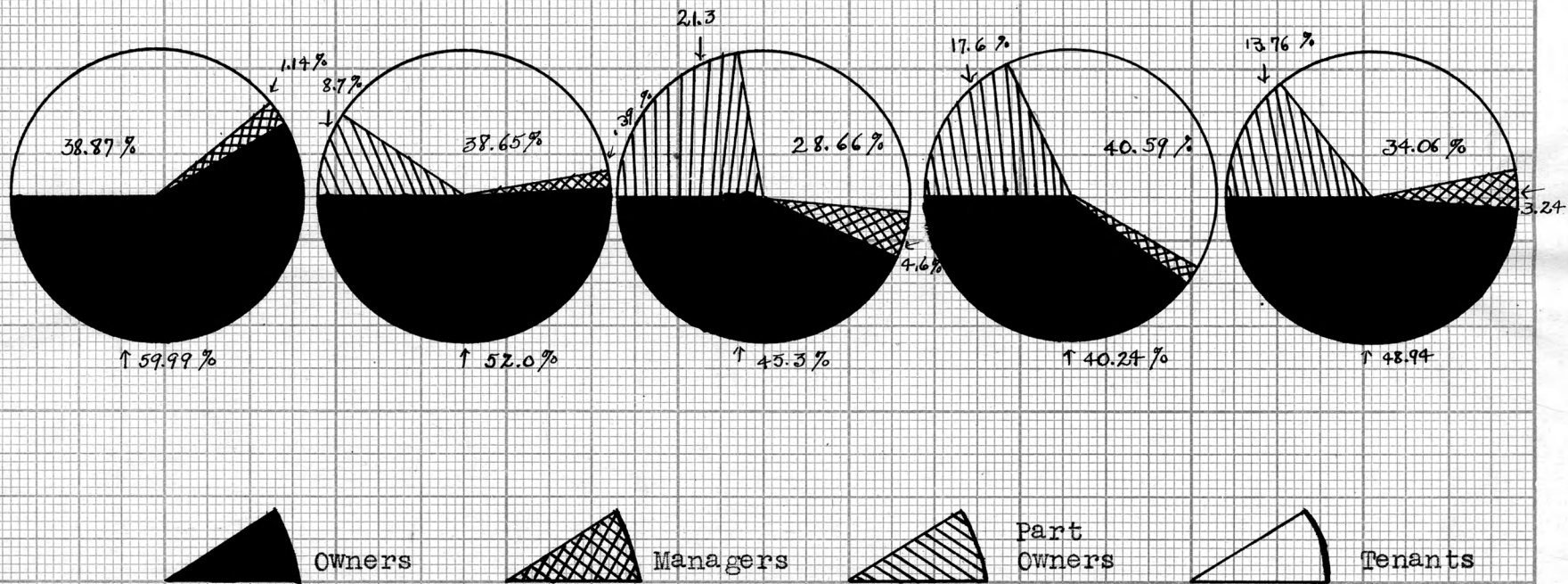


Fig. 2. Extent of the Different Classes of Tenure in United States - 1925. 1925 U.S. Census.

per cent is operated by owners, 21.3 per cent by part owners, 28.66 per cent by tenants and 4.6 per cent by managers.

Since tenants operate 28.66 per cent of the farm land and 38.65 per cent of the farms, it is evident that tenants in the United States, as a whole, operate smaller farms. However, bringing in crop area harvested, the tenants harvest a greater per cent of crops. This tends to substantiate the previous statement that a farm growing a cash crop is more attractive to tenant operation.

#### TREND OF TENURE IN UNITED STATES SINCE 1880

The trend of tenancy in the United States since 1880 has been toward a general increase. In 1880 it was 25.6 per cent while by 1925 it had risen to 38.6 per cent (see Table III). This may appear to be quite a decided increase. However, the rate of increase over this period has been decreasing. A study of Table III shows that in some parts of the United States there has been a decrease in the per cent of tenancy. In the New England section tenancy decreased from 1900 to 1925. A similar situation has occurred in the Middle Atlantic and East South Central divisions from 1910 to 1925. The East North Central, the South Atlantic, and the Pacific divisions show decreases in

Table III. Per cent of All Farms Operated by Tenants by Geographic Sections by Ten Year Periods, 1880 to 1920 and 1925.\*

Sections	1925	1920	1910	1900	1890	1880
United States	38.6	38.1	37.0	35.3	28.4	25.6
New England	5.6	7.4	8.0	9.4	9.3	8.5
Middle Atlantic	15.8	20.7	22.3	25.3	22.1	19.2
E. North Central	26.0	28.1	27.0	26.3	22.8	20.5
W. North Central	37.8	34.2	30.9	29.6	24.0	20.5
South Atlantic	44.5	46.8	45.9	44.2	38.5	36.1
E. South Central	50.3	49.7	50.7	48.1	38.3	36.8
W. South Central	59.2	52.9	52.8	49.1	38.6	35.2
Mountain	22.2	15.4	10.7	12.2	7.1	7.4
Pacific	15.6	20.1	17.2	19.7	14.7	16.8
The North		28.2	26.5	26.2	22.1	19.2
The South		49.6	49.6	47.0	38.5	36.2
The West		17.7	14.0	16.6	12.1	14.0

\*Census Monograph, Farm Tenancy in United States, 1920, Table II, Page 23, and U. S. Census, 1925.



tenancy between 1920 and 1925.

Those sections which have shown distinct increases in the per cent of tenancy, namely the West North Central, the West South Central, and the mountain regions, are all comparatively new territory.

Table III not only gives a picture of the trend of tenancy in the United States from 1880 to 1925 but also gives the distribution of tenancy according to geographic divisions (see also Fig. 1).

#### PRESENT CONDITIONS OF TENANCY IN KANSAS

Although data on the present tenancy situation in Kansas will not be available until the 1930 census materials are available, the general trend will be discussed as shown by the 1925 census. With this information one may draw conclusions which should be fairly accurate as to the present status of tenancy in Kansas.

The 1925 census gives the per cent of tenancy in Kansas as 42.2 per cent. However, 53.69 per cent of the land was operated by tenants (see Table V). This wide difference is accounted for by the fact that, contrary to the situation in United States as a whole, the usual tenant in Kansas operates a larger farm than the owner. The term "tenancy" always refers to the operation by tenants of a farm as a unit and never has reference to the

acreage of land which the tenant operates.

Table IV. Number of Acres Per Total Farm Population Ten Years or Over.

Tenure Group	Acres of Land	Total Farm Population 10 yrs. or over	Acres of Land Per Person
Owner Farms	19,539,179	328,215	59.5316
Tenant Farms	23,476,387	203,161	115.5555
Managed Farms	713,563	2,528	282.263

1925 Census

The general tendency for the tenant to operate a larger farm than the owner is shown by Table IV. The number of acres for each person 10 years and over for each tenure group according to the United States, 1925 census is given. This shows the tenant operates an average of 115.5 acres while the owner only 59.53 acres and the manager 282.2 acres. In other words, the tenant operates 1.9 times more land than the owner and the manager 2.5 times more land than the tenant and 4.7 times that of the owner.

A study of tenancy in the state of Kansas made by Theodore Macklin showed managers were operating 370 acres, tenants 208 acres, and the owners 155 acres in 1919.

The trend of tenancy in Kansas has been to increase.

In 1880 it stood at 16.3 per cent or just a little more than one-sixth of the number of farms were operated by tenants. From 1880 to 1925 it increased to 42.2 per cent. There was a characteristic of this increase, however, which is important. From 1880 to 1890 the increase was 11.9 per cent; from 1890 to 1900, 7.97 per cent; from 1900 to 1910, 1.6 per cent; from 1910 to 1920, 3.6 per cent; and from 1920 to 1925, 1.8 per cent. The rate of increase is tending definitely downward.

If the trend in the rate of increase of tenancy from 1880 to 1925 is followed, the 1930 census figures will show a greater decrease in the rate of increase between 1925 and 1930 than between 1920 and 1925, making the per cent of tenancy in Kansas in 1930 some where between 42.2 per cent and 44 per cent.

#### DISTRIBUTION OF TENANCY IN KANSAS

Kansas, because of its climate, soil characteristics, topography, and farming practices is divided into six agricultural regions for this study. These regions are shown in Fig. 3. In all of these regions more or less distinct types of farming are followed and nearly all represent different intensities of land tenure.

The regional characteristics which have a bearing on the per cent of tenancy will be discussed in relation to

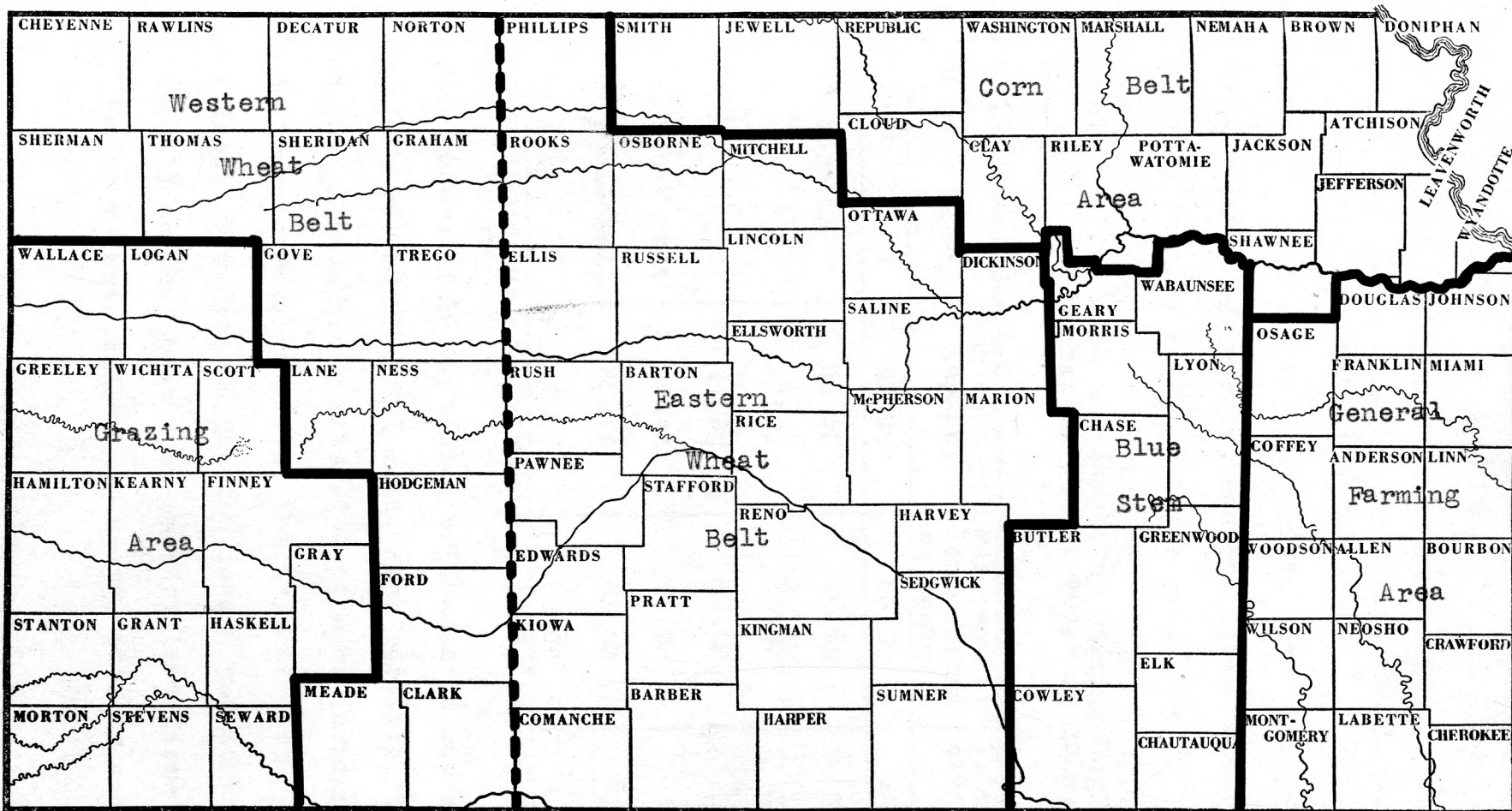


Fig. 3. Division of Kansas Into Farming Regions.



the per cent of tenancy in the region.

Table V gives the per cent of tenancy, the per cent of the land operated by tenants, and the total number of tenant farms by farming sections in Kansas.

Table V. Per Cent of Tenancy by Farming Regions and the Number of Tenant Farms in 1925. \*

Region	Per cent of tenancy	Per cent of land farmed by tenants	Total number of farms
The State	42.20	53.69	165,879
General Farming	38.42	47.95	37,812
Corn Belt	41.02	50.85	39,360
Blue Stem	41.59	49.02	16,861
Eastern Wheat Belt	46.43	58.08	48,976
Western Wheat Belt	42.66	53.93	15,994
Grazing Area	40.00	55.06	6,876

\* U. S. Census of Agriculture, 1925, County Table I.

The general farming region of Kansas is characterized by many and varied kinds of soil, wide variation in enterprises, and a relatively intensive type of farming. In some regions near large cities the type of farming is often specialized. This region has the lowest per cent of tenancy as well as the lowest per cent of land farmed by tenants, due to a large extent, no doubt, to four main reasons.

1. The specialization on many farms in dairying and

other enterprises seldom is undertaken by tenants.

2. The diversity of enterprises reduces the risk of land ownership.

3. The land values per farm in this section are not high. In 1925 the selling value per acre averaged \$57.69.<sup>/2</sup> Land values which are not high are favorable to land ownership in most cases particularly if the farms tend to be small.

4. It is a section which has been farmed for some time and the per cent of tenancy has reached the point where it is decreasing instead of increasing.

The corn belt of Kansas has much the same climatic conditions and soil characteristics as any other part of the corn belt. It is well adapted to the production of corn, hogs, and cattle. In this section land values in 1925 were \$75.44 an acre, the highest average value of the land in any other section of the state. Corn is the chief crop. Land values are relatively high and farms are of good size so it is reasonable to expect a high per cent of tenancy. This section ranks next to the wheat belt in this regard. The per cent of tenancy in this section of Kansas, although high, seems to be increasing at a much slower rate than in some of the other newer sections.

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2. Harold Howe, Farm Land Values in Kansas, Agricultural Experiment Station, Circ. 156, Jan. 1930, Table III.

The Blue Stem belt of Kansas is a region of grassy slopes especially well adapted to the grazing of beef animals. There is little crop land suitable for cultivation except in the low lands along streams. This is a region of large farms with a relatively small value per acre. In 1925 the average value per acre was reported as \$45.38. It has 41.59 per cent tenancy and 49.02 per cent of the land is operated by tenants, showing that the tenant farms are large. This, then, is a region of large farms with a relatively low per unit value and with a beef cattle enterprise which requires considerable investment but little equipment, both conditions being favorable to tenant farming in that region.

The wheat belt of Kansas, taking both the eastern and the western districts into consideration, is the highest in the per cent of land operated by tenants as well as in the number of farms operated by tenants. This section of Kansas with fair priced land is especially well adapted to the production of winter wheat. The average size of the farm is from 320 acres to 480 acres. 3 With a large area of land per farm of medium value per acre and with a cash crop which is readily marketed this region out ranks the others in having the highest per cent of tenancy.

The reason why the western part of the wheat belt does not have as many tenants may be explained by its newness. In Fig. 4 it will be noted that the counties in this region generally show a more rapid rate of increase in tenancy than those in the eastern wheat belt. If this trend continues, within a short time this region will probably show as great as or even greater per cent of tenant operated farms than the eastern wheat belt.

The grazing region of Kansas, as its name implies, is a region well adapted to grazing. The farms are large and as yet little developed. The per cent of tenancy is low. An explanation of this low per cent of tenancy may be found in the fact that it is a territory as yet not fully developed. Referring again to Fig. 4 it will be noted that the per cent of tenancy increased rapidly from 1900 to 1925.

In addition to the 53.69 per cent of land in Kansas that is tenant operated, in 1925 1.63 per cent of the land was farmed by managers and 44.68 per cent of the land was farmed by owners. The future of the managers as a class of land operators is unknown but of unusual interest. (Fig.5)

Table VI gives data for the different classes of tenure in the six regions of Kansas. Until 1925 the eastern and western wheat belt not only showed the greatest per cent of land operated by tenants but also the highest per cent of managers. This is especially true of the western wheat belt where the land is well adapted to large farms



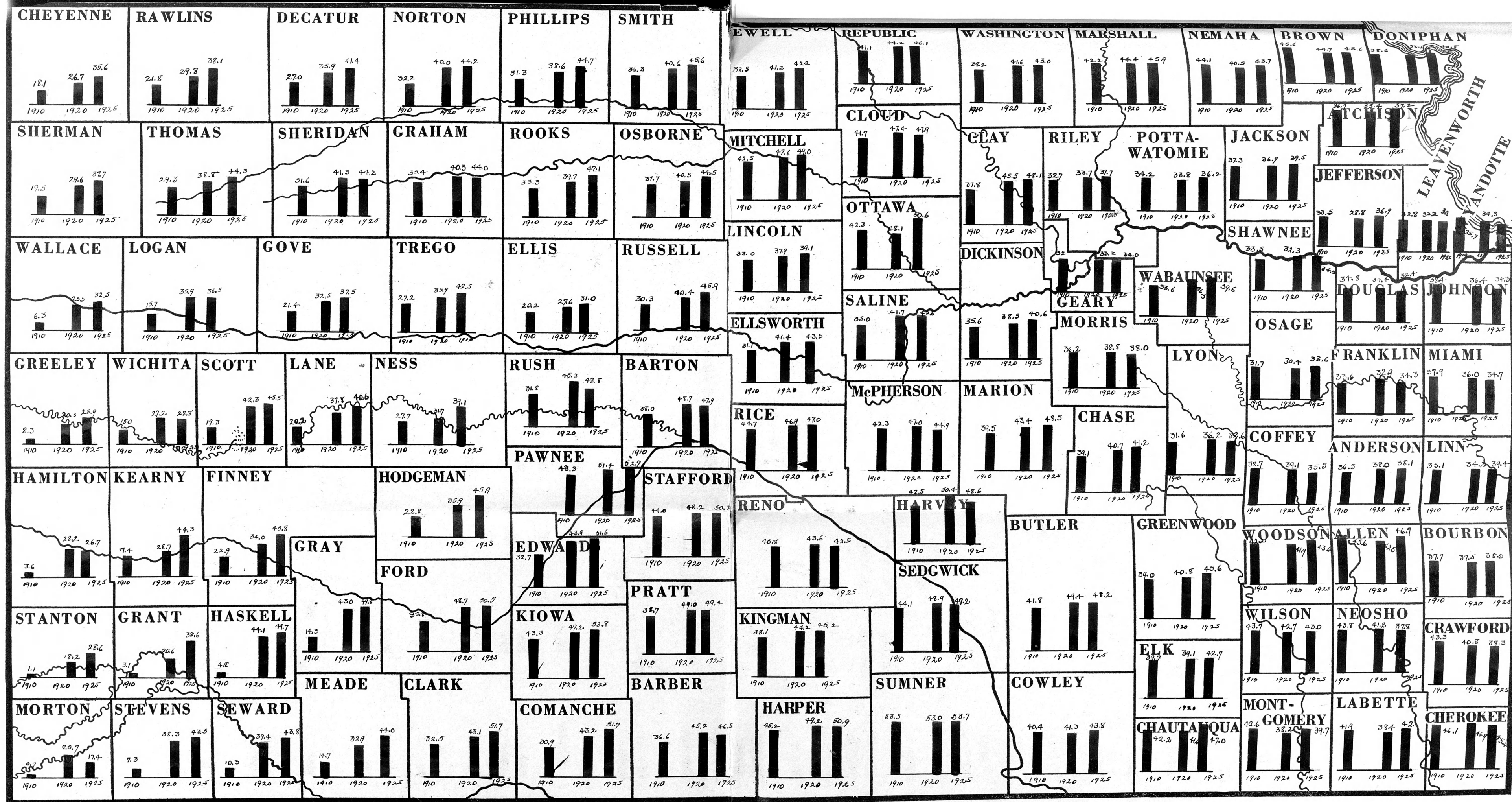


FIG IV

PERCENT of TENANCY in KANSAS by COUNTIES  
for 1910 - 1920 - 1925

Based on the 1925 Census of Agriculture

Scale  $\frac{1}{8}$ " = 10%



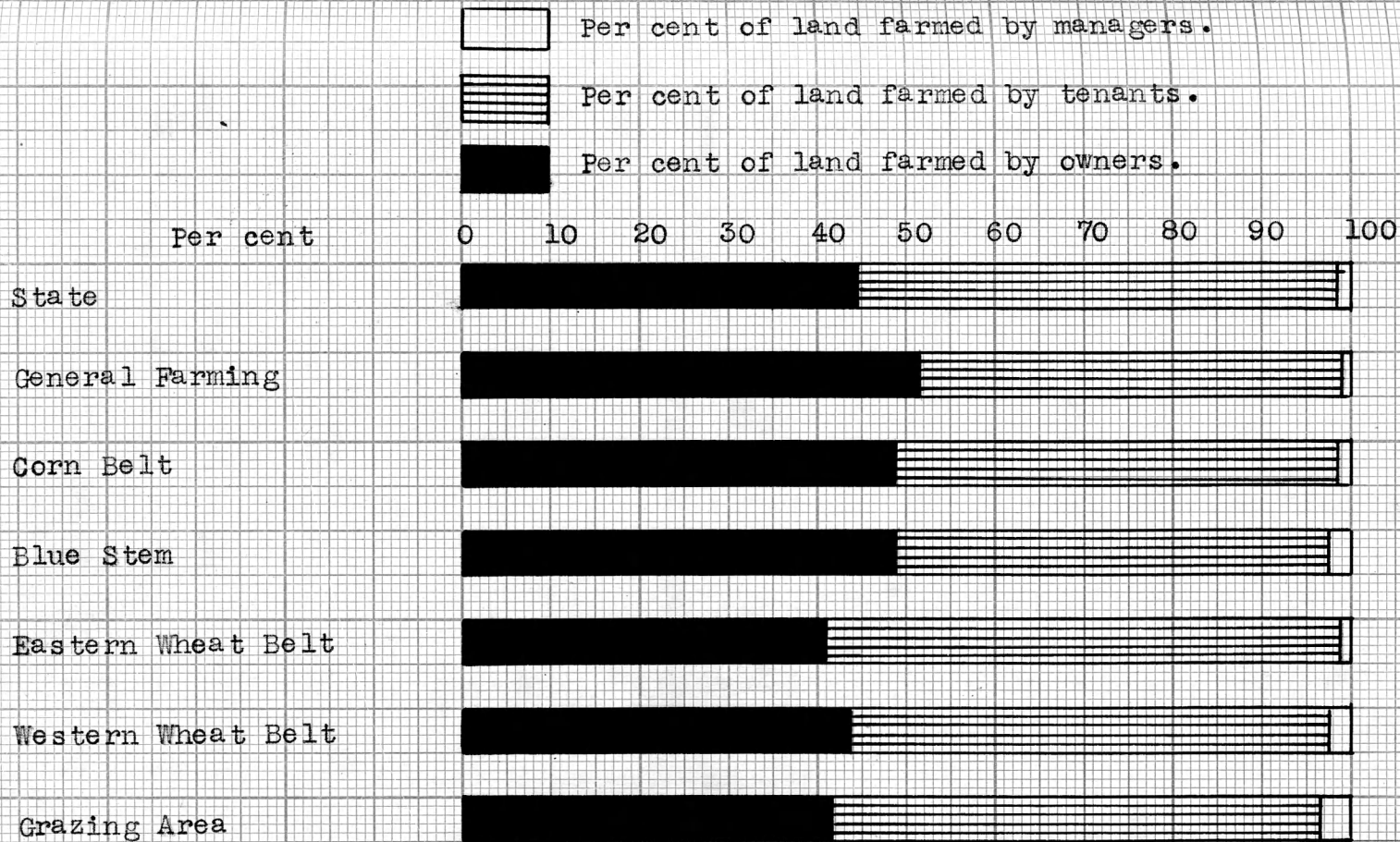


Fig. 5. Per Cent of Land Farmed by Owners, Tenants, and Managers by Farming Regions in Kansas, 1925. Data From U.S. Census of Agriculture, 1925 County Table.

Table VI. The Per Cent of All Land in Farms and the Per Cent Farmed by Owners, Tenants, and Managers by Regions in Kansas. \*

Region	Per Cent of Land Farmed by Owners	Per Cent of Land Farmed by Tenants	Per Cent of Land Farmed by Managers	Total Amount of Land in Farms
State	44.68	53.69	1.63	43,729,129
General Farming	51.23	47.95	.82	5,423,056
Corn Belt	48.10	50.85	1.05	6,690,486
Blue Stem	48.66	49.02	2.32	4,314,014
Eastern Wheat Belt	40.99	58.08	.93	14,028,192
Western Wheat Belt	43.54	53.93	2.53	8,646,687
Grazing Area	41.68	55.06	3.26	4,626,694

\* Adapted from U. S. Census of Agriculture, County Table I, 1925.

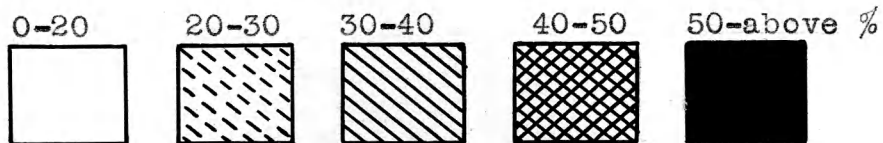


Fig. 6. Tenancy Map For Kansas.  
Based on 1925 Census of Agriculture.



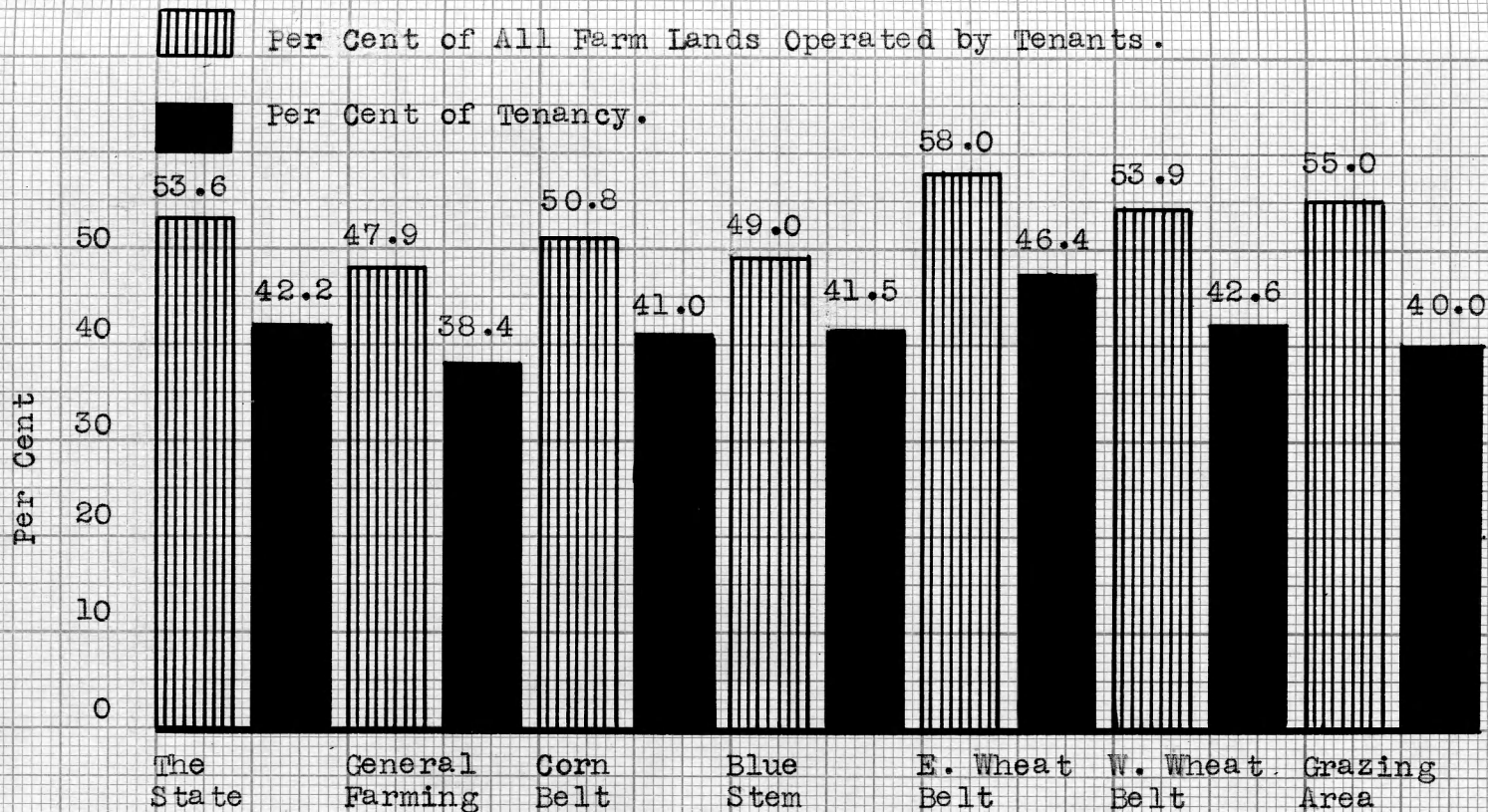


Fig. 7. Percentage of Tenancy Compared to Percentage of All Farm Land Operated by Tenants by Regions in Kansas. Data From U.S. Census of Agriculture, 1925 County Table.

operated by managers. The 1930 census data may show a much greater tendency along this line. Table VI also shows the occurrence of managers in the grazing area and the Blue Stem region. The owners of the large farms or ranches in these sections frequently do not operate their holdings and so employ managers.

#### INCREASE IN TENANCY IN KANSAS FROM 1880 TO 1925

During every census period from 1880 to 1925 there has been an increase in tenancy in Kansas taken as a whole. However, the rate of increase has been gradually diminishing so that from 1910 to 1920 tenancy increased only from 36.8 to 40.4 per cent or 3.6 per cent as compared with an increase of from 16.3 to 28.2 per cent or 11.9 per cent between 1880 and 1890. The period between 1920 and 1930 will probably show an even greater decrease in the rate of increase. This tendency may easily be perceived by a study of Fig. 7 showing the increase in tenancy in Kansas since 1880 and the relative per cent of increase. Table VII shows the per cent of farms operated under different types of tenure during the period from 1880 to 1925. Attention is called here, also, to the trend in the relative importance of the types of tenure. In 1900 10.3 per cent of all farms were operated by tenants who rented their land on a cash basis and 24.9 per cent were operated on a share



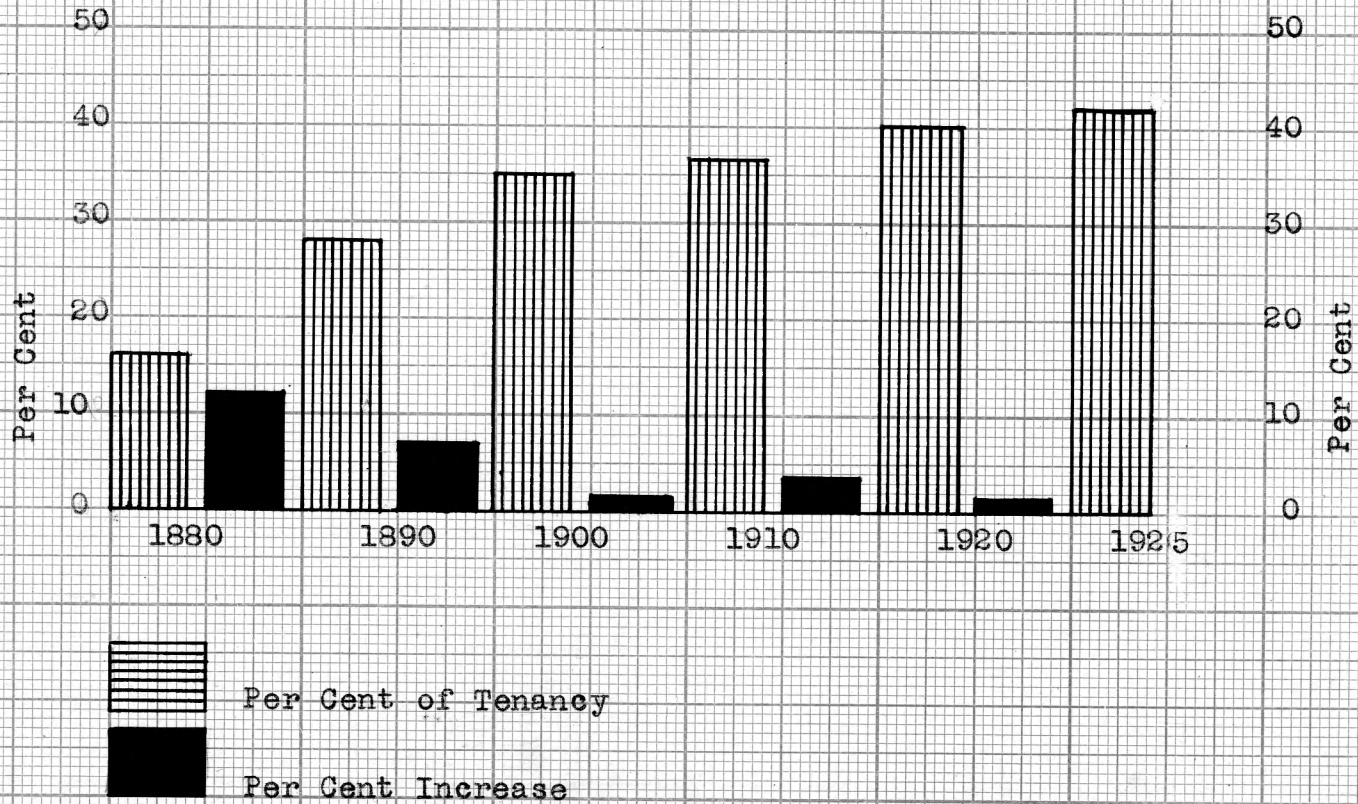


Fig. 8. Increase in Tenancy in Kansas Since 1880 and Per Cent of Increase by Years.

basis. In 1925 the proportion of cash tenants decreased to 5.84 per cent of all farms while the share tenant and others increased to 36.36 per cent showing the gradual tendency away from the inelastic cash rent lease. This is one of the big problems in a satisfactory relationship between the land operator and land owner.

Table VII. Per Cent of Farms Operated by Different Types of Tenure from 1880 to 1925 in Kansas. \*

Per Cent Operated by	1880	1890	1900	1910	1920	1925
Owners	83.6	71.77	63.8	62.47	58.74	57.36
Tenants	16.3	28.2	35.2	36.8	40.4	42.2
Cash		6.06	10.3	7.75	7.02	5.84
Other		22.7	24.9	29.02	33.33	36.36
Managers			1.0	.76	.91	.44

\* U. S. Census for 1880, 1890, 1900, 1910, 1920, and 1925.

This same tendency to increase, although considerably less pronounced may be shown by using the per cent of land operated by tenants and the value of land and building according to tenure. This is shown in Table VIII.

The rate of decrease in the rate of increase in per cent of land in farms and in the per cent of the value of

Table VIII. Per Cent of Land and Per Cent of the Value of Land and Buildings According to Tenure in Kansas for Census Periods 1900, 1910, 1920, and 1925. \*

	1900	1910	1920	1925
Land in Farms (Acres)	41,662,970	43,384,799	45,425,179	43,729,129
** Owner (Per Cent)	70.0	66.48	60.3	58.89
Tenant " "	24.1	30.61	37.0	39.47
Manager " "	5.9	2.91	2.7	1.63
Value of Land And Buildings	\$643,652,770	\$1,737,556,172	\$2,830,063,918	\$2,197,951,619
Owner (Per Cent)	67.3	63.84	58.4	58.46
Tenant " "	29.4	34.28	39.7	40.42
Managers " "	3.3	1.86	2.0	1.11

\* United States Census, 1900, 1910, 1920, 1925.

\*\* All land operated by part owner is included under classification of owner as contrasted with Tables V and VI in which rented land farmed by part owners goes under the tenant classification.

land and buildings operated by tenants is even more obvious than when number of farms alone is used.

From these facts it may be concluded that, with the general tendency toward a decrease in the rate of increase in tenancy substantiated by a similar tendency in the per cent of land operated and the value of land and buildings by tenure, that the per cent of tenancy in Kansas will gradually reach a static state and may even start to decrease as it has in some other parts of United States. This conclusion may of course be altered to some degree by radical changes in methods of production or changes in government land policies.

The trend of tenancy in the regions of Kansas is shown in Table IX. The general farming region is the only one of the six regions which shows a decreased per cent of tenancy while the western wheat belt shows the greatest per cent of increase. From east to west in the state, even though the per cent of tenancy is less, the rate of increase is greater. Undoubtedly much of this is due to the stage in the development of the territory. This fact is pictured by Fig. 4 which shows us the per cent of tenancy for the state of Kansas by counties.

#### REASONS FOR INCREASE OF TENANCY IN KANSAS

The reasons for the increase in tenancy in Kansas re-



Table IX. Trend of Tenancy by Farming Regions in Kansas  
for 1910, 1920, and 1925. \*

Region	1910	1920	1925
State	36.8	40.4	42.2
Corn Belt	37.8	38.6	40.4
General Farming	39.6	38.6	38.3
Blue Stem	37.5	39.7	41.2
Eastern Wheat Belt	38.0	44.5	46.7
Western Wheat Belt	26.0	36.3	42.5
Grazing Area	9.6	31.0	37.2

\* 1925 Census.



solve themselves into a study of conditions which cause tenancy. During the early stages of land development the United States adopted the policy of granting free land for the establishment of homesteads. Under this conditions, and as long as free land of good productivity was available, people chose to move to new land rather than to rent. Obviously little land, under such circumstances, was operated by tenants.

It was not long after land for homesteading was opened up until good land was no longer available. Most of the land which was rented for agriculture without reclaiming from swamp or forest was settled and only marginal land or land which would not pay cost of production remained. An individual starting to farm found it more to his advantage to rent from a landowner who wished to rent his land than to move out to land of low productivity. Similarly, children and other relatives found it advisable to rent the land from their parents and relatives instead of going on to new land. Such conditions gave rise to the increase in the institution of tenancy.

As the country develops and there is increased competition for land, the price of land increases. This in turn necessitates a period, for the man who wishes to farm, either as a wage earner or as a tenant, before he can become a farm owner. As land values continue to increase the period that

he must serve as a wage earner or tenant becomes longer, thus causing the growth of tenancy.

It is claimed that high land values are often the cause of tenancy because the tenant is not able to accumulate enough to make the first payment on a farm and thus make a start toward farm ownership. This, however, is obviously not always the case, as land, if valued according to its productivity in proportion to the value of other land, is just as easily paid for as any other piece of land. It is true, however, that the general rise of land values, if not accompanied by an equal rise in earning power, causes the period of wage earning and tenancy to lengthen.

There is in many cases, as the result of differences in the abilities of managers, a distinct relation between the individuals able to purchase and manage a farm with a high investment per unit and one whose capabilities are limited to handling a small business. It also often happens that an individual may buy a small amount of land at a high value per unit and farm it intensively with a lower total investment than one who pays a small price per unit but must have a large total acreage. Part ownership also allows many individuals to operate farms of a larger total investment as well as a higher price per unit. Thus, the claim that high land values causes tenancy is modified.

As a region develops many more reasons for tenancy arise. In letters received from some 200 farmers in the state of Kansas the reasons for tenancy were stated. 4 Their reasons may be summarized as follows:

1. Lack of a satisfactory system of credit so they may make an initial payment on a farm and borrow the rest at a reasonable rate of interest.
2. The value of land is too high for its productivity resulting in the tenants not being able to acquire a farm from farm earnings.
3. Taxes are too high and non equitable between the tenant and owner.
4. The character of the new generation is such that they are not willing to sacrifice, save and reinvest in productive enterprises.
5. The farmer is not able to save the initial payment out of farm earnings.
6. Farmers are not willing to settle on land long enough to develop it to earning capacity.
7. Not enough diversity of enterprises practiced, thus wiping out savings during unforeseen periods of crop failures or business depressions.
8. Lack of education in proper methods of farming.

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4. Questionnaire sent out by Macklin, 1919, summarized by author.

9. The size of farms is becoming too large for owner operation.
10. The scarcity of efficient labor.
11. The inefficiency of production methods used.
12. The socialistic tendency of government.
13. Undesirable farm leases.
14. Prohibitive freight rates.
15. The lack of control of the marketing of products by producers.
16. Tenants are able to make more profits than owner.
17. Increase in foreign population.
18. Relatives taking over farm of kinship.
19. Undesirable or dishonest speculation.
20. Men of ability going into other lines, placing an inferior type of men on the farms.

During the early part of the lives of many of these men satisfactory credit at a reasonable rate of interest was not always available. Recognition of this fact by the government resulted in the passage of, first, Federal Reserve Act of 1913 which reduced reserves necessary under the old banking system, made a more flexible currency supply, and lengthened rediscount periods and, second, Federal Farm Loan Act of 1916 which provided for the amortization plan of repayment, tax exemption of bonds based on farm mortgages, and the establishment of a system of twelve

Federal Land Banks and Joint Stock Land Banks. This act also created a Federal Farm Loan Board to supervise the banks under this system.

The ideas of many of these farmers that land values were too high to enable tenants to acquire a farm by farm earnings may have been well founded for unusual speculation created just before the war often drove land values far above their ability to make interest on such a high investment.

It has long been recognized by taxing authorities in the agricultural sections in United States that the taxing system is not equitable and on a broad enough base.

Perhaps more comment was levied on the character of the new generation than on any other one point. It is true that the twentieth century youth has many more pleasures and amusements to spend his money on than ever before, and it is not surprising that he invests in an automobile instead of decreasing a mortgage on a farm.

Unsatisfactory leases in many cases led to excessive mobility and many other practices which would not allow the development of the individual to the point where he could pay an initial payment on a farm. Many farms are becoming too large for owner operation and many relatives have taken over farms for their kinship on a rental basis. All of this leads to an increase in tenancy. Some of these reasons hold



well and no doubt influence the increase of tenancy. Some are personal views which may be biased and which do not picture a universal condition, yet when one considers them all together they indicate something of the problems involved in securing satisfactory tenancy conditions.

It is easy to see that the reasons for the existence of tenancy according to the answers received are many and varied. Undoubtedly they all have an effect, some to a greater extent than others, yet it is obvious that as the country develops the conditions which give rise to tenancy increase.

Many of the problems which give rise to tenancy because of improper adjustment are gradually being eliminated by education and new methods, yet there will always be tenants on the ladder to farm ownership.

#### THE TENURE LADDER

It is convenient to speak of the progress of a farm youth from the time he starts as a farm hand without wages on his father's farm up to a farm owner as the tenure ladder. The steps taken in this climb usually include the following:

1. The hired farm hand.
2. The tenant.
3. The part owner.
4. The owner.

This comparison is useful in many regards yet there are few farm owners who have placed their foot on each rung of the ladder. Theodore Macklin 5, Kansas State Agricultural Experiment Station, in the study of the steps taken by 2,539 farmers in Kansas, divided the steps of the ladder as:

1. Unpaid worker on parents' farm.
2. Hired man for parents.
3. Hired man for other than parents.
4. Tenant.
5. Farm owner.

He found that all of them did not climb the ladder in the same manner nor did they all rise one step after another. In the first step, 27.1 per cent received wages as hired men on their parents' farm, while 72.9 per cent worked as hired men for others than their parents. Of this total number of farmers (2,539) only 55.3 per cent worked as paid laborers either for their own parents or for others. Just 67.6 per cent of the farm owners previously had been tenants.

Macklin further states that, "Considering the combination of steps which various men took in their climb up the ladder, slightly more than 4 per cent took all five steps. When only the three steps known as 'hired farm laborer for anyone', 'tenant', and 'owner' are considered more than

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5. Theodore Macklin, Mimeographed report (See Appendix A.)

two-fifths or 41.1 per cent worked on each step; a few more than one quarter or 26.5 per cent worked only as tenants and then as owners; between one-fifth and one-sixth or 18.1 per cent worked as owners only, and one-seventh or 14.3 per cent worked as hired men and then as owners." (See Table X.)

Table X. Series of Steps Taken by Farmers in Acquiring Farm Ownership. \*

Steps Taken **	Number of farms	Per Cent	Per cent of all farmers taking given step who had been hired men for parents without wage.	Per cent of all farmers who had not been hired men for par- ents without wage.
H - T - O	1,043	41.1	14.2	26.9
H            O	364	14.3	5.8	8.5
T - O	673	26.5	4.8	21.7
O	459	18.1	2.3	15.8
Total	2539	100	27.1	72.9

\* Study made by Macklin (See Appendix A.)

\*\* Meaning of symbols used in this table: H - Hired man, T - Tenant, O - Owner.

In the study made by Macklin on the methods of acquiring farm ownership, he also found that of the 2,533 farmers 68.8 per cent gained ownership of their land by purchase; 12.2 per cent by homesteading; 6.9 per cent by inheritance; and 3.3 per cent by gift; 1.9 per cent by marriage; and .7 per cent by other methods, the chief of which was trading.

In 1923 Eric Englund of Kansas State Agricultural Experiment Station, in cooperation with the United States Department, made an intensive study of Jewell and Jackson counties, Kansas. He found that 86.73 per cent of 65,421 acres in these regions was purchased; 9.91 per cent was received by inheritance, gift or marriage; and only 3.36 per cent was acquired by homesteading by the owners of that time. This is a later study than Macklin's and readily shows the effect of a relatively short period of time on the per cent of owned farms gained by homesteading. The homesteaders are now old men and each year sees the passing of more of them as they are becoming fewer and fewer.

This same study of Englund's also shows the per cent of land acquired by the different methods at different ages. Of the total amount of land acquired by the individual 41.89 per cent was secured before he was 34; 74.92 per cent before he was 44 and 90.81 per cent before he was 54. These per cents of land acquired by different methods at different ages are shown in Table XI.

Naturally one would be led to believe that if the institution of tenancy is a step in the ladder of farm ownership the tenant would average a younger individual than the owner. A study was made of the ages of the farmers in the different stages of the tenure ladder. The relationship was clear as is shown in Table XII. The average age of the



Table XI A. Methods Whereby Farmers Acquired Land at Different Ages \*

Age of Acquisition	All Methods	Purchase	Marriage Inheritance Gift	Homestead	Number of Acres
Total	100	100	100	100	65,421
0-34	41.89	40.95	37.16	80.00	27,402
35-44	33.03	32.43	44.59	14.55	21,611
45-54	15.92	17.03	9.76	5.45	10,418
55-64	8.28	8.57	8.49	0	5,414
65 and over	.88	1.02	0	0	575

\* Data from study made by Eric Englund and U.S.D.A.



Table XI B. Per Cent of Land Acquired by Different Methods at Different Ages. \*

Method of Acquisition	All age group	0-34	35-44	45-54	55-64	65 and over	Number of acres
Total	100	100	100	100	100	100	65,421
Purchase	86.73	84.79	85.14	92.77	89.84	100	
Inheritance gift, marriage	9.91	8.79	13.38	6.08	10.16	0	
Homesteading	3.36	6.42	1.48	1.15	0	0	

\* Data from study made by Eric Englund and U.S.D.A.

Table XI C. Per Cent of Land Acquired by Inheritance, Gift, and Marriage. \*

	Acres	Per Cent
Total	6,484	100
Inheritance	4,889	75.40
Gift	760	11.72
Marriage	835	12.88

\* Data from study made by Eric Englund and U.S.D.A.

Table XII. Age of Farmers, According to Tenure. \*

Age Groups	All Farmers		Owners & Part Owners		Tenants	
	Numbers	Per Cent	Numbers	Per Cent	Numbers	Per Cent
Total	266	100	155	100	96	100
0-34	55	20.68	12	7.74	42	43.75
35-44	65	24.44	27	17.42	34	35.42
45-54	70	26.32	57	36.77	10	10.42
55-64	49	18.42	38	24.52	7	7.29
65 and over	27	10.14	21	13.55	3	3.12
	Average age of all farmers - 46.03		Average age of owners and part owners - 50.59		Average age of tenants - 38.68	

\* Data from study made by Eric Englund and U.S.D.A., 1923.

owners and part owners was 50.59 years, while that of the tenant was only 38.68 years, a difference of some 12 years.

One reason given for the increase of tenancy as the country developed was the increasing value of land and its effect on lengthening the period spent by the individual in his progress to land ownership. That the tenure stage is becoming longer and that the average age at which ownership of land is acquired is becoming gradually higher is shown in Tables XIII and XIV.

In the study made by Englund, the average age at which the ownership of a farm was obtained rose from 29.66 years in the period 1885 to 1890 to 35.22 years in the period 1920 to 1923, an increase in age of 5.56 years. In Macklin's study the average age of the farmer when he became an owner rose from the period 1875 to 1880 of 24.6 to 34.7 in the period 1915 to 1919, an increase in years of 10.1 years. Table XIV also shows that the average number of years spent as a tenant has increased from the period before 1875 of 4.1 years to 9.4 years in the period 1915 to 1919, an increase of 5.3 years. Macklin's study also shows that the period spent by the young man as a hired farm hand has increased from 4.2 years in 1875 to 5.3 years in the period 1915 to 1919. This is a 30 per cent increase or an increase of 1.3 years (See Appendix A.)

Whether or not the conclusions drawn from Tables XIII



Table XIII. Average Age At Which Ownership of Farm Is Obtained, 1885 to 1923 in Kansas. \*

Number of years on an average that farmers have owned one or more farms.	Period of years	Average age of farmers when they become owners		Number in group	Average age
		Number in group	Age		
Less than 3	1920-1923	12	34.75	36	35.22
5-10	1915-1920	24	35.46		
10-15	1910-1915	20	33.60	45	32.73
15-20	1905-1910	25	32.04		
20-25	1900-1905	23	30.22	44	29.38
25-30	1895-1900	21	28.48		
30-35	1890-1895	12	29.25	18	29.66
35-40	1885-1890	6	30.50		

\* Data from study made by Eric Englund and U.S.D.A.



Table XIV. Age At Which Ownership of Farm Is Obtained From Before 1875 to 1919 in Kansas. \*

Number of years on an average that farmers have owned one or more farms	Period of years	Average age of farmers when they became owners	Increase in age taken to gain ownership since 1875-1880	Average No. of years as tenant	Increase in No. of years as tenant
Less than 5	1915-1919	34.7	10.1	9.4	5.3
5-10	1910-1915	33.4	8.8	9.6	5.5
10-15	1905-1910	32.3	7.7	8.6	4.5
15-20	1900-1905	31.1	6.5	8.4	4.3
20-25	1895-1900	29.0	4.4	7.2	3.1
25-30	1890-1895	28.0	3.4	6.5	2.4
30-35	1885-1890	26.8	2.2	6.9	2.8
35-40	1880-1885	25.3	.7	4.9	.8
40-45	1875-1880	24.6	-	5.7	1.6
45 or more	Before 1875	20.9	-	4.1	-
All	-	30.1	5.5	8.1	4.0

\* Theodore Macklin Study (See Appendix A.)

and XIV are entirely reliable and authentic depends upon the individuals who represent each group. The question is raised, would the individuals who have owned land 40 to 45 years and have acquired it during the period 1875 to 1880 be considered a selective group? In order to have owned this long and have acquired it during this period it would appear as though they must necessarily have acquired it at an early age, and thus, to some extent account for the differences in age in these tables. One might suggest that in order to present a true picture of this conditions, that records of the age of acquisition during this period would have to be used instead of the age of acquisition of individuals at the time of this study.

The experience of farmers in different tenure stages shows that 19.75 per cent of those studied have had experience as wage hands, tenants, and part owners; 46.29 per cent as farm wage hands on parents' farms; 4.32 per cent as wage hands else where; 78.39 per cent as tenants alone and 51.23 per cent as part owners (See Tables XV and XVI).

#### SOME BROADER ASPECTS OF TENANCY IN KANSAS

Land ownership is the final goal of most farmers. It is the end to which the young man striving for success on the farm looks up to as his aim in life. Upon what does he base this assumption? Is it facts or is it judgment of

Table XV. Experience of Farmers in Different Tenure Stages (Owners, and Part Owners Interviewed.) \*

	Number	Per cent
Total	162	100
Number with experience as wage hands, tenants & part owners	32	19.75
Number with experience as farm wage hands	75	46.29
Number having experience as wage hands elsewhere	7	4.32
Number having experience as tenants	127	78.39
Number having experience as part owners	83	51.23

\* Data from study made by Eric Englund and U.S.D.A., 1923.

Table XVI. Experience of Farmers in Different Tenure Stages (Tenants Interviewed.) \*

	Number	Per cent
Total	97	100
Number with experience as farm wage hands	49	50.51
Number with experience as wage hands elsewhere	68	70.10
Number with experience as part owners	2	2.06
Number with experience as owners	16	16.49

\* Data from study made by Eric Englund and U.S.D.A., 1923.



what he perceives as being facts? What type of reasoning does he use to arrive at his conclusion?

Land ownership has been the trend in the past for many reasons:

1. It was the policy of the United States government to grant to the individuals land as a gift. As long as such a policy prevailed, why should anyone pay rent when he could have land equally as good, if not better, for the taking?

2. Land values were rapidly rising from 1910 on to 1920 and the investment in land often proved a profitable way of making substantial profits. A man might purchase a piece of land close to a railroad and speculate on the possibility of its rising in value within a few years so that he might sell and move out on the margin to buy and sell again.

3. Land leases often proved so unsatisfactory that little land was operated for very long by a tenant.

4. The land was made a home as well as a profitable business.

It is true that under the heading of land as a home comes many social advantages such as, a more permanent interest in farm and community affairs and a bigger sense of responsibility which is in turn inducive to initiative and progress.

As people saw tenancy during these times it had many undesirable aspects. A man who rents his land on a short



term lease is interested primarily in his immediate returns, thus causing an exploitive method of farming which results in the depletion of soil fertility and correspondingly low crop yields. He is prone to grow a cash crop all at the expense and exclusion of live stock and other means of maintaining a permanent system of farming. Further, these leases often caused a shifting of tenants from farm to farm, hindering the land operator from adopting the best farm practices. This all, of course, led to a tenant disinterested in community affairs, without the interest to aid in the development of schools, churches, good roads, and a community with social conditions suitable to raise a family and in which to establish a home. In addition to these undesirabilities and disadvantages of tenancy these conditions also led to absentee landlordship, and a great deal of antagonism arose between landlords and tenants over terms in their leases. Tenancy in all of these conditions was socially undesirable. But how about the tenant himself? Under the type of lease in vogue at this early stage of tenancy the tenant was not the recipient of much profit. He was not able to accumulate a great deal of working capital. He was unable to secure credit at a reasonable rate and he had little hopes of ever rising to the position of a land owner and, in fact, he too seldom reached the point where he had enough accumulated to make an initial payment on a

farm. How many of all of these undesirable aspects of tenancy can be blamed upon it as an institution? Most of them are undesirable practices carried on because of a lack of proper adjustment.

At the present time many of these undesirable aspects have been modified and many of the reasons for land ownership removed.

1. The new leases have developed to the point where there is some permanency to the renting of a farm by a tenant, thus obliterating many of the characteristics which are undesirable.

2. At present the government no longer grants free land and little of any kind of land is available to the settler.

3. The profits of the tenants have risen to the point where there is a good chance for the individual of worth to work from tenancy to ownership. It is not always that the tenant of today wishes to become a farm owner for in many cases he is just as well satisfied with a good home and a business as the owner.

The questions which naturally arise in a study of the tenancy situation are two. What is the place of tenantry in our system? Is the increase in tenancy alarming?

The place of tenancy in an ideal system is well ex-

pressed by Bizzell 6 when he says, "If every man who tills soil in the United States today were given ownership of the land he cultivates, it would not necessarily make the country any better off than it is now. It is easy to conceive that such a situation would retard rather than promote education. Thousands of those farmers who are deficient in managerial skill would lose the intelligent direction of those who have made their farming enterprise successful. Many others would be handicapped because of inadequate capital with which to finance the farm enterprise. It should be recognized therefore that there is a place for tenantry in our system of agriculture.

"James B. Morgan says, 'It is just as natural to expect some men to work as farm hands or tenants as it is to look upon day-wage industrial workers or the piece hands in factories as a usual condition of modern industrial life. All city workers cannot be factory owners nor should we expect all rural workers to be farm owners.'"

The question as to whether the increase in tenancy is alarming may be answered best by comparing the status of owners and tenants. If the status of tenants shows up unfavorably then there is cause for alarm provided, of course

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6. Bizzell, W. B., Farm Tenantry in United States, Texas Experiment Station Bul., No. 278, 1921.

there is nothing being done to alter the condition. Comparison may be made from a number of standpoints. Social and living conditions of farmers under different forms of tenure are something most obvious. The value of dwellings, household furniture, and autos is compared in Table XVII (a). The average value of owners' dwellings was placed at \$2,146.94 when the average value of the tenants' dwellings was \$1,716.44. Stated in another way, the average tenant's home has 20 per cent less value than the average owner's home. The gap is even greater in the case of household furniture. The average tenant has 26 per cent less furniture than the average owner. The average tenant's auto is one-third less valuable than the one owned by the landlord.

The state of repair of the dwelling is often as important a criterion as the total value. Table XVII (b) shows tenants' and owners' homes from this standpoint. The literature taken by the two classes of tenants is shown in Table XVII (c) and the per capita expense for groceries, clothing, and other items makes an interesting comparison in XVII (d). In regard to insurance, the tenants seem to carry, on the average, a larger amount of personal insurance.

The frequent relationship of the landlord to tenant is another factor which tends to greatly temper the tenancy situation. (See Tables XVIII A B C).

Table XVIII A shows the relationship existing between



Table XVII. Relation of Owner and Tenant According to Household Furniture, State of Repair, Literature Taken, Per Capita Expense, and Personal Insurance. \*

	Owner			Tenant		
	Value	Number	Average	Value	Number	Average
(a) Dwelling Household furniture	225,429	105	\$2146.94	120,151	70	\$1716.44
Auto	46,965	147	319.48	17,825	88	202.56
	34,132	121	282.08	9,800	52	188.46
(b) State of Repair						
Total		143	100%		94	100%
Excellent		4	2.79		2	2.13
Good		98	68.53		48	51.06
Medium		2	1.41		0	0
Fair		33	23.08		1	1.06
Poor		5	3.49		31	32.99
Very poor		1	.70		10	10.64
Bad		0	0		1	1.06
Common		0	0		1	1.06
(c) Literature Taken		Fami- lies	Per Cent		Fami- lies	Per Cent
Total		150			103	
1 daily		112	74.67		49	47.57
2 or more dailies		22	14.66		2	1.94
1 or more weekly		138	92.00		86	83.49
1 farm journal		122	81.33		77	74.75
2 or more farm journals		92	61.33		51	49.51
(d) Per Capita Expense			Av. Per Capita			Av. Per Capita
Groceries	34,598	609	56.81	20,392	417	48.90
Clothing	23,345	597	39.10	14,098	413	34.14
Other expenses	18,574	609	30.50	5,059	417	12.13
(e) Personal Insurance			Per Cent			Per Cent
Total		162				
		66	40.74			47.11

\* Data from study made by Eric Englund and U.S.D.A.

574 tenants who are related to the owner either as his parent or parent-in-law, brother or sister, or some other relative. Of the total number of tenants (574), 48.4 per cent are related to the owner. In 35.89 per cent of the cases this relationship is parental or parental-in-law, while in 2.9 per cent of the cases this relationship is brother or sister, and in 9.7 per cent of the cases the relationship is other than the ones previously mentioned. The tenant on his parents' land or parent-in-laws' land spent on an average of 7.5 years while the tenant on his brother's or sister's land spent on an average of only 4.9 years. Those who rented the land from other relatives spent on an average of 5.32 years. This then, compared to those tenants who rented from owners who were in no way related, showed that they spent 7.1 years as tenants. The average land area rented by a tenant from a relative was 205.66 acres, while the size of area of the tenant unrelated was 124.15. When the owner was a parent or parent-in-law the average acreage operated was 240.33 acres. When he was brother or sister it was 111.12 and when other relative it was 105.14 acres.

Table XVIII B shows the same relationship existing between tenants and owners by three divisions of the state, namely, eastern, central, and western.

Table XVIII A. Relation of farm owners to tenants in the case of 574 Kansas farmers who were tenants in 1919 or who had been tenants at any time since they began farming; in terms of time spent as tenants, land area rented, and acre year of tenancy. \*

Relation of owners to tenants	Number of tenants	Time spent as tenant		Land area rented		Acre years of tenancy	
		Years	Per cent	Acres	Per cent	Acre years	Per cent
Total related and unrelated Average	574	4024 $\frac{1}{2}$ 7.01	100	93,924 163.63	100	698,649 1211.15	100
Total related Average	278	1922 6.9	47.8	57,174 205.66	60.9	421,463 1516.00	60.3
Parents and parents-in-law Average	206	1545 7.5	38.6	49,508 240.33	52.7	370,437 1898.20	53.0
Brother or sister Average	16	79 4.9	1.7	1,778 111.12	1.9	9,968 623.0	1.4
Other relatives Average	56	298 5.32	7.5	5,888 105.14	6.3	41,058 733.1	5.9
Unrelated Average	296	2102 $\frac{1}{2}$ 7.10	52.2	36,750 124.15	39.1	277,186 936.4	39.7

\* Table by Eric Englund and U.S.D.A.



Table XVIII B. Relation of farm owners to tenants in the case of 574 Kansas farmers who were tenants in 1919 or who had been tenants at any time since they began farming, by divisions of the state, and expressed in terms of time spent as tenants, land area rented, and acre years of tenancy.

Relation of owners to tenants	Time spent as tenants						Land area rented						Acre years of tenancy					
	Eastern		Central		Western		Eastern		Central		Western		Eastern		Central		Western	
	Yrs.	Per Cent	Yrs.	Per Cent	Yrs.	Per Cent	Acres	Per Cent	Acres	Per Cent	Acres	Per Cent	Acre Years	Per Cent	Acre Years	Per Cent	Acre Years	Per Cent
Total related and unrelated	1907	100	1380	100	737	100	42,126	100	30,305	100	21,493	100	329,074	100	227,738	100	141,837	100
Total related	929	49	649	50	299	41	26,711	63	19,207	63.4	11,256	52	209,532	64	140,286	61	71,645	51
Parents or parents-in-law	754	40	568	41	223	31	23,435	56	16,957	56	9,116	42	193,066	59	120,166	53	57,205	41
Brother or sister	46	2	18	1	15	2	578	1	480	2	720	3	3,008	1	3,520	1	3,440	2
Other relatives	129	7	108	8	61	8	2,698	6	1,770	6	1,420	7	13,458	4	16,600	7	11,000	8
Unrelated	978	51	686	50	438	59	15,415	37	11,908	36	10,237	48	119,542	36	87,452	39	70,192	49

The number of farmers included in this study who have been tenants at any time for each division of the state is: Eastern, 287; Central 179; Western, 108.

Data from study made by Eric Englund and U.S.D.A. This table, except for slight modification, is identical to the one prepared by Eric Englund, Assistant Chief, Bureau of Agricultural Economics, U.S.D.A.



Table XVIII C. Acre Years of Tenancy in Which Tenants and Landlords are Related, by Age Groups \* in Per Cent of Total Acre Years. \*\*

Divisions of the state	Tenants related to landlords					Tenants unrelated to landlords				
	All groups	Under 35	35 to 44	45 to 54	55 and over	All groups	Under 35	35 to 44	45 to 54	55 and over
Eastern	64	80	74	60	57	36	20	26	40	43
Central	62	72	63	51	52	38	28	37	49	48
Western	51	47	43	42	73	49	53	57	58	27

\* Age groups based upon age of farmers in 1919 when data were obtained.

\*\* Data from study made by Eric Englund and U.S.D.A. This table, except for slight modification, is identical to the one prepared by Eric Englund, Assistant Chief, of Bureau of Agricultural Economics, U.S.D.A.

APPRAISAL OF THE INSTITUTION OF TENANCY  
IN KANSAS AT PRESENT

Unquestionably land tenancy as an institution in our economic life is here to stay, for it is an important step on the ladder toward land ownership and, without doubt, land ownership should be encouraged even though an improved status of the tenant will permit him to be equally desirable as a citizen. There are, then, two problems which must be faced; first, the means of increasing land ownership, and second, giving recognition to and improving the tenant status. At the present time both of these are being considered and are being improved.

Among the most important means of increasing land ownership is the adoption and development of credit institutions for the farmer. Up to the later part of the last century the investment and operating capital needed on the farm was relatively small. Land was cheap, implements and improvements were few and inexpensive, and the tenants' operating expenses for seeds and feeds as well as consumption goods were furnished from the farm. During the past half century the credit needs of the farmer have increased rapidly. The money value of the farm unit has doubled two or three times and agriculture has become considerably more commercialized. The period of time involved in getting returns on the in-

vestment has been considerably extended with the advent of systematic and orderly marketing. In many cases this delay in receiving payment is only possible with credit.

In the immediate past, with the adaptation of old commercial banks to the needs of agriculture, small town banks and town merchants furnished the big part of the consumption and immediate operating credit for the farmer. Investment credit has come to be placed with organizations in the new banking system, such as farm mortgage companies, joint stock land banks, and federal land banks. In the future the importance of the merchant and small country bank as a source of consumption credit will remain about the same. However, with the introduction of cooperative marketing and the Agricultural Marketing Act much immediate operating credit will be received from this source. This will result, most likely, in decreasing the relative importance of the merchant as a source of credit, while the importance of cooperative marketing associations, live stock loan companies, and agricultural loan companies will increase. Inasmuch as the financing of cooperatives of the Federal Farm Board may be handled through the federal farm loan system including the Intermediate Credit Banks, the importance of this system will be greater.

Other sources of credit such as individuals, savings banks, insurance companies, trust companies, building and

loan associations, although important as a whole, in most cases apply only under special circumstances and situations.

Second among the important means of increasing land ownership is the removal of the speculative element by improved methods of land valuation. The professional realtor is becoming more and more a man trained for his position. He is a man who takes up the profession as a business and not as a speculative deal. To further aid the professional realtor the farmer himself, through the use of farm account books and systematized practices, knows what and how much his farm produces and its relation to cost of producing them. He realizes its productive value. This all goes to eliminate much of the speculation in land values.

Giving greater recognition to and improving the condition of tenants is perhaps the most important field on which to work when correcting the evils which result from tenancy. The most glaring evil is the tenant under an unsatisfactory type of lease. W. E. Grimes, in the Kansas Agricultural Experiment Station Circular 155, gives the following advantages to the stock share lease as a means of correcting the evils of tenancy and securing permanency of tenure. 7

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7. W. E. Grimes, The Stock Share Lease, Agricultural Experiment Station, K.S.A.C., Circular 155, January 1930, Pages 2, 3, and 4.



"The tenant on the stock share leased farm is engaged primarily in live stock production. Live stock production is a long time enterprise. The landlord and tenant cannot start in it and quit to advantage in a year or two. It is to the mutual interest of both landlord and tenant to build up a herd. This frequently takes the better part of a life time. As a consequence, both landlord and tenant are interested in maintaining their relationship as long as possible. This gives permanency of tenure and the tenant feels justified in taking part in community activity."

Similarly there is the advantage of maintaining the interest of the landlord in the community. In this respect he says,

"The landlord of the usual stock share leased farm visits the farm frequently. This takes him into the community and keeps him in touch with the things that are going on. This is more certain to insure his continued interest in community affairs and will also insure that he will encourage the tenant to take part in such affairs."

Profits to landlord and tenant are of primary interest. In this regard he states,

"The stock share leased farm, together with all farming which has live stock as a principal part, is more profitable in the long run than farming that is without live stock. Almost invariably the stock share leased farm returns greater

profits to both landlord and tenant than they would secure under other methods of leasing. This factor alone commends this method of leasing to many Kansas landlords and tenants."

The stock share lease is not the only type of lease which may be made satisfactory to the landlord and tenant. Any type of lease which insures the tenant the farm for a period of years, one which will pay the tenant for improvements which he makes, and one which will assure him of a fair profit, and also insure the owner that the tenant does not carry on an exploitive type of farming, will do much toward ending the present evils of tenancy.

The taxing problem of Kansas is recognized by the people of the state, especially those who find themselves the victims of over-taxation, as working a serious hardship on certain interests of the state. It is chiefly due to the fact that the tax base has not been extended correspondingly to economic development, thus putting a tax burden upon the holder of tangible property which is in many cases a burden on the tenant. This problem has been conscientiously worked upon by the Kansas Tax Code Commission in the hope of giving the state a more equitable taxing base and to this end they recommended to the governor: 1. A graduated income tax and a flat rate corporation income tax, both without exemptions. 2. A gross production tax of 2 per cent on the gross value of all oil and gas produced in the state. 3. Better ad-

ministration of tax laws. /8

### SUMMARY

The 1925 census gives the per cent of tenancy in Kansas as 42.2 per cent. However, 53.69 per cent of the land was operated by tenant farmers. This difference is accounted for by the fact that opposite to the situation in United States as a whole, the tenant operates larger farms than the owner.

The trend of tenancy in Kansas has been toward an increase as shown in the following table:

Per Cent of Tenancy in Kansas for Census Periods Since 1880 and Rate of Increase.

Period	Per Cent	Rate of Increase
1880	16.3	
1890	28.2	11.9
1900	35.2	7.0
1910	36.8	1.6
1920	40.4	3.6
1925	42.2	1.8

For this study the state of Kansas was divided into

six regions. The per cent of tenancy for each region for the census periods 1910, 1920, and 1925 are as follows:

Per Cent of Tenancy for Farming Regions in Kansas  
for Census Periods 1910, 1920, and 1925.

Region	1910	1920	1925
Corn Belt	37.80	38.67	40.45
General Farming	39.62	38.63	38.32
Blue Stem	37.56	39.76	41.27
Eastern Wheat Belt	38.01	44.57	46.71
Western Wheat Belt	26.07	36.36	42.58
Grazing area	9.60	31.09	37.29

The most important reasons for increase in tenancy may be summed up as follows:

1. Free land is no longer available.
2. Owners are retiring and turning land over to relatives.
3. Increased land values have necessitated a longer tenant or wage hand period.
4. Unsatisfactory leases.
5. Inefficient productive methods.
6. The new generation is not willing to save and sacrifice to reinvest in productive enterprises.
7. Attractiveness of other industries has caused men



of ability to leave farms.

The progress of the farm youth toward ownership is usually thought of as the tenure ladder. The steps are usually thought of as:

1. The hired farm hand.
2. The tenant.
3. The part owner.
4. The owner.

Macklin found that when three steps, one, two, and four, are considered 41.1 per cent of the farmers took them all; when two and four are considered 26 per cent; and when when only four is considered 18.1 per cent took that step only.

Macklin also found in his study that 68.8 per cent of the farmers gained ownership by purchase; 12.2 per cent by homesteading; 6.9 per cent by inheritance; 3.3 per cent by gift; 1.9 per cent by marriage and .7 per cent by other methods, the chief of which was trading.

Eric Englund, in his study on the same subject, found that of 65,421 acres in Jewell and Jackson counties, Kansas, 86.73 per cent was purchased; 9.91 per cent was inherited, a gift, or received through marriage and only 3.36 per cent was homesteaded.

Undesirable aspects of tenancy are summed up as:

1. Interest in immediate returns causes an exploitive

method of farming.

2. Unsatisfactory leases have caused excessive mobility which hinders the adoption of the best farm practices.

3. Tenant is disinterested in community affairs and thus does not make the most desirable citizen.

The place of tenancy in the system of land tenure is stated by W. B. Bizzel when he says, "Thousands of those farmers who are deficient in managerial skill would lose the intelligent direction of those who have made their farming enterprise successful and many others would be handicapped with inadequate capital. James B. Morgan says it is just as natural to expect some men to work as farm hands or tenants as it is to look upon day-wage industrial workers or the piece hands of factories as a usual condition of modern industrial life."

In comparing the social and living conditions of farmers under different forms of tenure it was found that the average value of tenant's dwelling was \$1,716.44, while the average value of the owner's dwelling was \$2,146.94. In the case of household furniture the average tenant has 26 per cent less than the average owner. The average tenant's auto is one-third less valuable than the auto owned by the landlord.

Forty-eight and four-tenths per cent of 574 tenants studied are related to the owner of the land they operate.

In 35.89 per cent of the cases this relationship is parent or parent-in-law, while in 2.9 per cent of the cases the relationship is brother or sister and in 9.7 per cent of the cases the relationship is other than those mentioned.

Tenancy is an important institution of our economic life and will most likely remain so. There are, however, two important problems we must consider; first, means of increasing land ownership, and second, giving recognition to and improving the status of the tenant.

Means of increasing land ownership:

1. Adoption and development of satisfactory credit institutions, both for investment capital and operating capital.

2. Removal of the speculative element by improved methods of land valuation.

Means of giving greater recognition to and improving the status of the tenant:

1. Adoption of satisfactory leases.
2. Improving the taxation problems.

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## APPENDIX (A)

## Preliminary Tentative Presentation of Facts

Contributed by 2,539 Kansas Farm-Owners

By Theodore Macklin

Kansas State Agricultural College

By means of a questionnaire sent to 19,500 farmers in 53 counties of Kansas, facts were gathered from 3,084 farmers. Of this number 2,561 persons were farm owners and 523 were still working either as hired men or as tenants.

The purpose of the study is to determine how farmers in the state have worked for and by what methods they have gained ownership of farms. Omitting the information given by persons who did not own their farms and for those who gave inadequate answers to the questions, the following information is based on the reports of 2,539 farm owners.

Place of Birth. Of the 2,539 farm owners, 73.1 per cent were born on farms, 16.3 per cent were not born on farms, and 10.6 per cent did not designate where they were born.

Steps Taken. The climb which a young man makes from the time that he first engages in farm work as a propertyless boy to a farm-owning farmer is called the "Agricultural ladder". In this climb a man may work in one or more

of five distinct capacities which are: 1. Unpaid worker on the parent's farm; 2. Hired man for parents; 3. Hired man for others than parents; 4. Tenant; 5. Farm-owner. Each of these is thought of as a step on the ladder.

The 2,539 farmers of this study did not climb the ladder in the same manner nor did they all rise one step after another from the first to the fifth rung of the ladder. A few more than one quarter of the farmers, or twenty-seven per cent, worked as hired man for their parents and received wages. A little less than half of the farmers or 44.5 per cent worked as hired men for others than parents receiving wages. In a combined figure a little more than half of the farmers or 55.3 per cent worked as paid hired men either for their parents or for others. More than two-thirds or 67.6 per cent of the farm owners had previously been tenants.

Considering the combination of steps which various men took in their climb up the ladder, slightly more than 4 per cent took all five steps. When only the three steps known as "hired farm laborer for anyone", "tenant", and "owner" are considered, more than two-fifths or 41.1 per cent worked on each step; a few more than one quarter or 26.5 per cent worked only as tenants and then as owners; between one-fifth and one-sixth or 18.1 per cent worked as owners only; and one-seventh or 14.3 per cent worked as hired men and then as



owners. (For details see Table XIX.)

Table XIX. Series of Steps Taken by Farmers in Acquiring Farm Ownership.

Steps taken (a)	Number of farms	Per Cent	Per cent of all farmers taking given steps who had been hired men for parents without wages	Per cent of all farmers taking given steps who had not been hired men for parents without wages
H T O	1,043	41.1	14.2	26.9
H - O	364	14.3	5.8	8.5
- T O	673	26.5	4.8	21.7
- - O	459	18.1	2.3	15.8
Total	2,539	100.0	27.1	72.9

(a) Meaning of symbols used in this table:  
H - Hired man; T - Tenant; O - Owner.

Methods of Acquiring Farm Ownership. Farmers reported the per cent of the value of their farms at the time that they gained ownership. The data indicate that 2,533 farmers, on an average, gained ownership as follows: By purchase 68.8 per cent, by homestead 12.2 per cent, by inheritance 6.9 per cent, by gift 3.3 per cent, by marriage 1.9 per cent, and by other methods, chiefly trading, .7 per cent. The proportion unknown to be 6.2 per cent.

Sizes of Farms. The average size of home farm was 254 acres; of the farm which men hired out on, 370 acres;



of the farm operated as tenant, 208 acres; and of the farm of which ownership was obtained, 155 acres.

Tendencies. The principal tendencies, brought out by the data compiled in Tables XIX and XX, appear to be as follows:

The age at which men become farm owners in Kansas has steadily increased from 24.6 years in 1875-1880 to 34.7 years in 1915-1919. Thus, the 324 men who became owners in the period 1915-1919 did so at ages averaging 10.1 years greater than for the 101 farmers who became owners in 1875-1880.

(For further details see Table XIX.)

The period of years which young men have spent as tenants has increased from 4.1 years in 1875, and before, to 9.4 years in 1915-1919. This is an increase of 5.3 years or almost 130 per cent. The increase has been consistent for over 40 years. (For further details see Table XX.)

The period of years which young men have spent as hired farm laborers has increased from 4.2 years in 1875, and before, to only 5.5 years in 1915-1919. This is an increase of only 1.3 years or less than 31 per cent. (For further details see Table XX.)

The two important methods of acquiring farm ownership in Kansas from 1875 to 1919 have been, first, purchase, and second, homesteading. As homesteading has declined in importance, purchasing has consistently increased. Inheri-

tance, gift, marriage, and other methods of gaining ownership appear to be the result of chance rather than of underlying forces comparable in magnitude with the purchase and homestead methods. (For further details see Table XX.)

Table XX. Facts concerning the age of farmers when farm ownership is obtained, length of ten- and hired man steps, and leading methods of acquisition.

Number of years on an average that farmers have owned one or more farms	Period of years	Av. age of farmers when they became farm owners	Increase in no. of years taken to gain farm ownership since 1875-1880	Av. no. of yrs. as tenants	Increase in no. of yrs. spent as tenants 1875 or since
Less than 5	1915-1919	34.7	10.1	9.4	5.3
5 to 10	1910-1915	33.4	8.8	9.6	5.5
10 to 15	1905-1910	32.3	7.7	8.6	4.5
15 to 20	1900-1905	31.1	6.5	8.4	4.3
20 to 25	1895-1900	29.0	4.4	7.2	3.1
25 to 30	1890-1895	28.0	3.4	6.5	2.4
30 to 35	1885-1890	26.8	2.2	6.9	2.8
35 to 40	1880-1885	25.3	.7	4.9	.8
40 to 45	1875-1880	24.6	--	5.7	1.6
45 or more	Before 1875	20.9	--	4.1	--
All	-----	30.1	5.5	8.1	4.0

Average number of years spent as hired men	Increase in no. of years spent as hired men since 1875 or before	Per cent of value of farms acquired by					
		Purchase	Homestead	Inheritance	Gift	Marriage	Other Methods
5.5	1.3	78.6	3.6	7.1	1.3	1.1	1.1
5.	.8	72.9	7.6	7.3	3.2	3.4	.3
5.	.8	73.7	9.9	8.2	2.5	.9	.4
5.2	1.0	74.9	5.4	5.7	4.3	2.0	.2
5.4	1.2	72.	6.6	5.7	6.2	4.6	1.4
5.2	1.0	65.9	14.6	8.4	2.5	.5	.6
5.5	1.3	53.6	28.8	6.8	3.7	.3	.9
4.2	none	60.6	21.1	5.4	2.7	1.3	.4
4.5	.3	44.4	33.1	9.1	--	2.5	2.0
4.2	--	48.	32.1	4.3	4.5	2.8	1.2
5.1	.9	68.8	12.2	6.9	3.3	1.9	.7