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Summary of Findings

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IOWA FARM TENANCY COMMITTEE

SUMMARY OF FINDINGS

PART III

County Agricultural Planning Committee Reports

(State Summary)

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Note

The Iowa Agricultural Extension Service is cooperating with the Federal Extension Service and the Program Planning Division of the Agricultural Adjustment Administration, U.S.D.A., in a nation-wide project on County Agricultural Planning. In each county in Iowa a County Agricultural Planning Committee is studying problems of adjustments and policies in land use, soil conservation, tenure and other fields of general public concern. The following represents a summary of the reports on farm tenure submitted by the County Agricultural Planning Committees to the Iowa Agricultural Extension Service.

Question 1. What are, in your opinion, the main causes for the increase in tenancy in your county?

Members of the county agricultural planning committees were asked to name the main causes for the increase in tenancy in their county and to rank them in their order of importance.

Instability of income was ranked as the principal cause of rise in tenancy by 51 of the 59 counties commenting on this specific cause. Ranking next in the minds of the county committees was foreclosures which was ranked either second or third by 40 of the 54 counties commenting; 27 considered it second. Slow rate of saving was placed third or fourth by 31 of the 55 counties which commented. Out of 51 counties, 34 ranked increase in land values either third, fourth or fifth in importance as a cause of the growth of tenancy, with 13 placing it third. Opinion was more varied on retirement of owner-operators, however, of the 51 counties answering, 23 placed it either fourth or fifth. Tenants prefer renting to owning was considered as being sixth or seventh in importance by 27 out of 51 counties, while lack of interest of young folks in farming as a permanent occupation and way of living was ranked no higher than sixth by 34 out of 50 counties.

Frequency Distribution of Counties According to Rankings of Tenancy Causes

Ranking of causes by importance	Causes of increase in tenancy							Lack of int. of young folks in farming as a permanent occupation	Others
	In-crease in land values	Retire-ment of owner-operators	Slow rate of saving among tenants	Tenants prefer renting to owning	Fore-closures	In-stability of farm income			
1	2	3	1	-	5	51	-	0	
2	8	4	10	3	27	7	-	1	
3	13	9	16	3	13	-	2	3	
4	10	11	15	8	4	1	4	3	
5	11	12	9	7	4	-	9	2	
6	5	8	3	16	1	-	13	0	
7	2	4	1	11	-	-	20	1	
8	-	-	-	3	-	-	2	3	

Reasons other than those mentioned above were given by 13 counties in the following comments:

Question 1 (continued)

(Numbers in parenthesis refer to frequency of comments; if no number indicated, comment occurs but once).

A. Defaults in the price system

Price fluctuations (9) - Low prices for farm products (5) - High prices of things farmers buy (3) - Hesitancy to buy farms due to uncertainty (2) - Monopolies distribute agricultural products.

B. Defaults in credit and taxation system

Foreclosures (3) - High interest rates (2) - Excessive mortgages - Too much credit in boom times - Too little credit in recent times.

C. Land Values and types of ownership

Land bought at high prices (5) - Speculation (3) - Increase in land values (2) - Absentee landlord: city people invest in land (2) Retirement of farmers (4) - Down-payment too large.

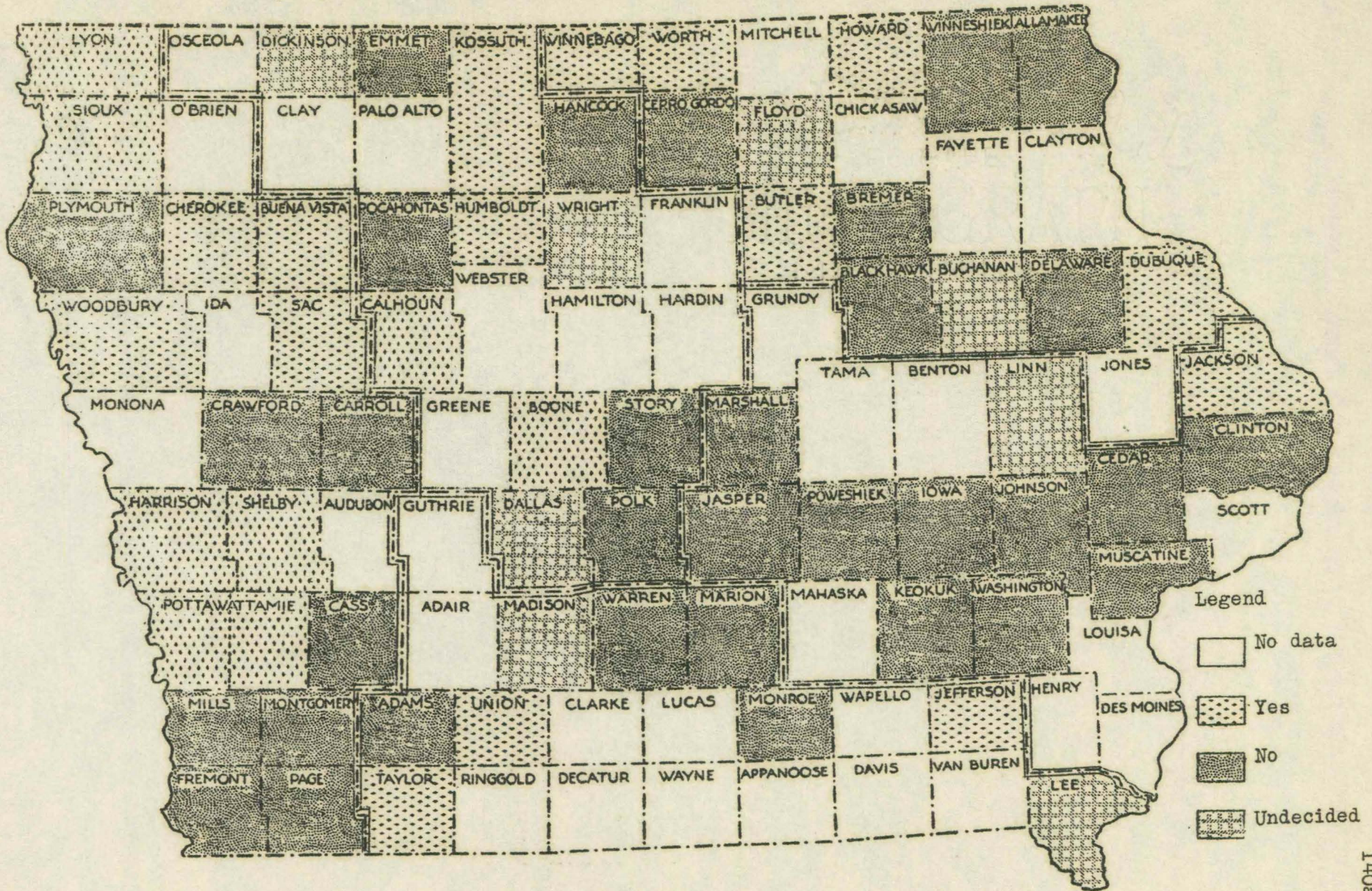
D. People's attitudes

Living beyond means (2) - Poor management

E. Miscellaneous

Poor government management

Ques. 2 Will tenancy increase in your county in next 10 years?



Legend

- No data
- Yes
- No
- Undecided

STATE SUMMARY

Question 2. Do you expect an increase in tenancy in your county in the next ten years?

Total number of counties voting - 63
 Number counties answering "yes" - 22
 "no" - 33
 "undecided" - 8

Summary by Type-of-Farming Areas

Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	13	5	6	2
Central Cash Grain	12	4	5	3
Western Livestock	17	9	8	-
Southern Pasture	9	3	4	2
Eastern Livestock	12	1	10	1

Number of counties commenting - 54

(Numbers in parenthesis refer to frequency of comments; if no number indicated, comment occurs only once).

I. Reasons for increasing tenancy

A. General economic condition

High cost of production, low farm income (5) - Unless present conditions change (3) - Agriculture not on equal basis with business - Fluctuation in farm prices.

B. Excessive debt burdens

Land values and mortgages too high (3) - Expiration of moratorium (3) - Owners cannot meet obligations.

C. Discouragement of home ownership

Unless smaller farms are advocated (3) - Taxes are increasing in county (2) - Low morale of people, ownership discouraged - Old owners retire, young farmers hesitate to buy - Tenant cannot get down-payment - Tenants wish to retain capital for operating.

D. Miscellaneous

Because of drought - Land is getting poorer each year - Bankhead-Jones funds not help large percentage.

II. Reasons for possible stop or decline in tenancy

E. Depending upon public policies

Depends on legislative program (12)

F. Depending on farm incomes

More stability of incomes (12) - Depends on prices (6) - Depends on farm income (4) - Homestead tax and farm program is helping (6).

G. Encouraging signs for ownership

Credit is cheaper, interest rate lower (7) - Land prices are lower, terms easier (7) - Loan companies are selling farms (4) - Some tenants are now buying farms - If land does not increase in price more tenants will buy - Distress land is coming more into hands of owners - Present renters desire to own if possible (3) - Better times at hand (2) - Hope conditions will be better - Believe present owners can hold on - We have good farms and good farmers - People seeing necessity of parity price and are working toward it - Government will help deserving tenants.

Question 3. What effects, according to your observations, does (1) tenancy and (2) heavily mortgaged ownership in your community have on (a) the land, (b) farm home and family, (c) the community, (d) cooperative organizations, and (e) other conditions?

The answers of the 64 counties reporting are unanimous, that both tenancy and heavily mortgaged ownership have, in general, distinctly detrimental effects particularly upon land and community.

Question 4. The average percentage of tenants planning to own a farm some day, as estimated by 64 counties, is 51.5%

5. The average percentage of tenants preferring to remain tenants, as estimated by 64 counties, is 9.1%.

A. Preference for ownership

Most tenants want to become owners (14) - Would buy if conditions made it possible (13) - Permanent owned home better than insecure rented home (2) - Some will own their own farms - Young farmers hope to own - Many tenants already own farms - Upper one-half financially plan to own - Conditions more stable; interest rates lower.

Tenants would buy farms if they could

Providing prices are stabilized (12) - Only those who expect to inherit farm (3) - If land price is based on income (2) - Want to develop farm as home (2) - Lack of savings and down-payments (2).

B. Preference for renting

Uncertainty of future

Outlook too uncertain (26) - Don't want responsibility of ownership (9) - Prefer renting for fear of losing investment (4) - No incentive for encumbered ownership now (6) - Many tenants too old to assume debt (3) - Can get out of rent in bad years; owner cannot escape.

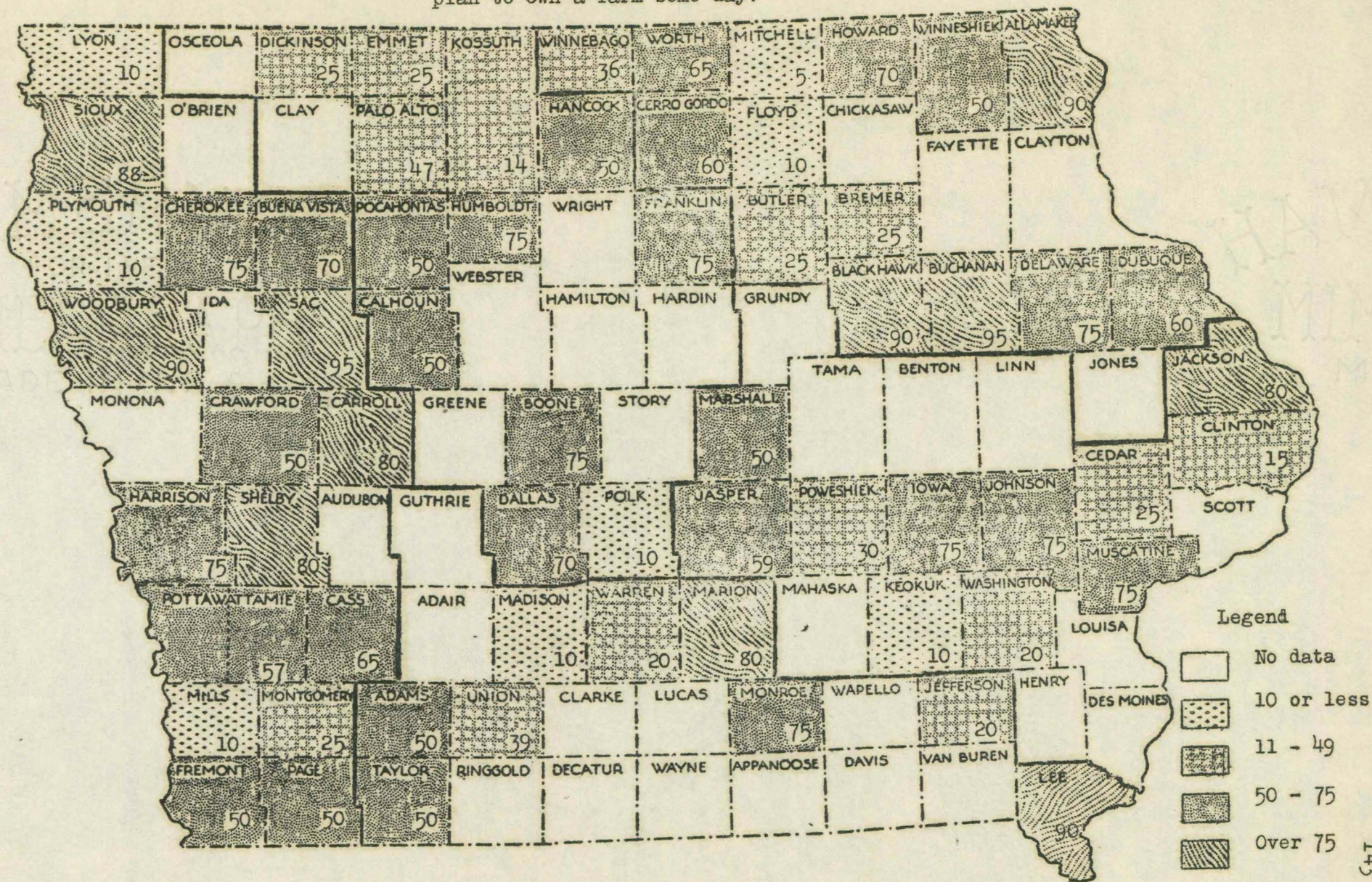
High cost of ownership

Taxes too high, discourages ownership (8) - Interest too high, discourages ownership (6) - Prefer renting if good landlord-tenant relationships (9) - Tenant use capital for working capital (8) - Rent large farm rather than buy a small uneconomical farm (2) - Renting more profitable during past ten years - Lowers credit standing (2) - Renting cheaper than owning (high taxes, etc.) (3) - Many have given up hope (3) - Prefer renting if landlord family-related (2) - Chattel mortgage equals assets.

Actually prefer renting

Not permanently interested in farming (5) - Majority use money for higher standard of living - Live for present not thinking of future - W.P.A. and government assistance removes incentive - Prefer to invest in life insurance.

Ques. 4 What percentage of tenants in your community plan to own a farm some day?



Question 6. What suggestions do you have with reference to helping farmers buy farms?

Total number of counties commenting -

Interest Rates and Terms

Low interest (29) - Low interest and long-term loans (17) - Long time loans and long term amortization payment (13) - Down-payments low (2) - Federal loans (4) - Payments deferred if crop failures - Stabilize rates and credit - Low interest rates on Federal Land Bank loans - Federal government take over Federal Land Bank system.

Prices

Price stabilization (24) - Parity price (13) - Income stabilization (13) - Parity income (5) - Increase income - Purchase on sliding scale.

Taxes

Homestead Exemption tax aids (6) - Lower taxes (5) - Tax equalization (2) - Graduated land tax - State and federal taxes support rural schools.

Miscellaneous

Education, farm management (3) - Productive land - Favorable legislation - Promote industrial use of products - Continuation of Tenancy Act - Systematic savings - Longer period of redemption - Continuation of Land Purchase Policy by present administration.

Question 7 a-ë. How should programs for helping tenants to buy farms be financed?

Total number of counties commenting - 69

A. By the federal government? Yes 41; No 1

Terms of loans: Long-time amortization (8) - Flexible (optional) - Government to buy land and resell - Low interest rates (13) - Bankhead-Jones Bill (3) - Too much red tape in federal government.

Source of funds: Use federal agencies (FLB, etc.) (3).

B. By the state government? Yes 6; No 18

Comments in favor: In cooperation with Federal government (5) - Homestead Exemption (3) - State can help by tax revision (2) - By state graduated land tax - State administered or local.

Comments Opposed: National job, not for states - Increases state taxes too much.

C. By private agencies? Yes 16; No 5

Comments in favor: If rates low enough, private is best (13) - Same terms as federal government (4) - If government supervised (2).

D. What is adequate down-payment?

None (2) - Most tenants have little or no down-payment (2) - 10% or less (11) - 15-25% (36) - 30-50% (15) - Full 100% (without parity price) (2) - Limit mortgage to \$50 per acre - Adequate down-payment needed to create interest in farm and protect seller (2) - Depends upon man (13) - Depends upon land and improvements (6) - Down-payment vary with times - Not profitable to buy a farm with little down-payment (6) - Small down-payment encourages speculation (3).

E. What qualifications should a prospective buyer have to meet?

Age limit: Age not so important if he has children.

Miscellaneous comments: Cost of production and stabilized farm income (2).

Question 7f. Do you believe that purchasing a farm on contract is advisable?

Total number of counties voting - 61
 Number counties answering "yes" - 39
 "no" - 18
 "undecided" - 5

Summary by Type-of-Farming Areas

Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	13	7	5	1
Central Cash Grain	13	9	4	-
Western Livestock	16	10	5	1
Southern Pasture	8	8	-	-
Eastern Livestock	11	5	3	3

Number of counties commenting - 56

A. Practical way to ownership

If interest and taxes do not exceed rent (34) - Is fair to both parties, taking equal chances (5) - No fear of judgment; is an insurance policy for all improvements made (4) - Experimental opportunities without undue loss to either party - Buyer can quit if he can't make it (2) - Protects working capital (2) - Buyer is more free, not so much responsibility under contract - More tenants get chance to own (3) - Only way to ownership if one has no savings (2) - Farmers can get control of farm and make it pay for itself (3) - More benefit from own work and improvements - If individual makes sufficient down-payment he should have enough equity to make success - Save some each year, will be able to pay in drought years - One method of saving, promotes thrift - Purchaser has opportunity to become acquainted with farm and neighborhood - Possible to plan ahead - Avoids double taxation - Would stop speculation - No disadvantage; everything to gain.

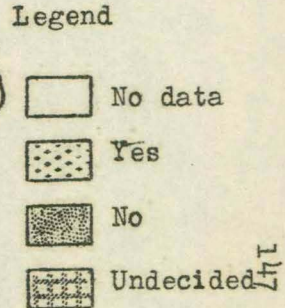
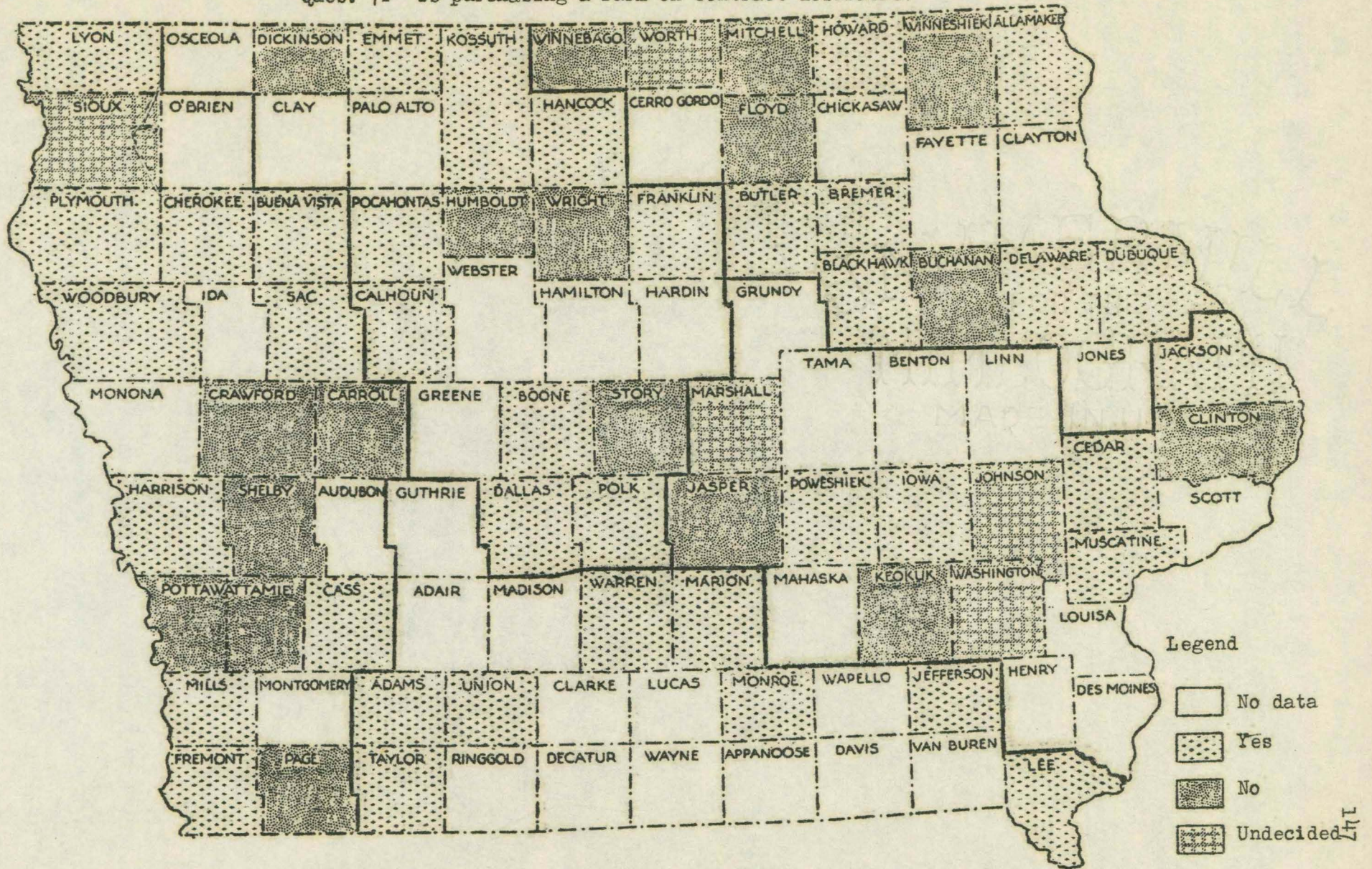
B. Stimulates incentive toward ownership

Creates more interest in farm (4) - Incentive to work for home and equity (3) - Chance to prove one's worthiness (4) - Buyer feels more obliged to meet payments (2).

C. Suggestions as to terms of contract

Amortization plan best (16) - If down-payment is small (13) - Until 25% of purchase price is paid (9) - If lenient in case of drought or crop failure and prices (3) - If contract is recorded (2) - Should be a long-term contract - Make contract binding on both parties - Unless redemption period would be made available - Title should reside in operator.

Ques. 7f Is purchasing a farm on contract desirable?



D. Disadvantages due to increased risk on cost

Unforeseen circumstances likely to alter plans (27) - No loopholes in case of crop failure (2) - Interest charges too great when down-payment is small (10) - High risk to default and lose but (6) - Depends on terms of contract and conditions (4) - Prices higher on contract (2) - Not under present conditions; only if prices are stabilized - Better renting, no foreclosures.

E. Miscellaneous comments

Your money is always there as a cash loan (50) - If we had Frazier-Lempke Bill and cost of production (22) - No, if we keep Federal Reserve banking system (13) - If monetary system conformed with U. S. constitution (6) - Buying on contract is the same as renting (2) - Price of land is too high; price of produce is too low - Risk of buyer robbing farm and letting it go back - Good prospective owner will have money for down-payment - Purchaser may not have adequate capital - Only when purchaser has other means of support. - Results in single tax - Method of purchase not important.

Question 8. Should the policy of the Bankhead-Jones Farm Tenant Act be expanded?

Total number of counties voting - 64

Number counties answering "yes" - 36

"no" - 13

"undecided" - 15

Summary by Type-of-Farming Areas

Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	14	7	3	4
Central Cash Grain	13	8	3	2
Western Livestock	17	11	3	3
Southern Pasture	8	5	1	2
Eastern Livestock	12	5	3	4

Number of counties commenting - 55

A. Beneficial effects

Qualified farmers should own farms for homes (4) - Should get all funds available (3) - Good piece of legislation (3) - Will, in time, do away with land booms - Promotes better living.

B. Favorable, with qualifications

Expand only very carefully (11) - If it proves satisfactory (8) - Only to worthy and competent persons (6) - Loans to be made on safe basis (3) - Providing land is sold at reasonable price (3) - Interest and taxes should be lower - Interest charge only to cover cost of handling - If buyer's equipment is clear - O.K. with Federal government but not with private company - More tenants get chance to own - Would stop increase in tenancy.

C. Suggested modifications

Expand only as present loans (3) - Expand to cover entire U. S. (2) - Tenant should have 25% of capital - County committee, one from each township, to pass on applicants - Some capital in order to pay mortgage off in his lifetime.

D. Alternative proposals

Frazier-Lempke Bill preferred (2) - Money system is unsound.

E. Unsound policy

Idea sound, but perhaps it would take too much credit (3) - Not good business; savings necessary (2) - Government should stay out as much as possible (2) -

E. (continued)

Too much discrimination - Private agencies better judges of character
- Qualified tenants can get private loan without government expense -
If expanded, government would become real estate holding company - Ex-
perimental; not permanent - Cause unhealthy expansion and overloaded
credit structure - Land prices would rise - Buyer can't win; too many
hazards - Too easy - Inferior tenants would benefit.

Question 9. How could land prices be kept in line with long-time earning power, particularly if farm purchase programs were developed on a large scale?

Number of counties commenting -

A. Regulating the sale of land

Speculative profit tax (11) - Penalize investment and speculative buyers (2) - Eliminate land speculation (7) - Selling to operators only (2) - Limit resale for 10 years or 1/2 paid (2) - Prohibit resale for 20 years, or until paid for, - Encourage home ownership-- Purchase on sliding scale - prevent too many sales in one county, i.e., start program slowly - Strict requirements for purchase.

B. Limiting the ownership of land

Graduated land tax (6) - Homestead tax exemption (2) - Tax on land not operated by owner - Government to buy farms and resell to tenants.

C. Regulating land values and appraisals

Committee of farmers to appraise farms to be bought (4) - Uniform system of land appraisal - Set minimum and maximum limit on land prices (3) - Government can keep land prices down (2) - Price of land varies with earning power (2).

D. Loan policies

Limit loans to long-time earning (12) - Loans should not be too large (2) - No second mortgages (4) - Government loans - No deficiency judgments.

E. General price control

Stabilize farm prices (8) - Stabilize purchasing power of money (5) - Cost of production or parity prices (5) - Ever-normal granary or crop insurance.

Question 10. In order to more adequately protect the owner's equity during periods of depressions and droughts:

- (a) Should interest and amortization payments be made more flexible?

Total number of counties voting - 63
 Number counties answering "yes" - 51
 "no" - 3
 "undecided" - 9

Summary by Type-of-Farming Areas

Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	13	10	-	3
Central Cash Grain	12	10	1	1
Western Livestock	18	16	1	1
Southern Pasture	9	8	-	1
Eastern Livestock	11	7	1	3

Number of counties commenting - 48

- (b) Should foreclosure proceedings be suspended automatically if owner defaults on his payments because of abnormal weather conditions or extremely low farm prices?

Total number of counties voting - 62
 Number counties answering "yes" - 46
 "no" - 9
 "undecided" - 7

Summary by Type-of-Farming Areas

Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	13	8	1	4
Central Cash Grain	11	9	2	-
Western Livestock	17	15	2	-
Southern Pasture	9	6	1	2
Eastern Livestock	12	8	3	1

Number of counties commenting - 36

A. Flexible payments desirable

Base payments on net income (13) - According to price of farm products
 (2) - Extra payments in good years to credit for poor years (8) -
 Flexible provision in mortgage (5) - Sliding interest rates (2) - Crop
 payments (2) -

A. (continued)

Divide produce 50-50 in bad years (2) - In case of drought no payments should be required - Buyer not responsible for "Act of God" (2).

B. Extension of time for payments

Determine adjustment by arbitration (16) - Extension of time for payments (6) - Prevent foreclosure in case of crop failure (2) - No foreclosure while owner has a equity (2) - In case of depression (2) - To a limited extent - Defer payments on principal.

C. Government assistance and taxation provisions

Government should loan to farmers defaulting for good reasons (2) - By legislation (2) - Mortgagor pay taxes.

D. Necessity for better price and credit system

Amortization (4) - Need constant interest rate (3) - Lower interest rates - Commodity dollar.

E. Leave matter up to individual adjustments

By compromising and carrying on (2) - Flexible agreement at purchase (2) - Use common sense.

F. Other suggestions

Develop honesty - Only if court declares emergency.

G. Miscellaneous comments

Recommendations of State Committee - Landlord is protected.

Question 11. Should profit tax be levied upon sale price of farm previously acquired through foreclosure?

Total number of counties voting - 65
 Number counties answering "yes" - 36
 "no" - 18
 "undecided" - 11

Summary by Type-of-Farming Areas

Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	14	8	4	2
Central Cash Grain	12	8	2	2
Western Livestock	17	13	2	2
Southern Pasture	10	3	5	2
Eastern Livestock	12	4	5	3

Number of counties commenting - 53

A. Beneficial effects

Discourages foreclosures (17) - Reduces land speculation (15) - Protects owners against loss (6) - Encourages home-ownership (3) - Mortgagee would be inclined to sell at reasonable figure - Would keep down land values - Stabilize land values on basis of income - Would reduce corporate ownership - Stop mortgagee from taking advantage of temporary setback of mortgagor - Would promote better cooperation.

B. Use of tax proceeds

Profit tax to go to original title holder (3)

C. Suggested modifications

If farm sold within certain time limit (6) - Give reasonable return on sale (2) - Tax 50% of increased value (2) - Tax should vary according to number of years held by titleholder - Arbitrate.

D. Detrimental effects

May restrict credit (12) - Speculator would evade law.- Would discourage people buying land - Would stifle land prices.

E. Policy unsound or unnecessary

Mortgagee not reimbursed for taking loss (7) - Unsound and unfair (2) - Go easy on this (2) - Difficult to determine amount of profit - Just a mess of complications - Too many taxes now - Too many answers for and against.

Question 12. Do you believe it desirable that a sur-tax be levied upon large land holdings?

Total number of counties voting - 61
 Number counties answering "yes" - 40
 "no" - 10
 "undecided" - 11

Summary by Type-of-Farming Areas				
Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	14	9	4	1
Central Cash Grain	11	10	-	1
Western Livestock	16	9	2	5
Southern Pasture	9	5	1	3
Eastern Livestock	11	7	3	1

Number of counties commenting - 57

A. Beneficial effects on home ownership

Stimulates home ownership (smaller family-farms) (16) - Discourages large land holdings (15) - Discourages outside investment in land (2) Promotes better communities.

B. Suggested modifications

Tax on assessed value rather than acreage (4) - Base tax on 320 acres (2) - Base tax on 160 acres (2) - Base tax on 240 acres or \$18000 value (2) - Time should be given large landholders to liquidate their holdings (2) - Tax should be gradually increased each year (2) - Provided farm size not restricted below efficient size - Higher tax on all non-operator owners - Limit ownership to operators - On corporations only - Desirable, if workable - Just as constitutional as a graduated income tax - (640-1000) acres/individual involved.

C. Beneficial effects and land value and credit.

Reduces speculation (5) - Stabilizes land values (5)

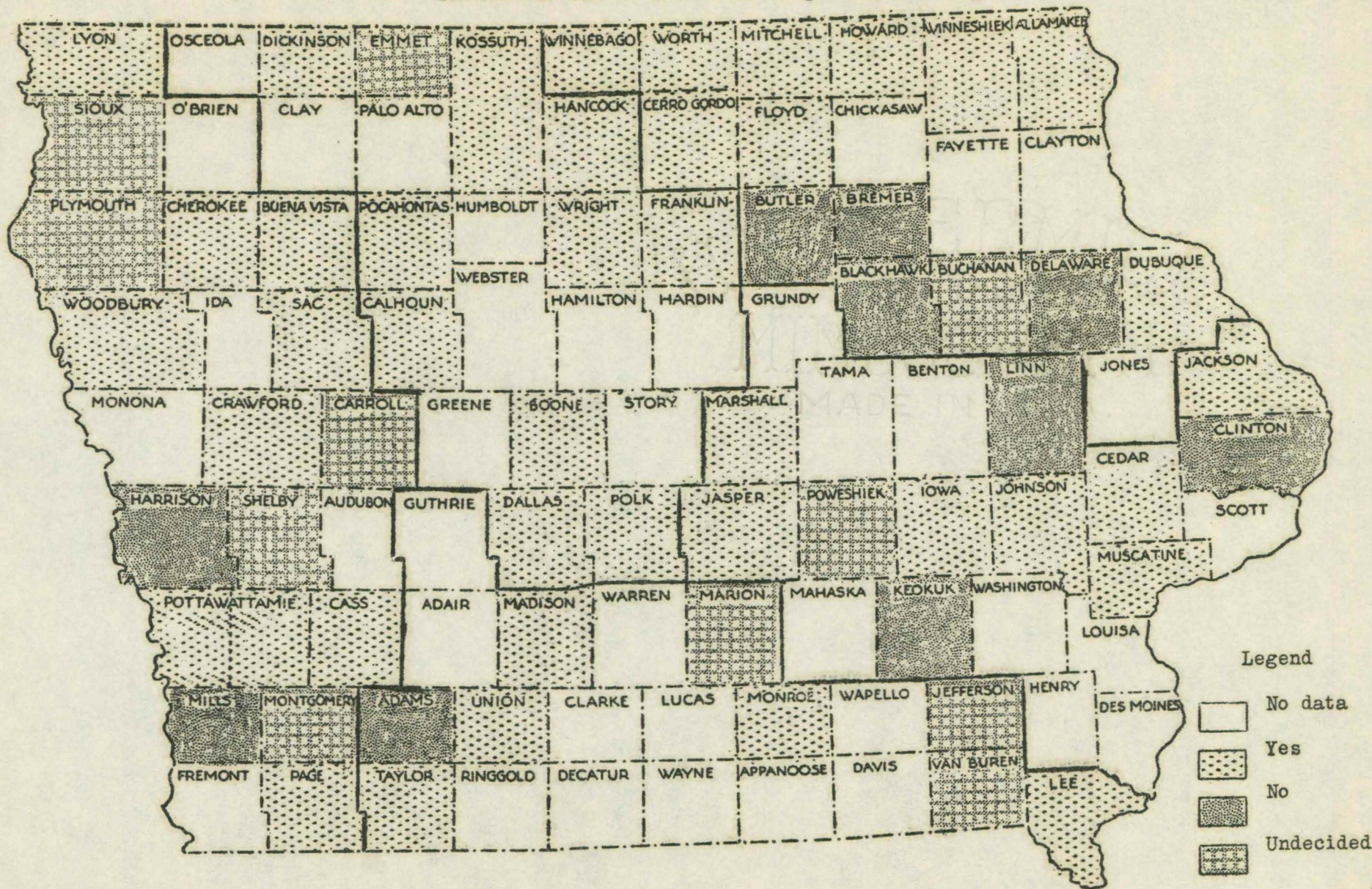
D. Detrimental effects

Restricts credit (6) - Would raise interest rates (2) - Depresses land values (3) - Raise Rent (3) - Would force much land on market unreasonably - Decrease ownership.

E. Unsound policy

Might discourage thrift (3) - Discourage efficient man who had large holdings as his goal (2) - Large holder pays tax on income - Might hurt life insurance dividends - Homestead exemption sufficient - Lower tax on smaller farms - Could apply only to agricultural land - Parity prices will take care of this - Would create difficulties.

Ques. 12. Should sur-tax be levied on large land holdings?



Question 13. What are, in your opinion, the main short-comings in our leasing practices and landlord-tenant relationships?

Number of counties commenting - 64

A. Insecurity of tenure

Short-term leases (50) - Insecurity of tenure (7) - Too short notice (18) - Tenant cannot plan ahead (3) - No automatic continuation of leases - Landlord's lien (3).

B. Inadequate general lease provisions

No compensation for improvements (8) - Leases all in landlord's favor (3) - Oral leases (3) - Leases not flexible to permit necessary adjustments (2) - Eldridge farm lease is bad (2) - Need more equitable leases (2) - Too few stock share leases - Failure to understand lease.

C. Inadequate rent provisions

Rents too high (3) - Rents too high on grass land - Tenant unable to make rent - Landlord charges rent on buildings (2) - Renters outbid each other (2) - Cash renting (2) - Put rent on sliding scales (2) - Tenant's share on poor farm should be larger - Unpaid rent is not held over to next year.

D. Types of landlords

Landlords over-mortgaged (2) - Many incompetent - Landlord doesn't furnish materials - Absentee landlords - Landlord doesn't understand farming - Landlord not concerned about welfare of tenant or farm.

E. Types of tenants

Tenants exploit soil (3) - Many incompetent tenants - Tenant operates on shoestring - Tenant moves rather than make minor improvements.

F. Attitudes

Disagreements between landlord and tenant (7) - Lack of cooperation between landlord and tenant (6) - Spirit of exploitation in both landlord and tenant (3) - Don't find out about each other before leasing - Instability of American life (individualism).

G. Miscellaneous comments

Failure to arbitrate (4) - Inadequate improvements on farm (2).

Question 14. What are the main reasons for the high degree of insecurity of tenure on rented farms?

Number of counties commenting - 66

A. General leasing conditions

Short-term leases (19) - Too short notice (2) - Insecure feeling - No compensation for unexhausted improvements.

B. Rent conditions

Tenants outbidding each other (11) - More tenants than farms (2) - Too high rents (5) - Tenant cannot make rent (4) - Too high rents on grass land - Rent is raised if farm is improved (3)

C. Friction between parties

Lack of cooperation, intolerance (17) - Misunderstanding, dissatisfaction (12) - Disagreement on upkeep of improvements (2) - Poor or dishonest tenants (4).

D. Type of tenant

Landlord tried for better tenant (9) - Landlord wants to sell (13) - Landlord heavily in debt (4) - Greediness of landlord (2) - Poor landlord (2) - Corporate landlord - Absentee landlord - Landlord merely interested in rent, forgets about human side.

E. Type of tenant

Tenant tries for better farm (10) - Tenant fails to see advantage in staying on one farm (3) - Poor or dishonest tenants (9) - Shiftless tenants (4) - Tenant has no "heart" in his work (2) - Tenant has no interest in farm - Tenants exploit the soil - Tenants farm too large a farm - Some tenants never satisfied.

F. General economic conditions

Depression, low farm prices and income (9) - Instability of income (5) - Reduced productivity of farms (4) - Farms cannot support 2 families (3).

Question 15. What would you estimate the total cost of one move to a tenant to be? Estimated by 59 counties, average cost \$272.

Number of counties commenting - 59

Wear and tear on equipment and household goods, furniture breakage (40) - Moving costs, trucking and hauling (33) - Livestock loss and shrinkage in moving (12) - Time (12) - Lack of acquaintance with soil of new farm (9) - Loss of feed (8) - Reestablishment in new community (7) - Loss in production of livestock, i.e. delayed farrowing, eggs and milk (6) - Labor and packing (5) - Forced to sell livestock at a loss (4) - Break natural routine (4) - Moving to a farm of a different size (4) - Cost of extra help (2) Must re-purchase feed at higher price than sold for (2) - Loss of plowing (2) - Inconvenience (2) - Change of school (2) - Unfavorable crop rotations (2) - Time and expense of locating new farm (2).

The following elements of cost were mentioned only once:

Inability to plan ahead - Inability to store feed - Labor and cost of fixing and cleaning up new farm, e.g. fences, wells - Goods left on old farm - Lose improvements made on old place - Always need new articles on new farm - Loss of pasture - 15% to 25% of value - Lower crop yields - Lower standard of living - Forced to change farming system.

Miscellaneous comments

Depends upon distance (6) - Depends on amount to be moved (4) - Depends on size of farm (1) - Depends on weather and roads.

Question 16. What loss in income to both landlord and tenant could be charged to the fact that the average tenant plans his farming from year to year rather than a number of years ahead, due to his insecure tenure?

Number of counties commenting - 63

A. Inadequate farming systems

Lack of definite rotations (30) - Too much in crops - Few livestock numbers (16) - Difficulty of adapting livestock program to different farms (6) - Little grass and legumes seeded (11) - No definite soil conservation program (7) - No fall seedings of plowing (4) - Not acquainted with new farm (4) - Lack of best adapted farming program (4) - Possible shortage in roughage by not seeding enough in advance.

B. Neglect of land and improvements

Soil exploitations and erosion (33) - Neglect of building repairs (22) - Neglect of fences (14) - No interest in land and improvements (10) - Neglect of manure (9) - Neglect of weed control (4) - Less fertilizer used (2).

C. Kinds of losses

Both parties lose by short-term leases - Landlord usually the loser - Equipment loss in moving.

D. Estimates of amount of loss

20% of income (2) - 33% of income - \$500 (2).

E. Miscellaneous comments

Social effect--community spirit (3) - Insecure feeling of tenant - No compensation for unexhausted improvements - Difficult to educate children - If know by September 1 O.K.

Question 17. Do you believe that the average renter would take better care of the soil and the improvements if his tenure would be more secure?

Total number of counties voting - 65
 Number counties answering "yes" - 64
 "no" - -
 "undecided" - 1

Summary by Type-of-Farming Areas				
Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	14	14	-	-
Central Cash Grain	13	13	-	-
Western Livestock	18	18	-	-
Southern Pasture	9	8	-	1
Eastern Livestock	11	11	-	-

Number of counties commenting - 53

A. Beneficial effects on conservation and farming practices

Encourages conservation and better farming (14) - Permits planning ahead (13) - Advantage to tenant to improve farm (3) - Better care of buildings - Tenant now can't afford to fix things - Offers chance for increased income - Better credit.

B. Effects on the attitude of the tenant

Receives more benefits from his labor and efforts (30) - More permanent interest in farm (14) - Would feel more "at home" (8) - Would benefit community life (4) - Tenant would feel pride in farm home and community (3) - Human nature to take better care of his own property - Develops honesty.

C. Qualifications

Yes for majority of tenants (2) - Depends on kind of tenant.

Question 18. Would greater security of tenure lead:

(1) To more livestock farming?

Total number of counties voting - 64
 Number counties answering "yes" - 63
 "no" - 1
 "undecided" - -

Summary by Type-of-Farming Areas				
Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	13	13	-	-
Central Cash Grain	13	12	1	-
Western Livestock	18	18	-	-
Southern Pasture	9	9	-	-
Eastern Livestock	11	11	-	-

Number of counties commenting 52

(2) To higher farm returns to both tenant and landlord?

Total number of counties voting - 64
 Number counties answering "yes" - 63
 "no" - -
 "undecided" - 1

Summary by Type-of-Farming Areas				
Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	14	13	-	1
Central Cash Grain	13	13	-	-
Western Livestock	17	17	-	-
Southern Pasture	9	9	-	-
Eastern Livestock	11	11	-	-

Number of counties commenting - 47

A. Beneficial effects of farming system

Permits planning ahead for livestock (27) - Makes for more grass and livestock (27) - More soil conservation, higher fertility (19) - More livestock means higher fertility (18) - Better farming systems and practices (17) - More livestock means higher income (12) - Better upkeep of farm and improvements (3) - Livestock doesn't fit into a one-year lease (3) - Tenant familiar with farm; knows its capacity (3) - Many 1 year farms don't have pasture or equipment for stock (2).

B. Effects on tenancy relationships

Tenant feels more interested (6) - Saves expense of changing farms or tenants (4) - Better cooperation between parties (3) - If tenant prospers, so does landlord (2).

C. General comments in favor

Increases value of farm (3).

D. Will occur only under certain conditions

On poorer farms (4) - If farm is equipped for livestock (3)

E. Critical comments

Most tenants keep all stock the farm will carry (2) - Permits planning ahead for livestock - Many tenants not interested in livestock - Prevent stock share operations.

Question 19. What percentage of the tenants in your county or community definitely know whether they will stay on the farm for the next year, by the following dates?

Total number of counties commenting -

The majority of the answers stated for July 1 - less than 17%
 August 1 - about 20-40 %
 Sept. 1 - about 40-60 %
 Oct. 1 - over 60 %
 Jan. 1 - over 78 %

Only 8 percent of the answers stated that all tenants know by Jan. 1 whether they can stay.

The exact tabulation of the answers follows:

Percent of tenants knowing by indicated date that they can stay	Percent of answers indicating following dates:				
	July 1	Aug. 1	Sept. 1	Oct. 1	Jan. 1
None	12	9	6	6	3
1 - 17%	52	37	12	2	2
18 - 37	24	31	30	12	-
38 - 57	9	16	24	25	5
58 - 77	3	6	24	39	13
78 - over	-	-	4	16	77

Question 20. Do you believe that an "automatic continuation clause" with a reasonably long minimum period of notification would improve the security of tenure on rented farms?

Total number of counties voting - 66

Number counties answering "yes" - 63

"no" - -

"undecided" - 3

Summary by Type-of-Farming Areas

Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	14	14	-	-
Central Cash Grain	13	12	-	1
Western Livestock	18	16	-	2
Southern Pasture	10	10	-	-
Eastern Livestock	11	11	-	-

Number of counties commenting - 41

A. Beneficial effects on farming operations

Permits planning ahead, particularly in fall work (15) - Tenant more interested in farm (5) - Tenant would build up soil and rotate crops (2).

B. General social benefits

Certain date of notice necessary - Would prohibit raising rent late in year - Would be similar to long-term lease - Would help the wanderer to remain longer.

C. Suggestions favorable to the principle

Date of notice: August 1 (4), July 1, Sept. 1, April 1 - It would force an understanding (4) - Disadvantage only to speculator - A step in the right direction.

D. Advantages to tenant and landlord

Gives both parties time to find new renter or landlord (9) - Increases security of tenant (6) - More fair to both parties (3) - Would lead to better feeling between parties (2).

E. Disadvantages to tenant and landlord

Landlord could not give possession if sold (3) - Would put burden on landlord, interfere with sale of farm.

F. Miscellaneous comments

If both fulfill contract.

Question 21 a. If one party wants to terminate the lease should the other party be entitled to a "compensation for inconvenience and loss"?

Total number of counties voting - 64
 Number counties answering "yes" - 48
 "no" - 7
 "undecided" - 9

Summary by Type-of-Farming Areas

Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	13	11	1	1
Central Cash Grain	13	10	2	1
Western Livestock	18	12	1	5
Southern Pasture	9	7	2	-
Eastern Livestock	11	8	1	2

Number of counties commenting - 45

b. Should "compensation for disturbance" be paid also if proper notice for termination has been served, except if violations of the lease contract, death or bankruptcy are involved?

Total number of counties voting - 62
 Number counties answering "yes" - 13
 "no" - 39
 "undecided" - 10

Summary by Type-of-Farming Areas

Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	13	4	9	-
Central Cash Grain	12	3	7	2
Western Livestock	18	3	10	5
Southern Pasture	8	1	7	-
Eastern Livestock	11	2	6	3

Number of counties commenting - 28

A. How to determine the amount of compensation

Determined by arbitration (8) - Depends on circumstances (7) - As mutually agreed upon (2) - Compensate for seeding and fall plowing-- Whatever unfinished part of lease may be - Damages maliciously made or permanent improvements - For extra labor - For permanent improvements.

B. Suggested amounts of compensation

Actual value of loss (16) - Reasonable amount (5) - According to time of notice to quit (3) - Moving expense (2) - \$300 to renter, \$100 to landlord - 10% of the amount of cash rent - \$2 per acre - 20% of rent.

C. Suggested qualifications

Only if reasonable notice is not given (4) - None if early notice is given (15) - None if contract fulfilled by both parties (2) - Tenant should get another for the place to satisfaction of landlord.

D. Favorable general comments

Both have same privilege (2) - Everyone entitled to square deal.

E. Unsound policy

Should be left up to parties - Too strict regulation along this line may lead to more one-year leases.

Question 22. Would landlord's interest in maintaining the productive capacity of his land and improvements be served by the general adoption of an "automatic continuation clause and period of notification"?

Total number of counties voting - 63
 Number counties answering "yes" - 57
 "no" - 2
 "undecided" - 4

Summary by Type-of-Farming Areas				
Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	12	12	-	-
Central Cash Grain	13	13	-	-
Western Livestock	17	15	-	2
Southern Pasture	9	8	1	-
Eastern Livestock	12	9	1	2

Number of counties commenting - 39

A. Favorable comments

Promotes better rotations and better farming (15) - Better for both parties and for farm (6) - Stimulates tenant's interest in farm (3) - Tends to promote livestock (2) - Maintain fertility - Promote more security (8) - Tenant can plan his work (4) - Successful farming demands planning - Encourages cooperation between parties (2) - It is landlord's interest to keep a tenant (2).

B. Suggested modifications

Need compensation for improvements also

C. Critical comments

This, alone, would not force landlord to change attitude - If tenant good landlord will take interest.

Question 23. Should long-term leases (3 or 5 year terms) be encouraged?

Total number of counties voting - 64
 Number counties answering "yes" - 55
 "no" - 6
 "undecided" - 3

Summary by Type-of-Farming Areas				
Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	13	12	1	-
Central Cash Grain	13	12	-	1
Western Livestock	17	11	4	2
Southern Pasture	9	9	-	-
Eastern Livestock	12	11	1	-

Number of counties commenting - 62

A. Means to encourage long leases

By educating people to long leases (16) - By distributing long-time lease forms (4) - By mutual agreement and cooperation (4) - By lowering rent under long leases - Get parties to see its value - Tax short-term leases more than long-term leases - By uniform basis of rents to overcome competition - By not raising rent after tenant has built up farm - Understandable contract.

B. Suggested modifications

By crop share or sliding scale (3) - Good tenants should have long leases (2) - Trial period, then long lease (2) - 3-5 year lease with optional renewal - Provide for compensation for disturbance - Lease violation should release other party (2) - Get tenant's past record (2) - Could arbitrate in case of trouble (2).

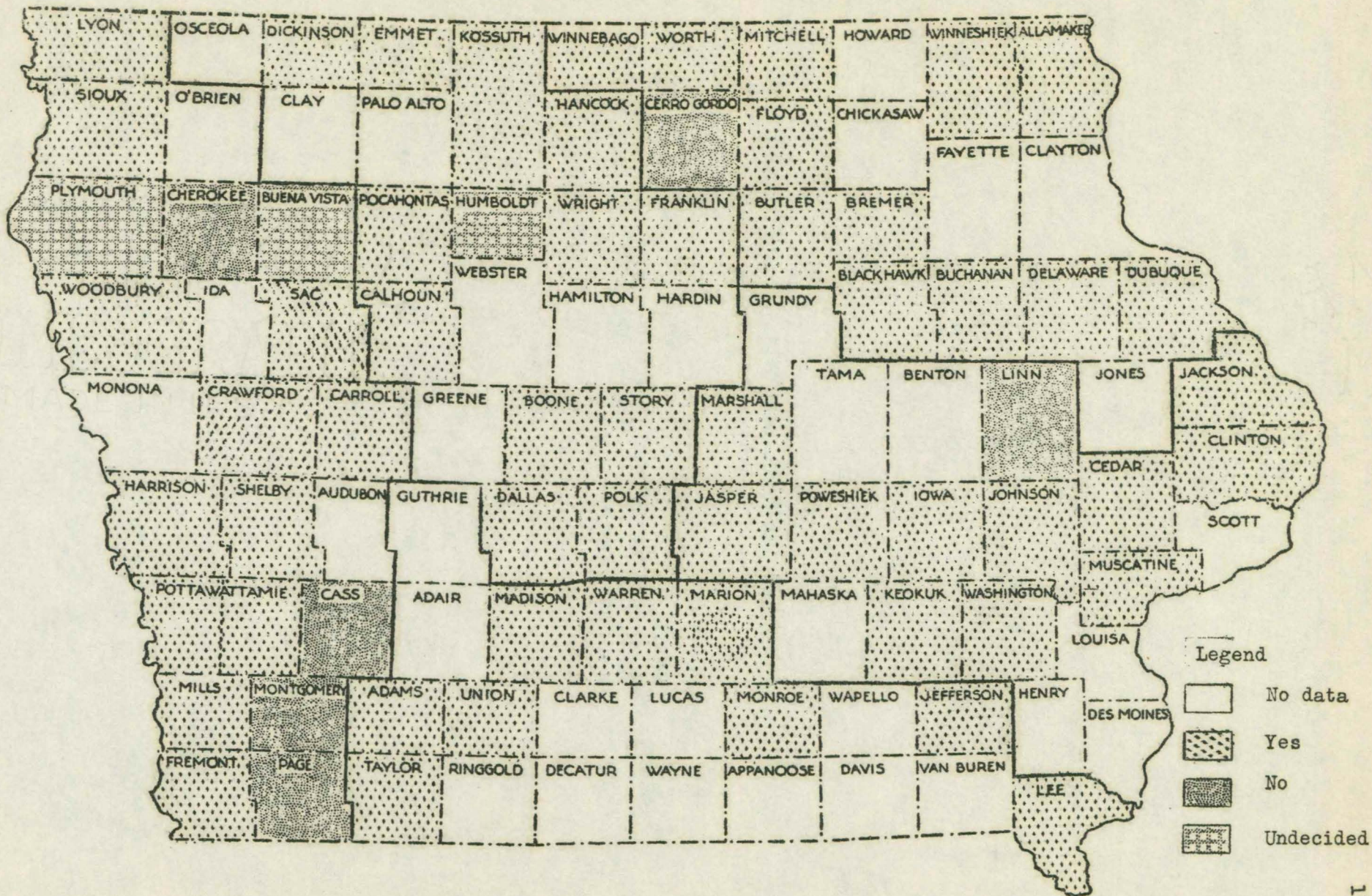
C. Beneficial effects

Better understanding of each other's problem (5) - Reduces overbidding for farms (3) - Promotes soil conservation (3) - Permits tenant to improve the farm (2) - Landlord and tenant would realize the advantages (3) - Good tenant will not rent for one year - Saves moving expense, better for children - Advantage to both parties.

D. Detrimental effects

Difficult to settle if contract is violated (7) - Tenant might not manage properly (7) - Landlord might pick poor tenant (5) - Fluctuations in farm prices (4) - No provision for emergencies or changes is made - Prevents raising and lowering of rent - Has disadvantage of encouraging share - Prevents tenant from becoming owner - Compensation collected from next farmer.

Ques. 23. Should long-term leases be encouraged?



E. Critical comments

Continuing yearly lease better because long-term too inflexible
(11) - Uncongenial parties should not be bound (8) - No disadvantage
except in case of sale (4) - Depends how well parties are acquainted
(8) - Restrict landlord in selling farm (3) - Sudden drastic economic
changes (2) - Tenant might feel too secure, lose ambition to own -
Tenant may be dissatisfied, but can't leave - Might be misunderstanding
at beginning - Some difficulties make termination necessity -
Tenant may ignore rights of landlord - How about poor management and
poor renter - Difficult to determine fair rental - Poor landlord in
some cases.

F. Miscellaneous comments

Insurance companies not rent for more than one year - Time is wasted
before change - There should be a basic rent.

Question 24a. Should renter be entitled to compensation, within certain specified limits, for unexhausted improvements he has made, in case he should leave the farm?

Total number of counties voting - 64
 Number counties answering "yes" - 60
 "no" - 4
 "undecided" - 0

Summary by Type-of-Farming Areas				
Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	13	13	-	-
Central Cash Grain	13	13	-	-
Western Livestock	17	17	-	-
Southern Pasture	9	6	3	-
Eastern Livestock	12	11	1	-

Number of counties commenting - 50

A. Just and fair in principle

Tenant is entitled to compensation (9) - Matter of fair play and mutual benefit (4) - Landlord and new tenant not entitled to benefit (2) - As a matter of honesty in dealing - Tenant has added to farm - Entitled to return on labor and money invested.

B. Beneficial effects on farms and renting conditions

Encourages better farming (6) - Contributes to productivity of farm and soil conservation (5) - Encourages care and increase of improvements (2) - Otherwise improvements are not made (2) - Landlord will benefit (4) - Encourages care and increase of improvements (2) - Discourages other tenants bidding up rent (2) - Encourages landlord to keep good tenant (1) - Discourage raising of rent and moving.

C. Suggested modifications

Prior consent of landlord required (6) - Depends on reason for leaving (2) - Only if tenant is asked to quit - Within reasonable limit; rule must work both ways, however (2) - Unless lease stated otherwise - Should be specified in contract - For limestone and seed.

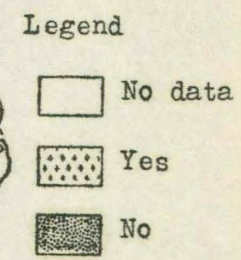
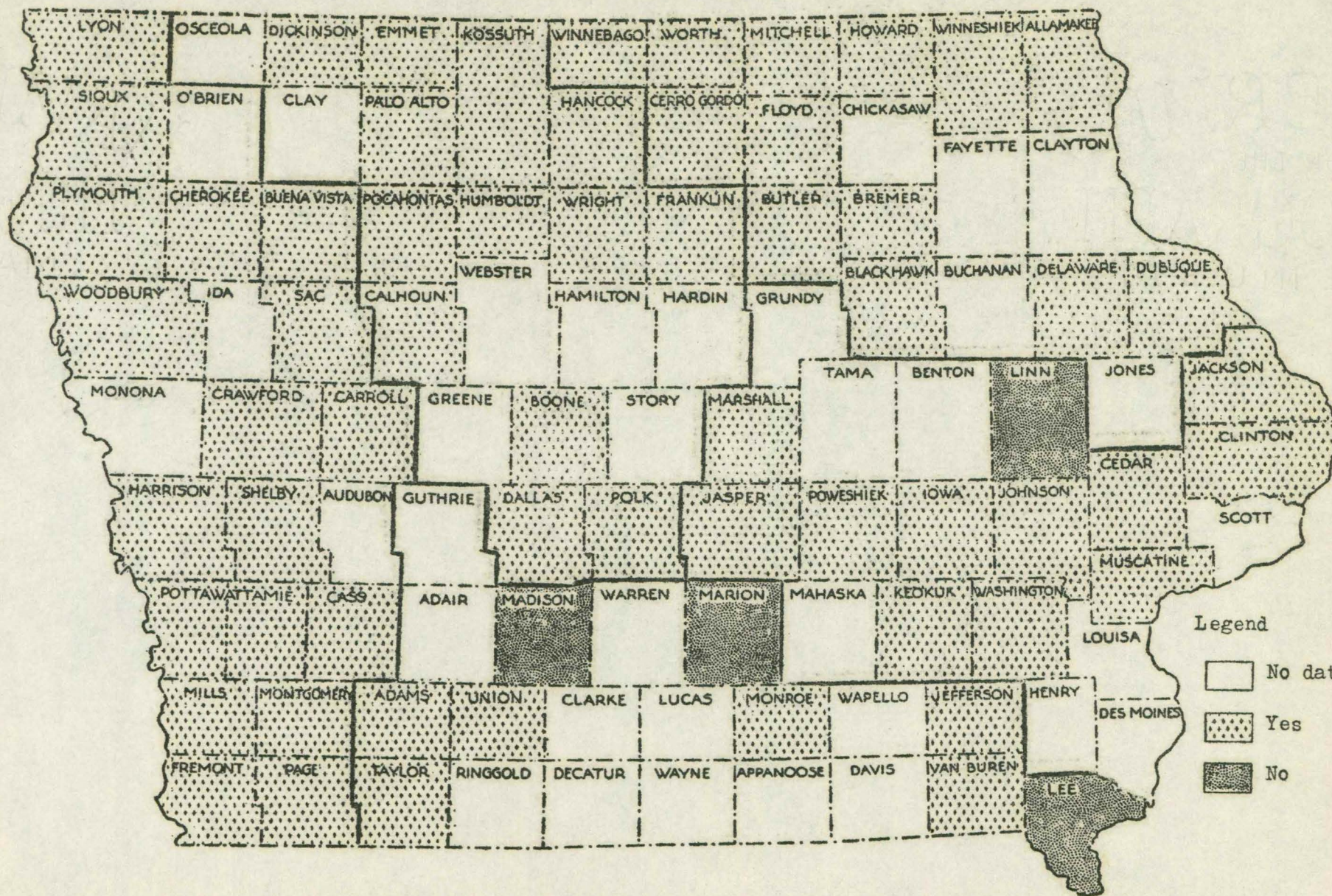
D. Determination of amount of compensation

Up to certain amount (2) - Amount determined by arbitration

E. Unsound policy

Leave up to mutual agreement (2) - Difficult to appraise - Tenant benefits same as owner.

Ques. 24a Should renter receive Compensation for unexhausted improvements?



Question 24b. To what improvements should compensation for unexhausted improvements principally apply?

Number of counties commenting - 65

1. Soil improvements - - - (63)
2. Weed eradication - - - (54)
3. Repairs on buildings - (51)
4. Fences - - - - - (48)
5. Water system \neq - - - - (44)
6. Electricity - - - - - (42)
7. Additions to buildings (36)
8. Beautification of yard (29)
9. Erosion control - - - - (5)

Question 24c&d. Regarding improvements not requiring the prior consent of the landlord, should a maximum be set for the tenant's claim for compensation?

Total number of counties voting - 50
 Number counties answering "yes" - 39
 "no" - 5
 "undecided" - 6

Summary by Type-of Farming Areas

Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	11	10	-	1
Central Cash Grain	11	6	4	1
Western Livestock	10	8	-	2
Southern Pasture	9	8	-	1
Eastern Livestock	9	7	1	1

Number of counties commenting - 24

If answer is yes, what should this maximum be?

In terms of percent of rent		In terms of dollars	
5%	(2)	\$ 5 to 20	(3)
10	(3)	25	(3)
15	(1)	50	(4)
25	(2)	75	(1)
50	(1)	100	(1)
100		300	(2)

Other suggestions

None - Full value of unexhausted part - Depends on conditions - According to size of farm - Necessary repairs - 25¢ per acre.

Question 25. Would the landlord's interest in maintaining the productive capacity of his land and improvements be served by a compensation clause for unexhausted improvements?

Total number of counties voting - 66
 Tumber counties answering "yes" - 57
 "no" - 3
 "undecided" - 6

Summary by Type-of-Farming Areas

Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	14	12	1	1
Central Cash Grain	13	11	-	2
Western Livestock	18	17	-	1
Southern Pasture	9	8	-	1
Eastern Livestock	12	9	2	1

Number of counties commenting - 62

A. Beneficial effects

Increases tenant's interest in up-keep and improving (13) - Would maintain or increase land productivity and value (5) - By furnishing materials (5) - By furnishing seed (2) - By providing for adequate improvements (2) - Landlord cannot raise rent on account of improvements by tenant (3) - Encourages better class of tenants (2) - Advantage to both parties (2) - Both be fair (3) - Makes farm home better place to live in (2) - Tenant could improve in slack times (2) - Tenant obliged to take care of buildings - Encourages crop rotation - Encourage longer tenure - An assurance of fair play - Good landlord wants to give square deal - Larger increase in landlord's stock share would result - By hearty cooperation (2) - Encourages stock raising.

B. Under certain conditions

If used together with long-time leases (32) - Together with lower rent (23) - If rent is reasonable (7) - By prior agreement (5) - Under a 50-50 lease.

C. Suggested modifications

Give bonus to good tenant (6) - Pay for additional labor (5) - Only for soil improvement; no necessity for buildings (4) - Specify in lease to avoid trouble (3) - Make it profitable to tenant (2) - Give option to buy farm - Tenant buy landlord's share at lower price.

D. Critical comments

Landlords are afraid of added expenses - Landlord has to pay taxes on improvements.

Question 25b&c - What kinds of improvements, or up to what value, should the renter be allowed to make without prior consent of the landlord?

Number of counties commenting - 65

A. Kind of improvements

Repairs on buildings (13) - Fences (11) - Weed eradication (8) - Soil improvements (6) - Water system (5) - Electricity (4) - Beautification of yard - Tree planting (windbreaks, fruits, etc.) - fall plowing, seeding and manuring.

B. Up to what value?

None without consent (37) - Within reason, for small outlays (7) - Up to \$10 (without consent) - Up to \$25 (2) - Up to \$50 - Up to \$100 - Up to \$200 (2).

C. Suggested modifications

Only urgent repairs to preserve property (5) - Temporary improvements only (4) - Any needed improvements upon mutual agreement - Specify in lease (3) - None, unless he cannot contact landlord - Landlord's job - Up to 1/2 of rent - Leave to arbitration board.

Question 26a. Should the landlord be entitled to compensation for damage done by the renter to the farm property through mismanagement, neglect or violation of the lease?

Total number of counties voting - 59
 Number counties answering "yes" - 55
 "no" - 1
 "undecided" - 3

Summary by Type-of-Farming Areas				
Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	12	11	1	-
Central Cash Grain	11	10	-	1
Western Livestock	15	13	-	2
Southern Pasture	10	10	-	-
Eastern Livestock	11	11	-	-

Number of counties commenting - 48

A. Comments in favor

Only fair thing to do (6) - For damage caused by neglect only (5) - Landlord suffers the damage, must be protected (5) - Lease should contain such a clause (4) - Encourages tenant to keep up farm (3) - Some tenants are careless and destructive (3) - Only if tenant is definitely at fault (2) - Tenant's duty to maintain farm - Ruining a man's original investment - Tenant must be fair and take care of property if he wants good treatment himself.

B. Within limits

Not for natural deterioration (4) - By arbitration (3) - Only if tenant is also compensated for improvements (3) - Damage caused by destruction only (2) - Amount mutually agreed - If landlord furnishes materials - Damage due to mismanagement.

C. Critical comments

Hard or impossible to collect (6) - Clause is now in leases, but not enforced (2) - Present law handles this adequately - Causes too many lawsuits - Tenants have too many exemptions (from execution) - Landlord and tenant both better off with 1 year lease - Would reduce rental or sale value - May lead to hard feelings.

Question 26b. To what damage done by the renter to the farm property should compensation principally apply?

Number counties commenting -

A. Damages from:

Cutting trees and shrubs (58)

Neglect of buildings and improvements (51)

Noxious weeds (48)

Disrepair of tiles and ditches (37)

Improper use of manure (35)

Exploitive crop systems (31)

Overgrazing of pastures (23)

Disrepair of fences (5)

Excessive erosion (1)

Question 27. How could a greater sense of responsibility for soil conservation, beautification of home and yard, and social progress in the community be stimulated in the renter.

Number of counties commenting - 63

A. Through better leases

Long-term lease (37) - Increase tenant's security on farm (6) - Compensation for unexhausted improvements (4) - Fair rent (3) - Continuation clause (2) - Share rent - Lower rent - First privilege in case of sale.

B. Through adequate contributions from landlord

Landlord to furnish materials promptly (7) - Landlord pay tenant for work (6) - Help to bear actual expenses (2) - Landlord express his appreciation (2) - Landlord should take lead - Landlord to take more interest in tenant - Give tenant better living conditions - Help him to buy farm.

C. Through education and community activities

Education (10) Encourage community activities (8) - Through farm organizations (4) - Extension Service can help - Better cooperation and understanding (4).

D. Miscellaneous comments

Better prices for farm produce (9) - Agree on soil conservation program - Rent only to responsible tenant - Every genuine farmer should have it - Tell him if he is good; some day he will own his own farm.

Question 28a. Should the landlord's lien on the tenant's property be limited to a percentage of the value of the farm's production?

Total number of counties voting - 63
 Number counties answering "yes" - 50
 "no" - 5
 "undecided" - 8

Summary by Type-of-Farming Areas

Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	12	11	1	-
Central Cash Grain	13	11	1	1
Western Livestock	17	12	1	4
Southern Pasture	10	7	1	2
Eastern Livestock	11	9	1	1

Number of counties commenting - 42

A. Suggested limitation of the landlord's lien

Farm should produce enough to pay rent (6) - Rent should not be more than 1/2 of production (2) - Landlord should receive only his share (2) - Livestock increase should guarantee pasture rent.

B. Present landlord's lien unsound

Tenant cannot control "Acts of God" (14) - Personal property of tenant should not fall under lien (5) - Gives tenant chance to continue farming (2) - Tenant's family must live, by fair means, or by foul ones if necessary (2) - Tenant should not take all risk and loss - Most tenants will pay up in time - Parties should share in loss (2).

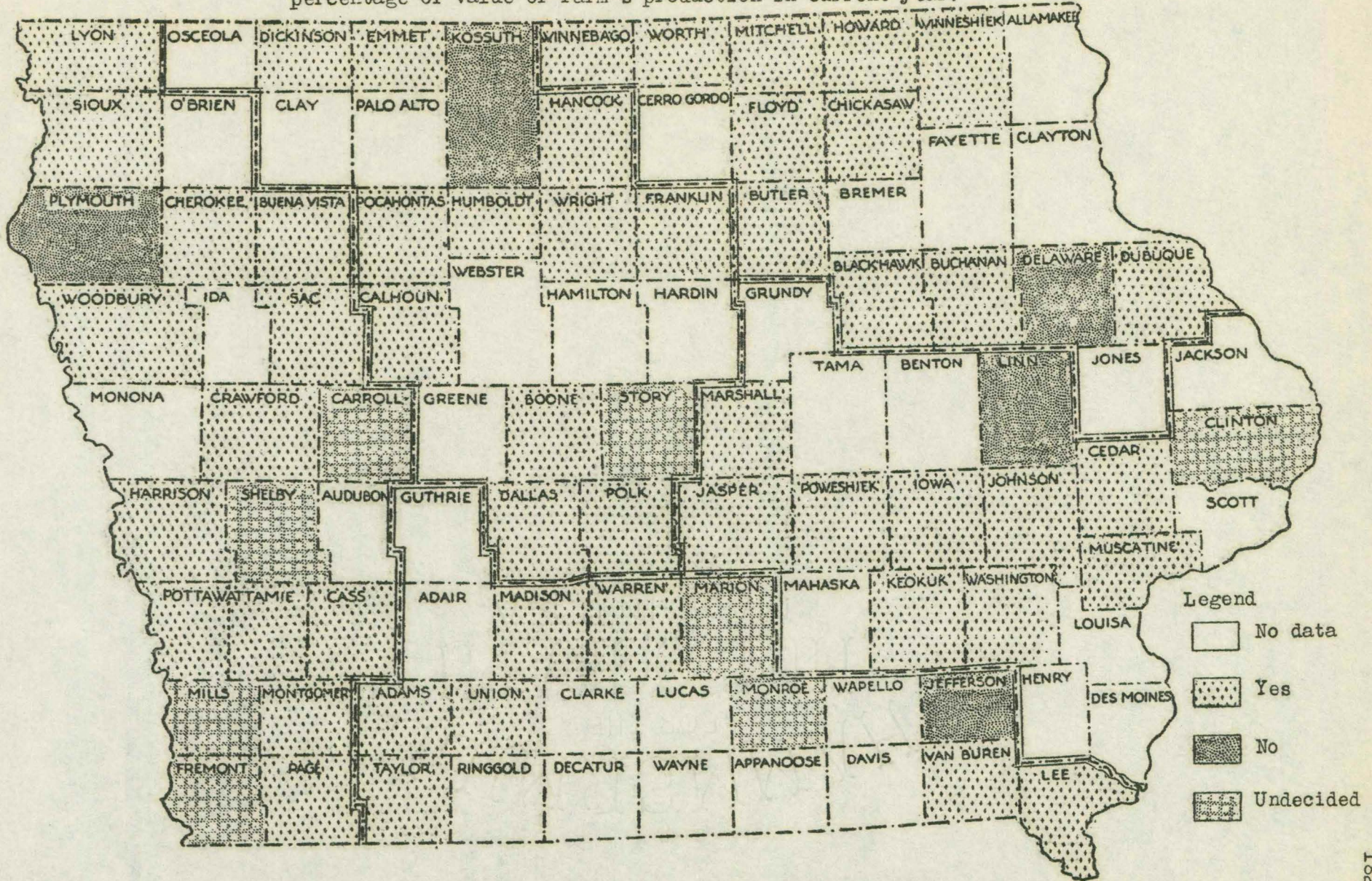
C. Landlord's lien justified

Should depend on tenant's efforts (2) - Landlord should be protected.

D. General critical comments

Should be settled locally (2) - Landlord should be willing to cooperate.

Ques. 28a Should landlord's lien be limited to certain percentage of value of farm's production in current year?



Legend

- No data
- Yes
- No
- Undecided

Question 28b. Whenever farm income is abnormally low due to drought, flood or extremely low prices, should the landlord agree to waive his lien on the tenant's share of the crop and his property exempted from execution under state law?

Total number of counties voting - 58
 Number counties answering "yes" - 37
 "no" - 12
 "undecided" - 9

Summary by Type-of-Farming Areas

Area	reporting	Yes	No	Undecided
Northeastern Dairy	14	12	2	-
Central Cash Grain	12	5	2	5
Western Livestock	18	10	3	1
Southern Pasture	8	4	2	2
Eastern Livestock	12	6	3	1

Number of counties commenting - 33

A. Present landlord's lien unscound

Lien should be waived unless tenant is at fault (3) - Parties should share in loss (2) - Is not tenant's fault (2) - If due to weather, landlord should not be allowed to sell tenant out - Landlord should be lenient.

B. Suggested limitations of lien

Determine by arbitration (4) - Landlord should be compelled to (3) - Limit to certain percent of produce (2) - Lien should not include personal property (3) - Rent to be based on production (2) - Landlord should reduce cash rent - Should be provided for in the lease.

C. Limiting lien under certain conditions

To certain extent - In case of drought and flood and prices - Landlord should receive at least taxes and interest - Landlord should receive more in good years to make up.

D. Beneficial effects of limited lien

Gives tenant chance to continue farming (3)

E. Opposed to limiting lien

Leave up to parties (3) - Landlord has interest and taxes to pay (3).

Question 28c. If the tenant is not in debt to the landlord and should desire to obtain credit from any credit agency, should the owner agree to waive his lien on the tenant's share of the crop produced?

Total number of counties voting - 59
 Number counties answering "yes" - 44
 "no" - 9
 "undecided" - 6

Summary by Type-of-Farming Areas

Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	14	11	2	1
Central Cash Grain	11	8	2	1
Western Livestock	16	13	1	2
Southern Pasture	8	5	2	1
Eastern Livestock	10	7	2	1

Number of counties commenting - 43

A. General favorable comments

Landlord benefitted as well as tenant (4) - Tenant often needs to borrow to buy livestock (4) - Tenant should be allowed to borrow to better himself (3) - Landlord should help tenant to get credit - Sometimes a little capital for a short period means a lot to tenant - He may be a good renter and pay you back - Lien should not cover tenant's share of crops and personal property (4) - It looks like good business to all parties (2).

B. Only under certain conditions

If credit is used productively (6) - Either waive lien or furnish money for him (5) - If loan is to be used on landlord's farm - If tenant does not owe back rent (2) - Depends on purpose of loan, character of tenant, etc. (2) - Landlord should not receive more than 1/2 of production - If landlord wants to keep tenant - Tenant may use money unwisely (2).

C. Opposed to waiving lien

Only voluntarily, mutual agreement (7) - Why should landlord give up his security to loan agency - Not fair to landlord, should have some security - Tenant should pay rent first - Is renter's credit any good? - No, because government may not get its share in full first.

Question 29a&b. Do you believe that a systematic development of some form of arbitration could successfully settle many difficulties arising between landlord and tenant?

Total number of counties voting - 67
 Number counties answering "yes" - 64
 "no" - -
 "undecided" - 3

Summary by Type-of-Farming Areas

Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	14	14	±	-
Central Cash Grain	13	13	-	-
Western Livestock	18	16	-	2
Southern Pasture	10	10	-	-
Eastern Livestock	12	11	-	1

Number of counties commenting - 58

A. Favorable comments

Best and cheapest way to settle difficulties (6) - Arbitration fair means of settlement (5) - Arbitration board saves court costs (4) - Keep out of court (3) - Saves lawsuits and hard feelings - County arbitration board, or township (3) - At present, FDA council arbitrates (2) - Has worked successfully here (2) - Arbitrators must be fair and competent - The sooner established the better (2) - Both parties should be bound by decision - If parties cannot agree otherwise - If both parties reasonable.

B. Kinds of differences suitable for settlement by arbitration

Improvements (25) - All difficulties (15) - Damages (13) - Most, or many, but not all difficulties (12) - Value of crop and livestock shares (10) - Performance of contract (9) - Rent in general (8) - Amount of compensation (7) - Rent in drought years (4) - Changing tenants (2) - Rent in times of low prices - Question of fact, not of law.

C. Critical comments

Most cases would eventually go to court anyway (2) - Ill feeling has developed toward arbitration board - Cases would be small.

Question 30. Should Minimum standards of health and sanitation and laborer's housing be required by law?

Total number of counties voting - 65
 Number counties answering "yes" - 36
 "no" - 12
 "undecided" - 17

Summary by Type-of-Farming Areas

Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	14	9	2	3
Central Cash Grain	13	8	2	3
Western Livestock	17	9	4	4
Southern Pasture	10	3	3	4
Eastern Livestock	11	7	1	3

Number of counties commenting - 34

A. Suggested Standards

Proper drinking water provided (5) - Good sanitary drainage (2) - Buildings should be liveable and sanitary: Tenant entitled to such - Good roofs and windows in house - Running water - Bathroom with tub and stool - Sewage disposal.

B. Legislation required

Under public health board (2) - Give landlord Homestead Tax Exemption on modern farm - Settle by arbitration board.

C. Poor conditions exist

Too many unfit homes in country - Some conditions are terrible - Some conditions require it.

D. Justification for rural housing law

All are entitled to decent living (2) - Within limits possible in the country (2) - Poor housing reduces morale - Fire hazards removed - Don't want conditions like in South - Advantage to both parties.

E. Qualifying remarks

Should be given serious consideration - Difficult to define minimum standards - If landlord can afford to improve.

(30) continued

F. No legislation needed

Is a local or personal matter (4) - Encourage but not compulsion
(2) - Landlord not always able to provide adequately (2) - There
might be no limit to demands (3) - Doubt it could be enforced
(3) - Would cause much trouble (3) - Most tenant houses are as
good as landlord's - None here living below health standard -
Better effected by higher income - Tenant should not rent unfit
home.

Question 31. Should a landlord who provides decent housing conditions and follows certain approved leasing practices with his renter be entitled to a tax refund under the Homestead Exemption Law?

Total number of counties voting - 59
 Number counties answering "yes" - 27
 "no" - 25
 "undecided" - 7

Summary by Type-of-Farming Areas				
Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	13	8	4	1
Central Cash Grain	11	6	5	-
Western Livestock	17	5	8	4
Southern Pasture	9	4	3	2
Eastern Livestock	9	4	5	-

Number of counties commenting - 34

A. Favorable comments

Encourages better housing (4) - Promotes better landlord-tenant relations (3) - Returns will come from better satisfied tenant - Encourages owner-operatorship (2) - Good landlord should be encouraged - Landlord doing his part to better conditions - Improves social standards - Of benefit to community.

B. Suggested modifications

If landlord has no other source of income (3) - If resident landlord (lives in state) (2) - If he gets no exemption on his residence (2) - Non-resident landlord should be required by law to provide minimum standards - If landlord spends an equal amount on improvements - Limit of 2 farms - Tenant should share in this refund - Arbitrate - 25% of maximum exemption - Give 50% of exemption.

C. Critical comments in opposition

Works against home ownership (5) - Depends on conditions (3) - Who shall judge conditions - Unworkable - Law is a farce - Someone must pay taxes.

Question 32. Should a tenant be granted by the landlord a first option to buy the farm if it comes up for sale?

Total number of counties voting - 66

Number counties answering "yes" - 54

"no" - 8

"undecided" - 4

Summarized by Type-of-Farming Areas

Area	reporting	Yes	No	Undecided
Northeastern Dairy	14	14	-	-
Central Cash Grain	13	10	3	-
Western Livestock	17	13	2	2
Southern Pasture	10	7	2	1
Eastern Livestock	12	10	1	1

Number of counties commenting - 31

A. General comments in favor

Good tenant entitled to first option (6) - Tenant as prospective buyer will care better for farm (3) - Tenant often has improved farm (3) - Would be fair (2) - Save tenant moving expense - Tenant is familiar with farm - May be the logical buyer - Farm is the home of the tenant - Advantage to both parties.

B. Qualifying remarks

If tenant has been on farm a number of years (5) - If tenant has money to buy - Unless former owner wanted to buy it.

C. Critical comments

Immediate relation first choice (4) - Owner must sell at best advantage (4) - Tenant has no rights except as specified in lease - Unimportant.

Question 33. Are farmers operating more than one farm and thereby displacing farm families a problem in your county?

Total number of counties voting - 64
 Number counties answering "yes" - 33
 "no" - 30
 "undecided" - 1

Summarized by Type-of-Farming Areas

Area	No. co. reporting	Yes	No	Undecided
Northeastern Dairy	13	5	8	-
Central Cash Grain	13	10	2	1
Western Livestock	16	8	8	-
Southern Pasture	9	4	4	1
Eastern Livestock	12	5	7	-

Number of counties commenting - 38

A. Direct legislative remedies suggested

Limit size of farm (2) - Surtax (graduated) over certain acreage
 (2) - Legislation limiting ownership to one farm (set of bldgs.)
 (2) - Heavy taxes on tractors and big machinery - Tax production above certain quota - Tax empty houses.

B. Indirect means

Less W.P.A. - To some extent, homestead tax is helping - Make more loans to farmers - Get good hired man, whose family will not care for buildings and equipment.

C. General comments and proposals

Fair farm prices only solution (6) - Help good farmers to get back on farms (4) - Give family owner-operated farms, benefits denied to big operators - A detriment to community - Farmers forced to town on relief because of lack of farms - Tractor farming is cause - Educational program necessary - Soil depleting.

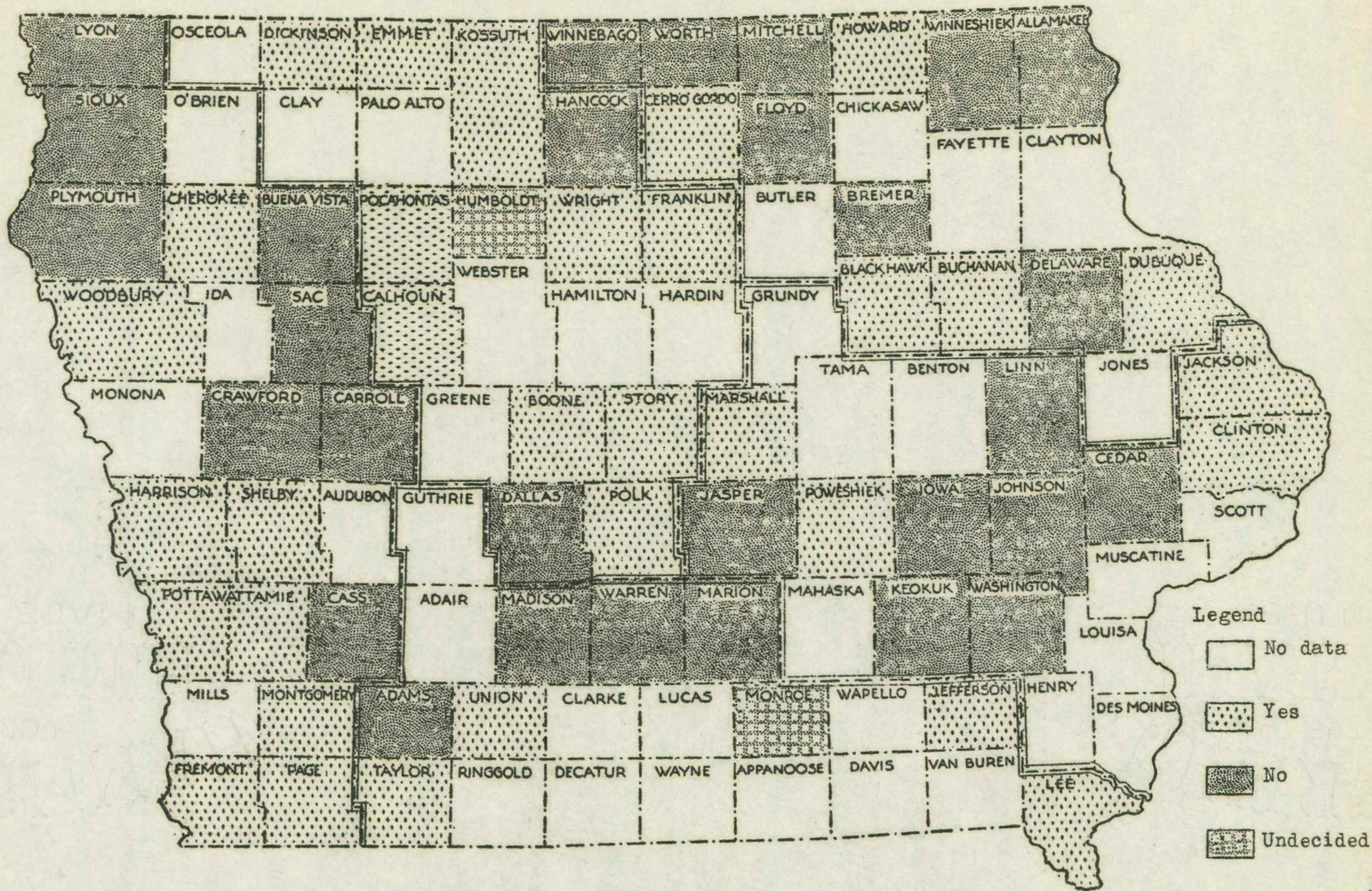
D. No reason for concern

Not a serious problem (10) - Nothing can be done (2) - Not if adjacent land can be efficiently farmed by one person.

E. Miscellaneous comments

Depends on owner - No venture on "family-sized" farm - A hired laborer usually lives in these abandoned houses.

Ques. 33 In your county is an increasing number of farmers farming more than one farm a problem?



Question 34 In order to prevent excessively high taxes due to large local bond issues or special assessments, should some reasonable upper limit be set beyond which tax assessments are not allowed to go?

Total number of counties voting - 63
 Number counties answering "yes" - 62
 "no" - -
 "undecided" - 1

Summary by Type-of-Farming Areas

Area	No. Co. reporting	Yes	No	Undecided
Northeastern Dairy	14	14	-	-
Central Cash Grain	11	11	-	-
Western Livestock	17	16	-	1
Southern Pasture	9	9	-	-
Eastern Livestock	12	12	-	-

Number of counties commenting - 29

A. General comments in favor

Taxes should never become burdensome (4) - Limit taxes to what land can carry; high taxes passed on to renter (3) - Keep taxes on production level (2) - High school taxes too great a burden (2) - Practice "pay as you go" like Nebraska (2) - High taxes nightmare to present and prospective owners (2) - Hinders rural improvements - Unlimited taxes lead to waste and extravagance - High taxes tend to lower valuation of property - Results in depletion of soil - Excessive drainage taxes discourage ownership - Limit spending of county supervisors - Would increase owner-operatorship.

B. Suggested modifications

State aid for schools - Except under unusual conditions - Especially where some farmers are in small school districts.

C. Alternative proposals

Only owners should vote on bond issues (2) - Graduated land tax more desirable - Less taxes should be paid on rough permanent pasture - Taxes should not be set on real estate.

D. Critical comments

There is a constitutional limitation now - Futile--a way will be found to raise them - Too many conflicting factors - Puts burden on the future.

Question 35. What are the farm laborer's problems in your county, how could his status be made more secure, and what could be done to help him rise to tenancy?

Number of counties commenting - 60

A. Helping laborer rise to tenancy

Better wages (48) - Space and feed for cow and chickens (40) - Garden lot (39) - Profit sharing or bonus (36) - Help and advise in saving (30) - Space and feed for few hogs (25) - Lack of adequate income to pay wages (18) - Provide cow, chickens and few hogs (2).

B. Difficulties encountered in employment conditions

Employment too seasonal (20) - Lack of available work (6) - More man work, less big machinery (3) - Poor living conditions (4) - Conditions bad for married laborers (3) - W.P.A. draws labor away (3) - No yardstick to measure efficiency.

C. General proposals

Organize farm workers - Revise W.P.A. set-up - Provide some time off.

D. Shortcomings of laborers

Many lack ability to manage and shift for themselves (4) - Lack of thrift - Lack of efficiency cause of low wages - Scarcity of competent reliable laborers.

E. No labor problem

No labor problem (3)

F. Miscellaneous comments

Stabilize farm prices (7) - Need more livestock farming - Education to possibilities.

Question 36. What effect will the stability of farm income have toward increasing farm ownership?

Number of counties commenting - 60

A. General beneficial effects

Would increase ownership (36) - Stability of income biggest problem (11) - Would create more confidence in ownership (5) - Stability of income would solve problem (4) - If income high enough (2).

B. Specific effects

Eliminate fear of losing initial investment (4) - Dependable plans to meet fixed payments (2) - Make more profit in farming (4) - Equal opportunity with industry - Would keep farmer on farm where he belongs - Reduces foreclosures (2) - Gives tenant courage and security.

C. Skeptical comments

Would not necessarily increase ownership.

D. Additional needs

If other prices and taxes do not rise too - Land values must be stabilized too - Speculation must be eliminated.

Question 37. Any other comments or suggestions you may care to make.

Number of counties commenting -

A. Prices and income

Stabilize farm prices and income (3) - Cost of production or parity prices (2) - Compensate high tariff for industry with subsidy for agriculture.

B. Credit

Sell farms on crop payment basis.

C. Taxation

Tax only non-mortgage equity

D. Ownership restriction and problems

Financing and increasing income is national job.

E. General policies

Education better than artificial methods (2) - Welfare of country depends on home ownership - Soil conservation program.

F. Miscellaneous comments

Need better farm management policies - Farmers should learn how to think.

Property of
Economics & Sociology
Reading Room
Ag. Annex
Iowa State College

Iowa Farm Tenancy Committee

Summary of Findings

Part IV

Abstracts of Briefs and Letters

Filed with the Committee

Iowa State Planning Board - May 1938

Contents

- I. Excerpts from letters giving personal experiences of writer.
 - A. On losing farms
 - B. On desire to own farms (difficulties)
 - C. On inability to rent farms (largely blamed on multiple farming)
 - D. On good landlord-tenant relations
 - E. On poor landlord-tenant relations (especially confiscation of unexhausted improvements by landlord without compensation to tenant)

- II. Summary of recommendations most frequently emphasized in letters and statements.

- III. Recommendations for promoting owner-operatorship.
 - A. Protect the owner's equity
 - B. Prevent monopoly of land resources (graduated land tax)
 - C. Give tenant larger share of farm production
 - D. Give aid (long-term loans, etc.) to purchasers
 - E. Discourage foreclosures and landlordism
 - F. Base land prices and payments on earning power of the land
 - G. Promote fair dealing
 - H. Promote monetary reform
 - I. Reduce and revise taxes
 - J. Stabilize prices of farm products; eliminate speculation
 - K. Smaller farms; less power farming
 - L. Miscellaneous recommendations for promoting ownership

- IV. Recommendations for improving farm tenancy.
 - A. Leave landlord-tenant relations to individuals
 - B. Provide more secure tenure on fairer terms
 - C. Use better leasing practices

- V. Miscellaneous recommendations (labor problems, production control and conservation, farmer organization, state-ownership, etc.)

INTRODUCTION

This material is essentially a compilation of excerpts from letters and statements from individuals and organizations filed with the Iowa Farm Tenancy Committee. The material has been grouped according to matters treated; necessary clarifying comments have been added.

The table of contents provides a rather complete summary, in general terms, of the problems discussed and the recommendations offered. Only those comments and ideas are included in this part which have not been adequately covered by the questionnaires summarized in Parts I, II and III. There are certain recommendations and proposals that are reemphasized by a considerable number of both individuals and groups. A summary table of these proposals and the number of letters of each kind which recommend each proposal appear in Section II.

I. Excerpts from letters giving personal experiences of writer.

The following excerpts are typical of the personal experiences reported in statements on questionnaires and in letters received. The excerpts are classified according to the nature of the experience reported.

Personal Experiences

A. Losing Farms.

1. "We tried to get this loan and couldn't. We owned 340 acres of good land well improved, put in cement tanks, walks, feeding floor, good water system. In so doing we helped our town, gave labor to the laborer, kept our buildings well painted, planted trees, raised a family, helped for betterment of school and community, paid heavy taxes, had 300 head of hogs and four loads of cattle. Along came the depression and along with it our hogs got cholera. We lost most all of them, our cattle came down in price until we didn't get anywhere near what we gave for them. The loan company, the Des Moines Joint State Land Bank, closed us out and sold our old home for 52 years, my father's homestead, for way less than its value. Sold to a man who kept his money in his pocket, borrowed his neighbors' machinery, never helped build anything for improvement. Is this fair? That's what wrecks our country today. Then refuse us a loan on the last 80 acres we had to sustain life with."

2. "Now I will tell you the position I am in. I live on the same place where I was born fifty-five years ago. My father homesteaded it in 1870. After my folks were gone, I bought out my sisters share of the 120. Then I have been putting on some new buildings as the old ones got poor. Now I have a mortgage of \$9000 against it. And in '36 had a crop failure as you know. I couldn't make the interest so they foreclosed on me. Now I am under the moratorium, but to make up what I am behind, is a hard thing with these conditions my improvements cost me more than what is against the place.

"So I thought as the government is trying to help the farmer by raising taxes for land that is to lay idle, I am not idling my time away but working hard, trying to save my home place and sometimes have no money to buy things that we need.

"So I ask you, is there not a way that the government can help us before we have lost everything. Then we must go on the relief. Then I would be rid of a lot of worries, but I don't like the idea. Therefore, I am going to struggle as long as I can. To go on the relief is no fun."

3. "I hope you will put my name down as one who would like to buy my farm from the Metropolitan Insurance Company as they will foreclose on me March 1, 1938.

"They started foreclosure in 1933 but the moratorium stopped them and I have been trying to settle with them ever since, but I cannot get a Government loan large enough to pay them so they are going to take the farm away from me.

"I have a mortgage of \$20,000 on 200 acres (which is too much I admit) but yet it would not be so high priced at that figure if I could only raise the money."

4. "We have been living on this farm for twenty years and Tuesday we are moving twenty-five miles from here on another farm which we rented the first of February for the coming year. Just to give you an example of what is taking place here in this locality this spring there are five farm families that were original owners a few years back that have been renting and got disgusted, had sales and sold off their personal property and machinery and moved to town to let the relief take care of them. We signed up for the place we rented the first of February and had to pay cash rent and paid it the day we signed the contract and if it wasn't paid, we would have an auction sale and move to town and to relief also with the rest of the gang. No doubt a year from today we will be packing to move to town instead of working our heads off on a farm and not getting no place. There are some more of our neighbors planning on quitting farming after this year and going to town. If they don't do something to help the renter after a short time there won't be no renters. They will all be living in town. Relief will catch heck then."

B. Desire to Own.

1. "I have farmed all my life, rented up until the spring of 1927. Then my wife's mother's farm was sold to settle the estate, so we bought it, leaving my wife's share in, and borrowing enough more to pay off the other four years and when the times tightened up in 1931, we couldn't pay our interest and taxes, so we like a lot of others lost the farm and everything else we had except our household goods and maybe you think I didn't have a hard time finding a place where I could borrow a little money to get started with again, but I finally found an individual that let me have \$400 to start with and since the spring of 1932 I have paid this off and accumulated about \$1500 worth of property and feed to run my farm and put two children through high school, and I say anybody that can make that kind of a showing is entitled to a government loan on a farm whenever he can pay one-fourth down."
2. "We used to hope some day to own a farm home, but does a renter want to work hard and fix lawns, plant roses on insurance company farms so they can get better price and get kicked off? There is nothing to stimulate a young man any more to farm. The packers and manufacturers have got us. We might just as well quit and go on relief. The last three years machinery raised 20%. How can we stand it? I sure hope this move to understand the farmers needs will accomplish something for the nation's prosperity depends upon the prosperity of the FARMER."
3. "We want to buy a farm, improve it by painting buildings, improving land, plant trees, flowers, fruit and have a home not shift here and there; want to make it comfortable, not exactly completely modern unless times are where one can afford it; we want to feel it is our home and our year's work, sacrifice and what little money we have is put in a place for our home for our family and have that feeling of security and contentment."

C. Inability to Rent Farms (because of multiple farming, primarily).

1. "We have lived in the hopes that something could be done about some farmers being allowed to lease or run more than one farm; in that way so many are left without any farm or anything to do. It seems nothing is being done in that line, and is getting to be a real problem for quite a few about how to live.

"The farm on which we live was sold the first summer we were on here; the man who bought it has been renting a 240 acre farm but wanted to work this farm of 131 acres besides. We could not get any farm as none are available, but have lived in the house and nothing to do."

2. "There are severe problems in this part of Iowa that should be remedied. A great many of would be farmers are sitting around and cannot get work for the reason that a few are renting two, three and four farms sometimes amounting to near the one thousand acres. Where one man is renting that many farms there could be that many families on their own farms, in other words one family to each farm.

"These families are just as near starvation as a family living in town or city as it is harder for him to get work because he is considered a farmer. He is willing to work but cannot get a farm because some have the privilege of getting more than his share of the farms.

"Trusting you can investigate this matter and get all of us farmers some help very soon."

3. "When you start working on the tenancy bill, please see what you can do for people like us that have no farm. We have to move March 1st and are unable to find a farm for rent, if we hear of one for rent there are dozens after it. We have 3 children to support and farming is the only thing we can do."
4. "There is one man that has five farms, has a man on each place, has a herd of cows at each place, and a milk base at each. He takes in all the money and his workers don't get enough milk for the children and very small wage for the work they do. These kind of men should be tarred and feathered and sent to church that way. He is a big church man. I don't even call him a Christian. A man that never goes to church is more human."

D. Good Landlord Tenant Relations.

1. "I am renting a 240 acre farm on a fifty-fifty basis. Landlord furnishes farm, and I furnish all power and labor. All livestock including chickens are owned fifty-fifty. I have been here less than one year and can't say how it will work out. To me this looks like a very good lease for a man that cannot afford to pay cash rent in a year of crop failure or other reverses. I pay no cash rent of any kind.

"I have a good landlord and have cleaned up all junk around the place and put up fences. In turn, landlord has remodeled house and all buildings are first-class. I will take care of this place as if it were my own and think we will get along fine."

2. "I have been a share cropper on this farm thirty-six years more because of my landlord's merits than because of any efforts of my own. When ill feelings arose between us he would be lenient and come around in a few days with a smile and a hand shake. Neither of us ever mentioned the trouble again. I knew he trusted me with a \$40,000 investment; that he had faith in me to make him a fair profit on his farm and I did my best not to disappoint him. We never had but one written contract and I believe if most tenants will do as I have done and as my landlord has done there would be much less moving.

"Here is the panacea. If I want wallpaper, I go buy it myself. A window pane, a screen door or even a regular door for the house, a little interior paint, a few nails or steeples, I buy them myself. It is usually only a small cost, but to ask the landlord for some little thing every time he comes on the place vexes him and there is a limit to God's patience that caused him to regret he had created man and he said, 'I will destroy him off the earth.' Now I felt that if I did those little things it was no more than right. I was getting the benefit of those things and I know it paid me in the end. For I am still on the farm for the thirty-seventh year and as to my landlord who is now 92 years old, he has never been bossy, but always suggestive, like this at wheat sowing time: He would say, 'How much wheat are you going to sow, and where are you going to sow it?' I would tell him and he would say well go ahead."

3. "Moved here March 1, 1938. Our landlord, just got this farm back on contract, but promised us seed, fencing and help for fencing and a new chicken house. So far he has given us seed, told us to go to dealer and get fencing which we did, got two rolls of woven wire and four of barb, a load of posts, has built chicken house and new toilet. The first landlord to keep a promise."

E. Confiscation of Tenants Improvements Without Compensation, and Poor Relations.

1. "A tenant can't afford to fix things and seed for someone else to reap the benefits. On March 1, 1937 we moved on a 107 acre farm, paid \$800 rent, hauled off junk and fixed everything we could, papered four large rooms and worked hard all year repairing bad fences trying to hold stock at home. Landlord promised fencing and said he would help build it, but never did. Only gave us one roll of barb wire to work with. In August we asked him how things looked and he said fine, then in October, he told us we had to move and when I keep out of rent money to pay me for papering, he was angry. Do you call that right?

"One cannot plan on much livestock on farms that have no pasture or hay land. This farm we just moved on has not much pasture and no hay land. We have been selling off our young stock the last few years for lack of feed."

2. "I am writing as regards a law that will protect a renter when he moves on to a place that is badly run down, fixes things up so it is

fit to live in with what he has to fix with. I moved on this place Feb. 29, 1936. There was not a place to keep a cow or horse or anything. Now, I have been told to move. I had to fix everything. They promised they would help me fix up and they would furnish the material. Well, all I had to work with was old rotten boards and not very many of them. The house was not fit to live in when we moved here. Now we have it cleaned up and had used quite a little money out of our own pocket on the place to fix it so that we could half-way exist. We have to keep an old lady and the house is not in any too good shape as far as being fixed for real cold weather is concerned. There is some plaster fell off and lots more ready to fall, and they won't fix it. They know it is dangerous to my family. If you say anything about it they just laugh at you when you mention it.

"The crop on the place did not pay for the old lady's keep last year after all the work I done on the place and money I paid out of my own pocket. They came and as good as asked for the rent and never offered to pay me for any of the work I done or pay for any of the cash I paid out of my own pocket. I paid my rent and a whole lot more things I could tell about, but I expect you are getting tired of reading this."

3. "Of the 2,000 farmers in Harrison County who are renting, I would estimate that at least 50% to 60% are moving each March 1st always with the idea in mind that they may better their condition."
4. "Most companies will come on the farm to improve it. They will tear everything upside down, throw things out of the buildings, tramp over them, destroy lots and lose other tools and the like, and act as if you don't have any say and the tenant gets to clean up that mess and can't get to work out a \$1.00 of his cash rent.

"Another thing is if you got water you're lucky, if not, it's all the same price. Now, don't think all companies are the same. I've rented as long as 10 years from the same people."

5. "I have had three landlords in ten years. All splendid fellows. The past three years I have rented from an insurance company. I like them O.K. except for the fact that they give me a lease in August stating should they sell before January 15th, I must give up my lease and get pay only for my fall plowing. I think that very unfair, although I realize should law be put into effect that this could not be done. They just wouldn't rent until March 1st each year. I think too often there is misunderstanding between insurance company officials and tenants. Their field men are good fellows, but just a little higher up in their staffs, they feel they are way above the common tenant. Maybe they are (I don't know) but I dislike very much being told so. Short time leases to my notion are the worst curse agriculture has today. I believe if a man could rent with the "automatic continuation clause" and really know August first each year for the following year it would help smooth out lots of rough roads for many farmers in Iowa."
6. "The mortgage on this farm is not too heavy, but it has been made unbearable by a greedy insurance company, especially in years of drouth or low income. Sometimes we are worse off than renters. We are more like slaves. The only advantage we have is a longer term of years without moving."

7. "I am going to state my personal trouble in regard to renting and heavily mortgaged ownership. Have rented the last two years a 160 acre farm for seven dollars an acre, cash. The first year (1936) we had a crop failure and I run behind in rent. Last year (1937) we had a good crop but prices dropped so I can barely make up for 1936. Well, the landlord insists on cash again--seven dollars per acre, but I don't tackle it again so here it is February 4th and I still have no other place rented and my landlord has nobody yet willing to risk \$7 cash rent. The reason for the high cash rent is he owes \$100 an acre on it at 5% interest. So, if through the government, I could buy a farm I would hop at the chance."
8. "When we had our Farm tenancy meeting in Sioux City nothing could be farther from the truth than to call it a Farm tenancy meeting. It was the best landlord pep meeting I have ever attended and in the most religious county in the state, at that. It is often said that beauty is only skin deep, but in Sioux County, Christianity is only pocketbook deep.
- "Also, I wish you would please bear in mind that the renters at those meetings did not dare to express themselves, or it meant they would get put off their farms so it was shut up and let the landlords have the meeting to themselves so they can say: 'We had a Farm tenancy meeting and everybody is well satisfied with things as they are so why change it if they don't want it changed'."
9. "Moving costs depend on distance of move. One has to hire licensed truckers as neighbors are afraid to help with truck as truckers have them arrested or fined. Truckers overcharge so much a mile and it soon adds up in money. Also one loses things. Often the men moving on place, keep things or destroys them. March 1937 we moved off of dirt road. It got unpassable for two weeks, and when we went back for our things some were gone, others broke."

II. Summary of recommendations most frequently reemphasized in letters and statements.

These may be briefly consolidated under four main heads:

1. Long-term loans with low interest rates (interest rates of 1% to 2% - government assistance);
2. Cost of production - parity prices, etc;
3. More secure tenure on more equitable terms;
4. Protection of the occupants equity in real estate and improvements.

In addition, eight express doubt as to the benefit to the mortgagor (operator; buyer) of taxing the mortgagee (lender; seller) on the portion of the value represented by the loan.

The opinion is expressed that the lender will shift the tax back to the borrower in higher interest rates, that he will demand payment, or that mortgage credit will become scarce in favor, probably, of government bonds - especially if bonds are tax exempt. Two believe such a measure would stop tax evasion by lenders.

Tabulation of Recommendations Most
Frequently Emphasized and Reiterated

Recommendation	Recommended By:	
	Individuals	Co. Organizations
Long-term loans at low interest rates	17	7
Cost of production, parity price, etc.	19	4
Long-term leases, or continuous leases with early notice dates	9	5
Protect occupant who improves farm (compensation for unexhausted improve- ments)	5	3
Protect tenant against unfair lease (Eldridge and others requiring waiving of rights)	12	2
Protect Buyers equity - referred all or part of payment in case of foreclosure	9	0
Tenant must have greater returns (especially through lower rents)	5	0
Monetary "reform"	11	0
Graduated land tax	6	3
Outlaw multiple farming	5	1
Assess real estate according to income and use	2	0

III. Recommendations for promoting ownership.

A. Protect the owner's equity.

1. "I feel the average price of land at present is below normal and after it reaches a point where it is above normal a law should be passed where all new loans will give mortgagee one-half farm only for security. In case borrower becomes delinquent with interest it then will come off of borrower half. If he forecloses when land is cheap his principle will come only from his one-half. This would keep loans at lower figures."
2. "Make it illegal to close out on a farm without paying back to owner 50% of his equity providing he has kept the farm in as good condition as when purchased. Interest and amortization payment should be flexible in this way if failure of crop by natural causes or extremely low prices of his commodities. Extend the due payments over a term of years on installment plan say by adding to his succeeding payments 10 or 20% of his defaulted payment to each of his next years installments so long as such a plan will not rob him of seed stock and feed. If there is danger of that, cancel the due payment and add another year to his payment terms."
3. "I think the honest and justice way would be for Government to loan to the farmer who was foreclosed, money to redeem his land at a low rate of interest, because the Government officials allowed the money racketeers to contract the credit of the nation and jeopardized these farmers. These farmers have a just equity in this land and it belongs to them.

"When these farms sold, they did not bring the amount of indebtedness, the mortgagee could also take a deficiency judgment against the mortgagor that held for 21 years in some states, the right of redemption should be on equal right as the right of deficiency judgment."

4. "I know a man who put \$16,000 into a half section of land a few years ago. This was half the purchase price. I understand he lost it last fall a year ago. I think there should be a law to reimburse this man for what he lost, either in the form of cash or a parcel of land off of the farm. At the present time the whole farm isn't worth much more than he put into it at the time he bought it. He lost this place through no fault of his own."
5. "A Suggested Plan to Help Present and Future Farm Owners From Losing Their Farms

"A commission of five to be appointed by the governor and approved by the legislature to do the following:

"To have capital stock supplied by the state treasury of sufficient amount to be used as follows:

"When any homestead owner is threatened with foreclosure of his mortgage, or contract, and loss of his farm and home, he can appeal to

the commission to review his case.

"They shall then investigate the circumstances and if in their opinion the foreclosure is caused by stress of times, or climatic conditions or other worthy cause, and not to improper management on the part of the farmer they shall have the power to COMPEL the mortgage holder to sell the mortgage to the commission for the actual value of mortgage plus accrued interest, but not any foreclosure costs. The commission can hold this mortgage for such time as is necessary for the distressed owner to make up the back interest and put it in good standing again, when they can sell it to anybody for face value; or hold until such time as they can sell at cost and the owner is on his own again.

"If the commission should need additional money they may sell bonds based on a per cent of the actual value of the accumulated mortgages held by them. Thus they would have sufficient funds for carrying on in times of great stress as droughts or market depressions as of 1932 and 1933.

"This act is to apply only to tracts of land that are lived on and used as a home by families in the pursuit of agriculture, and shall be limited to the average size of owner-operator farms in the county in which the applicant lives.

"The commission is not to be compelled to help, if in their opinion the applicant is not worthy of assistance. That is unless his trouble was caused by conditions beyond his control.

"There is to be no charge for the commissions work or costs of administration added to the mortgage when it is again offered for sale, i.e. the commissions held is not to cost the owner anything.

"It is presumed that the difference in interest rates at which commission bonds can be sold and the interest the farmer pays on his mortgage will take care of all costs of operation. This should also take care of any losses the commission might have. Ex.--Bonds might be sold for 2% and the interest might be $4\frac{1}{2}\%$ on mortgage. \$250 difference yearly on \$10,000 loan.

Calhoun County Planning Board."

6. "Frequently we hear of some farmer being forced to leave the farm he had owned and leave behind the remnants of a life's savings and, in some cases, the home in which he was born and see it taken possession of by an insurance company or other loaning agency. His next move is to look far and wide, but none can be had because with the advent of the tractor and other fast working machinery that goes with it, many of these tractor owners are operating two and sometimes three farms with no hired help, thereby forcing those unfortunate individuals to move to some town or city through no choice of their own where they become a misfit. Without sufficient money to engage in business for themselves and, in many cases, physically unfit to do

manual labor if it could be found and not being able to qualify as a skilled laborer in any special line. There remains only one course to follow and that is to join the ranks of the unemployed and seek a WPA job to keep from starving to death, because when those cold blooded lending agencies get through with them, not many escape with much of a bank roll to keep them very long."

B. Prevent monopoly of land Resources (graduated land tax).

1. "It appears that acquiring title to land by the sword has been substituted by the more gentle art of periodic inflations and deflations. Increase of farm land monopoly ownership by a few means increase of farm tenancy. In the interest of the general welfare it is the duty of government to prevent monopoly of farm lands and other actual resources by a few.

"I strongly favor the suggestion of a sur tax on large land holdings as suggested in this questionnaire as a means to abolish and prevent land monopoly in large areas by a few."

2. "Enactment of a graduated land tax. Exempt the first forty acres, then double the tax on each forty acres owned beyond that.

"First 40 acres exempt if inhabited by owner

"Second 40 acres 1% tax

"Third 40 acres 2% tax

"Fourth 40 acres 4% tax

"Fifth 40 acres 8% tax

"Sixth 40 acres 16% tax

"Seventh 40 acres 32% tax

"Eighth 40 acres 64% tax

"Such a law should probably be based on valuation instead of acres, but this procedure would soon break up the so-called "big" farms and give the little fellow a chance.

"Would also suggest that such tax be put into effect gradually becoming fully effective within three years."

3. "By making a lot of 80 acre farmers many thousand of people would be on the farms and help to solve the unemployment problem. Besides if a stiff tax law was made on big operators it would give the little man a chance, and give them their own employment. Idle brains is the Devils workshop and by giving those young folks plenty to do and work or starve they will get busy and put us older ones on a pension."

4. "Land Tax

"Family size farms should be the average of those owned and operated in each county.

"Family size farms should have homestead exemptions as follows:

"If owner-operated, no tax on improvements or on one-fourth of land acreage, (or 40 acres), but balance at regular rate.

"If a family size farm is operated and lived on by a renter, the improvements should be exempt from taxation but all the land taxed at regular rates.

"All land held by corporations or holding companies or individuals that is rented, or operated, in large tracts should carry a higher rate of tax than the family size farm. This tax to increase as the acreage increases.

"Calhoun County Planning Board."

5. "The necessity for action along the lines for which this hearing is intended is very evident. In Harrison County the farm tenants represent from 65% to 70% of the farming population. Of a total of 3100 farm operators this would indicate that approximately 2000 farmers have no particular interest in the farms on which they are living outside of obtaining from them the most possible in the way of income for that particular year.

"A situation of this kind is not conducive to the stabilization of community and social life which in my opinion is the foundation of any democratic form of government.

"We are all aware that the ownership of land stimulates the conservation of the natural resources of the soil and the well-established farm families have been regarded by all historians as the back-bone of our nation; their posterity being responsible in general for supplying the leaders of both industry and government.

"In my opinion, land speculation is to blame for the situation as it now exists. For that reason, I am endeavoring at this time to suggest a possible remedy for the eradication of land values.

"As chairman of the Conservation Committee in Harrison County, I have contacted a great many people and in these conversations have heard their stories in regard to the purchasing of a farm in this county using accumulation of several years from renting, these years having been in a period of more or less higher prices. And, of course, during this accumulation land values were gradually working up due to the increased income that these prices were rating to the owner of the land.

"After an accumulation of \$1,000 to \$5,000 the young man who desires to own a farm looks around with the idea of purchase in mind. He finds that during his period of accumulation prices have possibly advanced from \$25 to \$100 per acre. However, he has faith in the future and purchases at this advanced price. A few years of fairly good prices allow him to possibly add some to his improvements and reduce the principal in small amounts.

"Again the cycle is reversed and crop prices and land values start down. After a few years he finds that he has made some speculator a present of his principal payments and improvements and is again a renter more or less discouraged.

"These situations are common knowledge and my suggestion is a graduated land tax as a method of encouraging ownership of a family-sized farm and, of course, the same tax would discourage a multiple landlord to a certain extent.

"Present efforts of the Federal Government through Commodity Loans and the AAA to stabilize farm commodity prices on a parity basis will greatly aid in the stabilization of farm income.

"The Homestead Exemption Law of Iowa is a step in the right direction. Farm land is worth only what it will produce and if the farm operator lives on his unit and intends to spend the income of this farm towards its improvement both in soil and conveniences, the pyramiding of land values is of no consequence to him.

"If the speculators have control of a large number of farms, the reverse would be true. He is not particularly interested in the stabilization of the income from his investment. At least not nearly so much as in the increase in its value.

- "1. My suggestion would be that all farm land be assessed at its actual value using the soil surveys and the data regarding crop acres and productivity indexes which might be obtained from the Corn-Hog and Conservation records. This information combined with the assessors' valuations would make it possible for establishment of an equitable valuation for every acre of land in the State of Iowa.
- "2. The County Board of Review would decide on what might be considered the valuation of a unit, of course, the acres in that unit varying in the productivity of the land and the type of farming carried on. A notice sent to each owner would be subject to appeal at an open hearing.
- "3. We might presume that \$5,000 would be established for the State of Iowa as the equitable valuation of a unit. Let this first unit bear only the local township taxes plus the special drainage tax, if any, for that County; the second unit carry 1% additional for exclusive use of the county in which the farm is located; each additional unit to increase taxes at the rate of 1% up to 10 such units. The tenth and all additional units to be taxed at 10% of the value plus township taxes. All the taxes from the units of 1 to 3, inclusive, to remain in the County where collected; tax from units from 4 to total would be forwarded to the State Treasurer and ear-marked for school tax replacement.
- "4. Each owner of farm land in Iowa to report to Iowa Board of Assessment and Review the locations and value of all farm lands

owned in Iowa not later than March 1st each year.

- "5. The Board of Assessment and Review to check accuracy, determine rate and notify owner of amount to pay to each county wherever farm land is located, a duplicate to each respective county covering their owners' holdings in said county.
- "6. Due to the number of multiple landlords at the present time, any graduated land tax bill which might be passed would necessarily need several years, perhaps from 3 to 5, to become fully effective, thus giving these multiple owners a chance to reduce their holdings if they wish.

"My opinion regarding farm loans would be as follows:

- "1. The possibility of Federal funds being made available for not more than 90% of the appraised valuation with an interest rate not to exceed 3%. Such loans would be made available to owner-operators up to and including not more than 3 units.
- "2. Loans by private individuals or companies might be allowed at the same rate. However, never in excess of 90% of the assessed valuation. I believe this method would greatly stabilize the value of land and naturally decrease speculation.
- "3. To further encourage the purchase of farms by young and competent men, crop payments might be made on Federal loans. If these purchasers would meet certain conditions and qualifications, no down payment would need be made.

"I consider this hearing, and in fact I understand there is to be such a hearing in each county of the State of Iowa, to be of great importance in obtaining a solution of the situation. Conditions are such that action is necessary.

"The ideas suggested to this Committee will be wide and varied. I think that much might be done by this Committee in the establishment of lease relations between landlord and tenant. Of the 2,000 farmers in Harrison County who are renting, I would estimate that at least 50% to 60% are moving each March 1st always with the idea in mind that they may better their condition.

"I will not make any suggestions regarding leasing or lease arrangements as I presume a number of people here today will have suggestions along this line.

"I would appreciate your earnest consideration of the ideas herein enclosed. They may seem at first glance, rather socialistic. However, the graduated tax on income is considered permissible and effective, and I do not see why the same method could not be applied to land taxes.

"Harold W. Brown, Chairman
Harrison County Agricultural
Conservation Committee."

6. "The only reason that the Graduated Land Tax died before it was born is because it would hit some big shots."
7. "A graduated land tax above a certain acreage owned by an individual or corporation would help, too, if taxed high enough to stop land booms. Family farms should not be taxed. In this country family-sized farms would be 160 acres, 320 acres according to the size of family. Land speculators should be taxed high enough so they will not cause a boom, but parties buying farm for their own home would not be included in graduated land tax."

C. Tenant should have large share of farm production.

1. "If such be humanly possible, the farm tenancy commission has the duty and responsibility of making recommendations to the legislature and the public which if followed will reduce farm tenancy and increase farm ownership by farmer operators.

"To bring about such a condition measures must be devised that will circumvent the action and effect of the "economic law of rent" when permitted to take its natural course. That means the tenant must secure more than a subsistence existence as a result of his labor; that the tenant must receive a greater relative share of the income from production than he is now receiving.

"The approach to a solution of the problem requires the cooperative effort of both state and national government. The state of Iowa has the most drastic and unfair landlord's lien law of any state in the Union. The law should be modified and amended so that the lien covers not to exceed the annual production of the farm. The lien should not cover previously acquired chattels of the tenant. The custom of paying cash rent will return when better prices for farm products return."

2. "The average size farm in this community will not produce sufficient income under present price levels to support both an operator and a landlord."

D. Give aid (long-term loans, etc.) to purchasers.

1. "For the benefit of the tenant or laborer who is qualified and wishes to buy land a direct federal credit ALLOWANCE (not loan) should be made to be repaid out of income. This should not be made with 'loans' borrowed from private 'credit-money' makers nor private home nor foreign banks but should be credit issued directly by the Federal Government without interest charges according to the constitutional powers of Congress to issue direct credits and coin money. This should be repaid to the federal treasury. Federal purchasers from owners for this purpose should not be made at any politically deflated price level for land, but at a price equable with the value of the land at the time any obligations were made and with consent only of owner.

"We want direct federal credit without interest so workers can create property of their own and be independent citizens. Land loans at interest only 'nonetizes' real estate causing speculation as is being done with gold. Direct federal credit to be repaid is the only solution to the artificial restraints now hampering farm and industry."

2. "It has long been my opinion that farms should be sold to tenants on crop payments instead of all dollar payments. For instance, a farmer who wants to buy a farm and has \$5000 down payment. Government should loan him \$5000 more at a low rate of interest through government money acquired through sale of 'land bonds' as previously mentioned. Then if this farmer bought a \$20,000 farm he would pay the owner \$10,000 cash. The other \$10,000 would be paid to that owner through a 1/3 grain crop share to the owner until the land was paid for. The owner would then get 2/3 of all grain raised and all livestock and other marketable things he sells would be used for taxes and to pay back his government loan.

"The 1/3 grain crop payment could be specified for a number of years as say fifteen years. If the succeeding fifteen years are good ones the former owner and the new owner would both benefit. If some were good and some bad, it's good and bad for both. If all bad, it wouldn't be like recently the former owner would say at the end of fifteen years, 'You haven't made the dollar payments on the farm so I'll foreclose and take it all'."

3. "Let the state sell any land held by the state (in tracts that can be paid for in cash). Suppose the state owns an eighty and the buyer has cash only enough to buy ten acres or less. Sell him the ten acres and give him a deed to it and rent the rest to him, then he will not need to lose his investment and the state can supervise the balance of the tract. He takes no risk and can add to his tract as he prospers. Private greed will not do this but the state could."
4. "The government should buy up vacant ground and also farms of large acreage from insurance companies and others; divide and subdivide these farms into smaller farms of twenty, thirty, forty, eighty and one hundred twenty acres each. These smaller farms should be built up with suitable and appropriate buildings by the government and resold to deserving and capable farmers on a long term, low interest rate basis. These smaller farms would provide a means for an estate with several heirs, to be divided by the sale of the 'home farm' and the proceeds applied on the purchase of smaller farms by the different heirs, thus providing a means of home ownership without too heavy a mortgaged indebtedness. This building program would furnish idle labor with work and at the same time help solve a national problem."
5. "If the government wanted to start farmers up in some way so that they will be independent again, why not take the farmers who have lost their farms during the recent depression due to foreclosure and restore them to their original places which they lost during the depression. Let the farmer use what he originally had paid on the farm for a down payment and make out the balance on a long term loan at low interest rates."
6. "There is no sense in making landlords out of tenants unless you give them 3% mortgage money and if you do that give the 3% to owner of land mortgages and they will keep their land and 3% is all money lenders are entitled to."

7. "I suggest a law cutting the interest rates to 1 per cent on all farm mortgages and the farmer then to pay 1 per cent down each year, the limit be placed at \$100.00 per acre, but any person having 80 acres or more would be barred from such a contract. If one had 40 acres he could buy another 40 acres and be all right."

8. "We should have an amendment to the Bankhead-Jones Farm Tenant Act making it possible for the government to trade bonds for farms or mortgages of good value for homestead purposes, thus making it unnecessary for Congress to appropriate funds for the act. For example, a corporation or a private individual have a farm which under tax laws or acts under questions 11, 12, 13, 29 and 40 they do not desire to own or hold because of the extra overhead caused by these acts and desire to sell. They list their land with the government which has applications of tenants who desire farms for homes. The listed farms or mortgages are investigated and appraised. A prospective applicant is selected for the farm in accordance with his application.

"The government then exchanges bonds bearing $\frac{1}{2}\%$ less interest where exchanged for mortgages in accordance with appraisal of the land and bonds bearing the same rate where exchanged for land.

"An act of this nature would not only help tenants and laborers, but it would help in reducing interest rates for present land owners thus making it possible for a wider margin between overhead and income and leave more purchasing power for agriculture."

9. "Make it possible for the government to issue bonds against property (real estate) mortgages of good value, the bonds to draw $\frac{1}{2}\%$ less interest than the property mortgage."

E. Discourage foreclosure and landlordism.

1. "Make it only slightly profitable at best to own land for rental. Stabilize prices of farm products at a reasonable level. Make it impossible to make a profit on foreclosures by making mandatory the sale of foreclosed land to actual farmers at any time such land can be sold for a price sufficient to cover unpaid part of mortgage plus unpaid taxes, interest and costs with a sufficient down payment to make the remaining unpaid amount safe. Discourage any rapid increase in land prices. Limit size of farming units. Land for investment should be bought only for safety and not for high income and should not be allowed to produce a higher net income than government bonds and should have to be kept up in fertility."

2. "Worthy farm operator owners on the land during their lifetime farming. Then make way for their successor farm operator owner. Never a landlord for the good of the land. Too much of a burden on land to support two families."

3. "Stop all Federal loans to non-operators. Those who have a government loan at this time, nothing can be done about those, but you could let them pay the full five per cent interest. Also, rent them under government control and approval. If there must be a $3\frac{1}{2}\%$ interest rate compel them to turn the reduction over to the farm family."

4. "The greatest need for legislation is an adjusting property tax in favor of owner-operator and to discriminate sharply against absentee owners who are presumed to be holding land for investment or speculation. Of course, certain exceptions would have to be worked out for retired farmers (25 years or more on the land) for widows of farmers who have died on the land, etc., etc."

F. Base land prices and payments on earning power of the land.

1. "The price of the land is equal only to its earning power. If the price exceeds a reasonable earning power, discontinue loans until they equalize, draw payments and interest on sliding scale to equal a percentage of earning power, therefore giving loan agencies, government, or individual an interest in earning power of land up to reasonable interest rate and mortgage retirement."
2. "Every mortgage should include a clause that whenever the general level of prices reached a certain low point, the mortgage holder should take his interest and amortization payments on the basis of his normal share of the grain produced instead of a fixed charge."

G. Promote fair dealing.

1.
 - 1 - Large percentage of farmers in an active farm organization.
 - 2 - Eliminate speculation in land.
 - 3 - Establish production value.
 - 4 - Live and let live practice.
 - 5 - Discard, "Do not give the sucker a break" method of doing business.
 - 6 - Parity prices at all times."
2. "As a candidate for the last General Assembly told me, 'I believe every organization in the State wants to know how I stand on every conceivable subject except the farmers who would rather play Rip Van Winkle than wake up as to how they are getting framed.'"

"If the wealth produced on the farms was left and used for the up-building thereof instead of being siphoned off for rents, interest, insurance premiums, payment of city liens, education, taxes to support things of no value to rural population, false investments, etc., etc., the picture would be as different as day and night.

"A high percentage of tenancy throws the burden of maintaining churches, telephone lines, cooperatives, threshing rings and community enterprises on the owner operators of the locality."

H. Monetary Reform.

1. " - - - there is no way to help the farmer, the tenant, the landlord or any other person concerned in the production of farm products unless the Congress of the U.S. control and issue the necessary monies to keep the dollar at or near 100 cents in purchasing value at all times."

2. "If we wish to permanently establish good farm prices on a parity or cost of production basis, we must establish the total amount of the nation's business at about one hundred billion dollars yearly and that can only be done by the Patman Central Bank Bill. Then we must also make it impossible for the Board of Trade to gamble, except and only above 'Parity or cost of production' prices."
3. "The buying and paying for a farm hinges most of all on low interest rates. No farm mortgage should draw to exceed 2% and 1% amortization. Congress should pass the Jones bill to make the Federal Land Banks, banks of issue the same as the Federal Reserve Banks are and issue their legal tender notes based on farm mortgages. What is more safe to back legal tender than good farm mortgages if the rates do not exceed 2% and the loans are not too excessive?"
4. "I think the issuance of new money without interest charges to the government is justifiable in limited amounts. This new money to be retired with the repayment of the loan."
5. "There is one thing that would settle most all of these problems. That is what I call the commodity dollar. It would regulate the farmer, labor and finance. You never could have a depression under this commodity dollar for this one reason. You would always buy and sell on an equal dollar and your labor would be regulated accordingly. When your commodity is low, wages would be low and vice versa and the same thing would concern the finance, and the same way for the farmer. He would have cheap money on cheap commodity and high money on high commodities: wheat, cotton, and corn and all the rest would fall in line."
6. "This Farm Tenancy problem will never be solved unless the Congress of the United States takes back its constitutional right to coin and regulate our money.

"Under the Federal Reserve system (an un-American system) we will continue to be slaves to an unjust money system. Our forefathers left Europe to get away from such slavery and injustice.

"The reason we have not felt the pinch sooner is because we had unlimited natural resources in this country."
7. "Repeal the Bankhead-Jones bill. Have Congress pass the Frazier-Lenke refinance bill with a provision that in case of crop failure, the interest payment and amortization payment be extended for each year of drought. For instance, the loan became due in 1960 extend the time of interest and amortization until 1961. This would not work a hardship on any one. If the Frazier-Lenke refinance bill is passed and currency issued against the land instead of gold or silver. The land is better than gold or silver. You cannot eat gold or silver nor raise any crop on it, but the land will produce a crop, at least, part of the time. What is produced on the land is wealth. The Bankhead-Jones bill is the moneychangers bill. The Frazier-Lenke bill is the farmers' bill."

I. Reduce and revise taxes.

1. "It would sure bankrupt the mortgage holder if he should have to pay tax on the land and tax on moneys and credits too, but something should certainly be done so the land would not have a double tax. There is one thing I might say, the greatest trouble is too much tax must be paid on the land, under existing conditions, the tenant cannot pay more and the landlord cannot live on what he gets after taxes are paid and improvements are made and kept up and at that period in life too old to work."
2. "At the present time I think it practicable to take part of the sales tax and net income tax proceeds to refund part of the tax on the mortgaged portion of the property up to \$10,000 assessed valuation."
3. "The most unjust tax on the farm is the consolidated school tax. It is all out of proportion to the benefit received. For example, the school taxes on this farm have averaged \$150 per year for the last twenty (20) years and in all that time not one person has gone to school who lived on it. On the other hand, I know of several families who live in town, some having up to six children going to school at one time, getting a grade and high school education, who do not pay any taxes. The two men who receive the largest incomes in town do not pay a cent of taxes. The method of school taxation may have been all right 100 years ago when almost everyone lived on farms, but it is not equitable in regard to consolidated schools. Many of the farms were voted into the consolidated against the wishes of the owners.

"Schools are built and maintained for the benefit of the public and should be maintained by the public. In other words, by the state the same as the highways are."
4. "Real estate taxes might be lowered considerable if all bonds were taxed. Seems the majority of the tax money comes from visible wealth which is mainly real estate, whereas most bonds are tax free which appears to me is the ruination of our country. Why should a farmer pay the full tax on a farm in which he has only a small equity and striving to hang on, where his neighbor is holding thousands of dollars worth of tax exempt bonds. No justice, I call it."
5. "We have always had double taxation and the farmer paying the part where no equity existed. He should pay on his mortgage, of course. That would be different in different places. He would list the amount of mortgage in a certain taxing district and pay it thus. His mortgage does not give him a certain part of farm but it does give him an equity in something that exists in a certain district. I think this would help make officials and property owners more careful about getting public debt so unreasonable that the property would not be inviting to the investing public. Don't pay a flat rate on money and credit. Pay the levy in that particular district."
6. "All mortgages should be taxed in the district where recorded regardless of residence of ownership of mortgage. This would lighten the tax load for mortgaged property in said district without condemning the owner, who has finally succeeded in paying or partly paying for his farm."

7. "The mortgage holder is the one that really owns that portion of the farm and as all mortgages are recorded in the county in which they are held it would prevent tax evasion on moneys and credits and since most mortgage holders live at distant points, the tax would be paid where the money earns its interest."

8. "The taxes must be paid and most mortgages carry enough interest to make it possible for the holder to pay these taxes. If the interest were raised the titleholder might try harder to retire this mortgage, thereby, making real farm ownership. Also, a man that has enough money to hold a mortgage can well afford to help his fellow man along.

"One exception should be mentioned, i.e., where mortgages are held by the government at $3\frac{1}{3}$ to 4% interest. This rate has been held low enough that the title holder having this type of loan can well afford to pay the taxes."

9. "If the mortgage holder's interest rates were not over $2\frac{1}{2}$ % then he should not pay taxes on the mortgage. If his interest rate is higher we should then pay on the same."

10. "The mortgage holder should pay a land tax on the percentage of acres that represents the percentage of the total sale price of the entire farm. This should be a Federal law or be fixed so anyone coming in this state loaning money on land would be subject to pay these taxes. There should be some provisions made whereby the land buyer could obtain a loan within the state if the insurance companies and other loaning agencies withdrew from loaning in this state because they had to assume the taxes on the property they loaned on. Then the tax free bonds, etc., should be taxed and lighten the load on the land tax."

11. "I have a milk bottle and you have a nickle. They are exchangeable, but they both have a value of five cents and should be taxed alike. If I buy a farm for \$10,000 and borrow the money there are two distinct values. Someone has \$10,000 in cash and I have a farm worth \$10,000."

J. Stabilize Prices of farm products; eliminate speculator.

1. "If you would expose any other business as the farmer is, it would be broke in a year. Every paper and the radio telling how much corn and how many hogs, how many chickens and all this crap that is put out over the air, it is no good only for the gambler to play the market on. Any fool knows.

"What I would like to see is to take the farmer out of the hands of the gambler and put him on a cooperative market, take this big margin out between the producer and consumer and stop this letting one man put 200 acres of corn and draw a big government check and help market the crop cooperative and put several thousand families back on the farm as I know a lot of good farmers that are on work relief."

2. "I would like to suggest that something be done to stabilize the livestock prices. It seems that the farmer who tried feeding some of his grain this year received nothing in return. I myself purchased three hundred feeder lambs. The market dropped three dollars per hundred in three months. Why should the livestock man take these tremendous losses. Will not get out of tenancy this way unless I have to back out. This does not encourage better farming practices. Every farmer should be compelled to file a report each year in regard to income. Then pay labor according to income. Then labor would be interested in farmers' operation and would stick and be better satisfied. I worked for what I have and know it is tough sledding. Would never have been a tenant if I hadn't got a break. If we have a good thing why not pass it on. That is what makes times good."
3. "Make laws to take the speculation out of the stockyard, to limit these ups and downs from one day to another like 25¢ higher and 25¢ lower the next. They are worth just as much one day as another. It should be a limit of about 5¢ a day and I think it would even up the receipts and the farmers would not have to guess on what day to sell and miss most of the time."

K. Smaller farms; less power farming.

1. "It looks to me like smaller farms should be encouraged instead of larger farms that can be 'worked profitably with big machinery'. Big machinery is putting men off the farm and on relief. We better turn the ground over with a spading fork and all have a little than to turn it all over at once with big machines in the hands of a much smaller number of men. I favor the family-sized farms."
2. "What should be done is this: Have more smaller farms, put buildings on them and sell them to the young people on a long term. The larger the farm the higher the tax. If any concern, loan company, or business man has more than two farms of 160 acres each, the tax should be so high it would not pay him to own it. That would give a lot of people a chance to buy a farm. A lot of farmers have 800 or 1000 acres of land and as soon as there is a farm for sale at a price the young or beginner can pay, he jumps up and buys it before the young farmer can raise the money and who ever lives on the place has to get off because he wants to farm it himself with him it's all hog or none. If a lot of these 320 and 640 acre farms were cut into 80 acre farms, it would do a lot for the young farmer or labor. The hired help are expected to live on \$35 a month, support a family, pay bills and save money, but how can he do it. I know of dozens of young men that would like to get on a farm as a renter or to buy a farm of about 80 acres. I believe if the government would start the tenant out on 80 acre farms, it would help a lot. The people of today can buy and pay for land as well as our forefathers could if given a chance. I would sure like a chance at the plan the government is offering to buy a farm and if you are looking for someone to take a chance I will be glad to do it. I have everything I need to farm with and am considered a Class A farmer, but lack the funds to buy a farm or I would not be renting and paying the loan company \$1400 to \$1600 a year for rent. If you are looking for someone to buy a farm on the government plan, I am that guy."

L. Miscellaneous.

1. "Farm tenancy is still increasing. The Frazier-Lemke Refinance Bill carries the provisions of honest, debt-free money in accordance with the Constitution of Lincoln's honest money. The green backs have saved the tax payers once 12 billion dollars since the origin of the Green backs which were issued in the small amount of 346,000,000. Can there be a better way found to reduce taxes, prevent foreclosures and the resulting curse -- farm tenancy? Again I ask for the Frazier-Lemke Refinance Bill.

"Now then, following the two Frazier-Lemke bills as above, legislate into law the cost of production without which no farmer, no business, no industry, no bank could exist. Producing below operating costs will make tenants slaves. Therefore, give us cost of production for that portion of products consumed domestically.

"It follows now since you have given us two Frazier-Lemke Bills as laws and finally given us Cost of Production privilege, that we want to continue as farmers and not be squeezed out by speculators and heartless corporations. Therefore it is necessary that you give us next the graduated land tax on every acre above an 80 acre farm.

"Now, with honest money restored, the Frazier-Lemke Moratorium, the Frazier-Lemke Refinance Bill a law, cost of production for agriculture and the necessary graduated land tax to permit us to remain private owners of our farms, we also need a domestic market. That prospective market we have here in this country. It is the laboring class. Therefore, after you have given us the above laws, think it over and I'm sure you will be convinced it is simple, just, christian and constitutional."

2. "What the people in the western part of the state need is:

"First - lower interest rates so tenants can become farm owners.

"Second - extend the farm mortgage moratorium law so as to save the last few farms from foreclosure.

"Third - we need the Frazier Lemke bill to finance farmers.

"Fourth - we need an old age pension law that will give aged people enough to live on keep them from working for small wages, and give the young unemployed people a job."

IV. Recommendations for improving tenancy

A. Leave landlord tenant relations up to individuals

1. "I think that many of these ideas we are working on should be incorporated in lease when o. k., but should not be made laws. Of course, limiting interest charges, security, amount of taxes to be paid, etc. can be done by legislation. Even with farm moratorium, I know of cases where party was not allowed benefit of it because in court tried to prove out neglect. On the other hand, some party given good loan by land bank thru his good care of land and farming methods. Other cases given moratorium and no land bank loan given as party neglected farm."
2. "We do not want any collectivist legislation copied from anywhere that invalidates our property rights under our Constitution. We do not want any law to allow a tenant and the suggestive activities of high powered advertising agencies to force the owner to submit to any "disturbance damages" nor for "improvements" unauthorized by friendly co-operative agreement between owner and tenant on a basis that will work toward improvement and profit of our resources and our country."
3. "Don't you think a landlord has to stand up for his rights and must have payment and rent, if he is to hold on to his farm? He has his obligations to meet in the form of taxes, insurance and upkeep. And don't you think a landlord has to live? Quite often a landlord is a retired farmer, is old and unable to work and his farm represents the savings and hard work of a lifetime. Perhaps his wife and children helped save and slave and deprived themselves of many necessities of life, in order to pay for the farm. When he is old, he expects his farm to make him a living. He isn't eligible for old age pension, and doesn't ask for any, neither does he apply for relief and if he did, he would be refused. I have seen old people during the depression and the drouth years, who owned rented farms, couldn't make a meager living off their farms and had to move in with their children or relatives to keep from starving. In the drouth years many renters didn't pay any rent, but the landlord's expenses were going right on. The renter didn't care how the landlord lived. He wouldn't share a thing with him that the farm produced."
4. "The landlord-tenancy problem can best be worked out by landlord and tenant just as they are without having it worked out by impractical men who know nothing of the farm problems, some of whom have made a failure of farming through poor management and now want a job telling the others how to do it. Let us alone and don't keep raising taxes to buy more expert advice which we do not want."
5. "No institution is perfect. Farm tenancy and mortgaged ownership is a necessary part of our farm set-up."

"We retired farmers could decrease tenancy by going back to our farms. This would force our tenants to move into town where there is already a man for every job. If a farm is capable of keeping two families, is it not better for it to do so than only to support the owner while the tenant adds to relief problems in our towns?"

"I favor long tenure, but not long leases. We are told that in some European countries they have such laws. But we are not told of the difference in conditions in Europe and this country."

6. "I have carefully examined this proposal to compensate tenants for so-called unexhausted improvements. I think that it is loaded with dynamite. Its potentialities for harm are far greater than for good. It will create dissensions between owners and tenants. It may well be the means of disrupting and deriding our farm forces at a time when we need a united front if we are to obtain for both owners and tenants their fair share of our national income.

"Simply penalizing the man who has (a farm) in favor of the man who has not (a farm) will not even make a start in curing the disease. In fact, it may cause a relapse."

B. Provide more secure tenure on fairer terms

1. "If the tenant is free of debt I wouldn't see why the landlord would have any lien on his share of the crops. That's one law that should be changed. If I rent a farm for half or so much an acre, give that landlord half, but why give him a lien on my equipment and livestock? How many professional men that the farmer hires to work for him give him a lien on all their equipment or personal property?"
2. "Give us a law limiting the landlord's lien to 50% of the crop and make all leases that compel a renter to waive his rights illegal the same as a note that bears more than the legal rate of interest today. That would put a stop to selling out the renter every time the landlord's farm fails to raise a crop."
3. "I believe in the rotation farming, but don't believe it successful without this clause in every lease applying on every farm that there shall be so many acres seeded each year, the seed to be paid for either by landlord or tenant. If by tenant seeded he would not get the benefit of his last seeding but what difference, this clause would be in every lease so just pass it on to the next tenant, and if by the landlord, it then would make no difference either. The idea is to keep this land up by long leases."

4. "Probably legislation cannot cure all the ills of tenancy. Legislation should not be necessary if all individuals were willing to practice the Golden Rule. Certainly no one proposed by itself will solve the tenancy problem.

"I think the general idea of carrying this problem out to the farmers themselves is very good."

5. "I think that the landlord should pay half the cost of moving a tenant. There is some discussion as to whether he should be paid for moving on or off the farm. But I would favor the landlord paying half the cost of moving on. I think this would be a good way to solve this moving problem as the landlord would be more cautious as to the tenant he would chose and also wouldn't be so quick to raise the rent. This moving is certainly to be considered and I think some step should be taken to stop at least half of it and I think this suggestion just made would be one large step.

"I would also propose that lease forms furnished by land banks and large holding companies be abolished as they are entirely unreasonable and the agent will not blot out any of those clauses as he says that his firm would not accept such a lease."

6. "A renter should be protected from the landlord's lien, on his working equipment, breeding stock, seed and feed for another year for the size farm he is farming. A landlord would have the crops and increase in stock to pay the rent. The landlord can't guarantee a renter a crop so why should a renter guarantee the landlord the rent at the expense of his work, stock, seed and breeding stock. If we don't raise a crop the landlord still has his land, so why should a renter lose his property."

7. "There is one antiquated law between tenant and landlord that should be changed and that is for the trucking and shelling of the landlord's share of the crops. I had to borrow money for the shelling and hauling of the landlord's crop. Tenants use to haul with team and wagons, but that is out of the question now as gravel roads are hard on horses' feet and trucking is expensive. Landlord should pay his own expenses of shelling and trucking."

8. "By forbidding landlord to collect only one-fourth of the crop that will cause many investors and speculators to get out and stay out. They are the biggest curse we have in regard to the state and national welfare of the common people. Then I would suggest a heavy sales tax on all land holders having over a quarter section; the more they have under control the heavier the sales tax, and the money collected for sales taxes be used for old-age pensions and to feed the unemployed."
9. "If some form of legislation may be enacted whereby the farm tenants of Iowa may be relieved of some features of these drastic clauses in farm leases, I am sure it will be a long step in the right direction. I don't think any fair-minded person would object to a lien on half the crop, leaving his personal property and livestock exempt. The landlord, of course, should be entitled to a reasonable protection, but not everything the tenant owns. The lease in general use here is known as the Eldridge Farm Lease and it is practically nothing but a chattel mortgage on all personal property a tenant moves on a place, including household goods, chickens, personal property of all kinds, all increase of stock, all grain, forage, etc., raised upon the place. The renter must agree to keep everything in good repair, etc., etc., in return the landlord does not agree to anything. In a recent conversation with an attorney, he advised me, under the law the landlord is not even required to furnish water for the stock, only for the house. The windmill may blow down, the landlord is under no obligation to repair same."

C. Use better leasing practices

1. "A owns a farm which he wants to rent. B wants to rent the farm. A and B should get together and decide what would be a fair cash rental for the farm. Say \$1000.00. Well, A and B go into patnership and rent A's farm for \$1000.00.

"Now A and B own everything on this farm in common. B does all the work of farming the place, getting a stipulated price for his time agreed to by both parties.

"An accurate account should be kept by B of all receipts and disbursements for the operation of the farm. At the end of the year there should be a settlement after all bills have been paid. Then A should be paid \$1000.00 for the rent of his farm. Then the balance should be divided equally between A and B.

"Now it might look at first that A is getting the best of the deal, but he is not. A and B are partners and want to rent a farm together and B proposes to do all the work for a stipulated price.

"What is the difference whose farm they rent? There are several farms they can rent, but they decide that A's farm is the one they want. So that is the one they rent. Now does that look plain to you? I have known three such leases and they have all been very satisfactory."

2. "I think that if the rent for the land was as it should be, $\frac{1}{3}$ of the crop, then for pasture and meadow, the price based on what the crop averaged per acre in value at the $\frac{1}{3}$ rate plus from twenty-five cents to one dollar per acre for buildings, that would be, to my way of thinking, a settlement of the rent question."
3. "I think rents should be reduced to $\frac{2}{5}$'s on shares. $\frac{1}{2}$ crop is too high for any renter to pay. In my own case I pay $\frac{1}{2}$ corn delivered to market. How much have I left out of my half after I pay for shelling and trucking the grain to town? Then furnish all the seed and husking expenses and furnish all operating expenses for the farming season. Besides all this, I have to pay \$100 cash rent of hay and pasture. My whole farm consists of 130 acres. The tenant has to furnish farming equipment and keep it in good repair. Where is he to get his money to do it after he settles all his dues to the land owner? On top of it where does the tenant and his family come in? There is nothing left to care for them. I think it should be made a law, so no rent should be higher than $\frac{2}{5}$'s on share. Also not more than \$6 per acre out of hay and pasture land."
4. "I believe in long-term leases, but under present conditions due to crop failure, uncertain prices, it is not wise to have a long-term lease as the renter may not be able to meet his next payment of rent and other obligations."

V. Miscellaneous policy recommendations

A. Problem of transfer of title

1. "It seems to me the greatest burden that is placed on the farm is the fact that when an estate is settled up it is necessary for one of the children to buy the other heirs out thereby putting a mortgage on the farm and sending a large part of the value of the farm to the city."

B. Farm Labor Problem

1. "The employment of farm labor is pretty much a seasonal affair here, few farm laborers being employed on a yearly basis. Some are employed monthly, but a good many by the day and the wages paid are scarcely high enough to justify men of satisfactory ability in seeking farm employment.

2. "The daily wages paid are usually \$1.50 to \$2.00 during the planting, cultivating and harvest seasons with one or two meals furnished.

3. "Since many farm laborers work ten or twelve hours per day during that time of year, the hourly wage seems too low as compared to wages in most lines of industry.

4. "The farm laborer as many other classes of unorganized labor is in need of higher wages and steadier employment.

"It is reasonable to believe that if farmers who are in need of hired labor could be induced to build additional houses there would be more and steadier employment for men with families."

C. Labor and wages

1. "The country ever keep adding new machines and lays off men only to be obliged to tax themselves to the idle workman. It is a vicious merry-go-round, the result of which I tremble to think of. When the labor situation is perfected and everybody is employed at a good wage and agriculture gets its share of national income, these economic disturbances will work out of themselves."

2. "I think some way will need be found to furnish the farm laborer his own house to live in as the farm family care less and less about sharing their home and family life with the hired man in a majority of cases.

"Maybe the government or the land owner, if he is financially able, could finance the purchase of a small acreage with buildings in each section or less by a farm laborer's family. Ownership or opportunity of some kind of a home, I believe is the main key toward stability."

D. Farm plan

1. "If we are to have a farm plan then let us take 5% or 10% or 15% out of cultivation, sow it to grass or clover; every year the same amount, leave grass or clover on it for a year, not pasture or make hay on same. Also set a price on the corn and grain raised. I say a minimum price. Now say if have 100 acres under cultivation, sow down 15 acres. That leaves 85 acres to harvest a crop from. Of course, we have to pay rent for the 15 acres which is sowed down. We would have to know the minimum price of all the grains which I think should be $1\frac{1}{3}\phi$ per pound for corn, oats, wheat and barley."

E. Turning crops in commercial products

1. "There is one question that is absent on this questionnaire: That is, about turning a part of our crop into alcohol to blend with gasoline. It seems to me it would go a long way to use up our surplus. Instead of using our feed to feed horses we could use it to feed our tractors and automobiles."

F. Farmers will have to organize

1. "With the United States controlled by a few and the government spending as it is with taxes rising, the farm tenancy problem will be with us a long time to come. The way meat has been imported the last year and the meat porkers running as they are, it is impossible. Farmers will have to organize to get parity prices before there is much use to try to clear up the farm tenancy situation."

G. State or Federal ownership

1. "I would like to see all the land for agricultural purposes owned by the state or nation and let the operator own the improvements and equipment."

H. Conservation

1. "I think the processing tax principle is correct for the general farm program. For soil improvement and moisture and fertility conservation, the question is one of public interest and should be handled at public expense just as other conservation work is handled."

I. Interdependence and need for cooperation

11. "If this questionnaire is intended for a basis for legislation for Iowa, it misses the mark. I don't think it possible for some 214,000 farmers in a unit to improve themselves materially working independently of the $6\frac{1}{3}$ million in the U.S. Neither can agriculture get far out of line with industry, commerce and finance until it begins to effect the other adversely. These component parts should be geared together like a printing press. When the press motor starts all cogs move in unison. At present we are

driving the press with flat pulleys and belts which admits slippage and allows a unit to lag and stall the entire press.

"The belt pulley friction drive is inherent in our individualism. It works satisfactorily under primitive conditions but not in a modern high-g geared civilization. Originally, we played the game alone and when sickness, fire, flood, drought, etc. overtook us we passed the hat and depended on the sympathies of neighbors and friends. There is nothing definite about this, it is a belt and pulley design. It may slip. Today we gear ourselves to mutual and cooperative organizations for protection against sickness, fire, hail, health, income, etc.

"I sell my milk to my co-op and my grain, buying groceries, insurance (fire, tornado and health) the co-op way. I use the public highway, postal service, public school, postal savings, sheriff's force, public library, the army protects me. My relatives in the city have water, police and fire protection, social security, pensions, playgrounds and a cooperative church, sidewalks and streets. WPA to take care of industrial victims, relief to railroads and bankers and a poorhouse for the aged.

"These social needs are necessities and made life more worthwhile. We cannot have them without cooperation, the expense would be prohibitive. I glory in the fact that my fellows share in them with me. For what good does it do to gain the whole world for myself and see a noble people in want.

"Many national groups are carrying the Co-op economy into the field of production and distribution thus eliminating the private monopoly and unemployment and retain a democracy. These are the skeletons in America's closet."

Iowa Farm Tenancy Committee

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Summary of Findings

Part V

Public Hearings on Farm Tenancy

Content

1. Summary of reports on County Hearings
2. Record of State-wide Hearing at Des Moines

Iowa State Planning Board, May 1938

Part V.

1. Summary of Reports on County Hearings

In accordance with the procedure planned at the first general meeting of the Farm Tenancy Committee, November 19, 1937, farm tenancy hearings were held in each county of the state, starting in Crawford County on January 13, 1938. A total of 100 county hearings were held and in addition one state-wide hearing at Des Moines on May 5, 1938 before the entire Committee on Farm Tenancy concluding the fact-finding phase of the Committee's work.

In spite of adverse weather conditions in many counties, estimates based upon attendance reports of almost half of the hearings indicate a total of 8,500 people or an average of 85 persons per meeting attended these hearings. The greatest interest was shown in the Western Livestock and Central Cash Grain areas where the attendance averaged well above 100 persons per meeting, often reaching as high as 200 to 300.

At every hearing it was pointed out that the State Farm Tenancy Committee was not asking approval of anything; no program as such was being advanced. Instead, it was emphasized that the Committee was coming to the people, asking them to help evolve recommendations to solve the farm tenancy situation.

Each hearing was attended by a representative of the State Farm Tenancy Committee who opened the meeting with a brief statement of the background and purpose of the meeting. Conducted as an all day meeting, the morning was devoted to discussion of the two questions, namely: (a) What is wrong with our farm tenancy situation?, and (b) What could be done about it? A careful record was made of the pertinent points of all statements made by individuals or group representatives, including the name, tenure status, and occupation of the speaker.

The afternoon was devoted to the discussion of the "short questionnaire" containing eight questions of major importance. Each question was read and briefly explained by the local chairman or the member of the State Committee. After a free discussion of each question, the people were asked to check on their sheets the answers, "yes;" "no," or "undecided." After the last question was answered and the schedules collected, the "large questionnaires" of over 40 questions were distributed; the people were requested to take these home, fill them out at leisure after giving each question considerable thought, and then return them to the Iowa Farm Tenancy Committee, Des Moines, Iowa.

After the last hearing was completed and the long questionnaires returned, the Iowa Farm Tenancy Committee found itself in possession of a vast amount of factual evidence in the form of hearing reports, briefs and letters and nearly 4,000 carefully filled out questionnaires.

Most of the information gleaned from these county hearings has been incorporated in the briefs and major questionnaire reports. During the course of discussion at the county hearings several interesting comments occurred, however, which are not contained in other reports.

Chief among these comments were those pertaining to arbitration. Considerable interest was shown in the principle of arbitration and several suggestions referring to its use were advanced. At the Guthrie County hearing it was suggested that immediately upon foreclosure of a farm an arbitration board should, after carefully considering the rights of the mortgagor, establish the value of that farm and give the former owner a chance to continue its operation. In Shelby County it was proposed that there be no more foreclosures until both parties have appeared before a Board of Arbitration. A somewhat similar suggestion was made at the Buena Vista hearing where it was proposed that each county have an appraisal board which would set the value of land for sale and conditions of mortgage.

The proposal to select a fair-rent committee was advanced at Muscatine. This same idea was brought up in Guthrie County where it was suggested that arbitration boards be used to determine rent in years of drought. Preference was expressed at the Ida County meeting for arbitration groups composed of farmers rather than outside groups sent into the county. Township trustees were suggested.

Then there were many comments on a minimum period of notification. One Boone County resident felt that in our landlord-tenant relationships we should strive to provide the tenant with the same advantages possessed by an owner-operator. He pointed out that along about September 1 the successful owner-operator begins to plan the farm program for the ensuing year, and argued if the tenant is to be put on equal footing he also must know where he stands September 1. Another man commented that a farm is often sold late in the winter. The tenant, finding it difficult to locate another place and not wishing to quit farming is forced to bid up the rent.

One Ida County farmer, however, was not in favor of the minimum notification date unless the tenant had the privilege of breaking the contract if he saw fit.

Several comments regarding taxation measures were made. In Johnson County considerable interest was shown in what might be termed a "non-occupancy tax." These people felt that there were too many instances of one man renting two or more farms, working the land and leaving the buildings idle, while at the same time other renters were

unable to find farms. In light of this they suggested a special tax on all farms where the tenant did not occupy the buildings. At the Buena Vista meeting it was proposed that taxes on land be removed and placed on an "income from production" basis.

The Warren County group were not in favor of levying a profit tax on foreclosures unless a deficiency judgment had been collected at the time of foreclosure. It was further pointed out that at the present time a vast majority of such sales are showing a loss rather than a profit.

At the Guthrie County hearing attention was drawn to the fact that thus far most of the graduated land tax talk has been on the basis of acres, whereas it is feed units that determine the ability of a farm to support a family. It was suggested that the number of feed units required to support a family should form the basis of a graduated land tax, not the number of acres.

At the same hearing it was suggested that renters are often forced to move because the farm isn't large enough to support two families.

In Dickinson County one man proposed that the Federal Land Bank require all loans to be repaid within 18 months from the time the borrower leaves the farm. A Fayette County man felt that it would be better for the government to keep the land they get and lease it on long terms to the tenant. Remarks were heard in Buena Vista and Warren Counties that a high type of tenant with a good landlord, had more security and was more of an asset to the community than an owner whose farm was mortgaged to the point where he had little equity left.

This brings up the whole question of a governmental program of aid.

"If the interest is made too low it will be cheaper to have a debt than to pay it," was a remark heard at the Lee County hearing.

At the Bremer County meeting the question was raised whether a shoe clerk or some other assistant in business enterprises might not consider himself entitled to help from the government in order to start in business for himself.

This in brief constitutes a short resume of those comments and suggestions not otherwise contained in the major reports. Perhaps the most gratifying feature of this series of county farm tenancy hearings was the keen interest shown throughout. Landlords and tenants alike approached the questions with a spirit of tolerance and fair-mindedness that is well exemplified by one farmer's statement, "It is better that we use our heads to think than our feet to kick."

List of State Committeemen in Charge of
County Hearings

<u>State Committeemen</u>	<u>County</u>
A. E. Augustine Oskaloosa	Johnson Keokuk Mahaska Monroe Poweshiek --
Don Berry Indianola	Madison Marion Warren --
Alex Bonnstetter West Bend	Humboldt Kossuth Webster Wright --
Fred K. Bruene Gladbrook	Grundy Jasper Marshall Tama --
W. C. Children Council Bluffs	Adair Adams Cass Fremont Mills Montgomery Page Pottawattamie Taylor --
David A. Dancer and Ronald Hickman Lamoni	Clarke Decatur Ringgold Union --
Jess Exline Numa	Appanoose Lucas Wayne --
Kirk Fox Des Moines	Carroll Polk

<u>State Committeeman</u>	<u>County</u>
Herman Franzenberg Keystone	Black Hawk Benton Iowa Linn --
Charles Groghan Dunlap and A. S. Wendel Bronson	Audubon Crawford Harrison Ida Monona Plymouth Sac Shelby Woodbury --
Oscar Heline Marcus and P. E. Vermeer Orange City	Buena Vista Cherokee Clay Dickinson Lyon O'Brien Osceola Sioux --
Rev. L. G. Ligutti Granger	Boone Dallas --
R. E. Johnson Agency and Lee Stephenson Eldon and Roy Stevens Ottumwa	Davis Des Moines Henry Jefferson Lee Louisa Muscatine Van Buren Wapello Washington --
Don Murphy and Clifford Gregory Des Moines	Greene Guthrie

State CommitteemenCounty

Fred W. Nelson
Nevada

Butler
Franklin
Story
--

Don J. Schnittjer
Delhi

Buchanan
Clayton
Delaware
Dubuque
--

Paul P. Stewart
Maynard

Allamakee
Bremer
Chickasaw
Fayette
Howard
Winneshek
--

Everett Tussing
Laurens

Calhoun
Emmett
Palo Alto
Pocahontas
--

(Also aided in setting up hear-
ings in:

Lyon
Osceola
O'brien
--

Lestor S. Vegors
Stratford

Hamilton
Hardin
--

Don Wherry
Wyoming

Cedar
Clinton
Jackson
Jones
Scott
--

Fred W. Stover (not a committeeman)
Rockwell

Cerro Gordo
Floyd
Hancock
Mitchell
Winnebago
Worth

Dates of County Farm Tenancy Hearings

LYON Feb. 3	OSCEOLA Feb. 25	DICKINSON Feb. 3	EMMET Jan. 17	KOSSUTH Jan. 25	WINNEBAGO Mar. 4	WORTH Feb. 25	MITCHELL Feb. 22	HOWARD Mar. 12	WINNESHIEK Mar. 4	ALLAMAKEE Feb. 26	
SIoux Feb. 2	O'BRIEN Feb. 11	CLAY Feb. 4	PALO ALTO Jan. 25	HANCOCK Feb. 26	CERRO GORDO Feb. 21	FLOYD Feb. 24	CHICKASAW Mar. 3	FAYETTE Mar. 5	CLAYTON Feb. 3		
PLYMOUTH Jan. 25	CHEROKEE Feb. 10	BUENA VISTA Feb. 2	POCAHONTAS Jan. 24	HUMBOLDT Jan. 28	WRIGHT Feb. 4	FRANKLIN Feb. 23	BUTLER Feb. 24	BREMER Mar. 14			
WOODBURY Jan. 17	IDA Jan. 28	SAC Feb. 10	CALHOUN Jan. 27	WEBSTER Feb. 1	HAMILTON Feb. 26	HARDIN Feb. 25	GRUNDY Feb. 5	BLACKHAWK Feb. 3	BUCHANAN Feb. 1	DELAWARE Jan. 25	DUBUQUE Jan. 31
MONONA Feb. 16	CRAWFORD Jan. 13	CARROLL Feb. 8	GREENE Jan. 24	BOONE Feb. 1	STORY Jan. 22	MARSHALL Feb. 4	TAMA Jan. 24	BENTON Jan. 26	LINN Jan. 25	JONES Jan. 31	JACKSON Jan. 27
HARRISON Feb. 2	SHELBY Feb. 11	AUDUBON Feb. 8	GUTHRIE Jan. 26	DALLAS Jan. 24	POLK Feb. 4	JASPER Jan. 31	POWESHIEK Jan. 29	IOWA Feb. 5	JOHNSON Feb. 2	CLINTON Jan. 26	SCOTT Jan. 25
POTTAWATTAMIE Feb. 12	CASS Jan. 25	ADAIR Feb. 8	MADISON Feb. 2	WARREN Jan. 24	MARION Feb. 14	MAHASKA Jan. 25	KEOKUK Feb. 11	WASHINGTON Feb. 15	MUSCATINE Feb. 16	LOUISA Feb. 17	
MILLS Feb. 22	MONTGOMERY Feb. 14	ADAMS Feb. 15	UNION Feb. 3	CLARKE Feb. 19	LUCAS Jan. 26	MONROE Feb. 14	WAPELLO Jan. 15	JEFFERSON Feb. 1	HENRY Jan. 26	DES MOINES Jan. 27	
FREMONT Feb. 17	PAGE Feb. 18	TAYLOR Feb. 21	RINGGOLD Feb. 4	DECATUR Feb. 10	WAYNE Jan. 25	APPANOOSE Feb. 11	DAVIS Jan. 17	VAN BUREN Mar. 2	LEE Jan. 28		

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IOWA FARM TENANCY COMMITTEE

RECOMMENDATIONS
FOR
IMPROVING FARM TENURE CONDITIONS
IN IOWA

Iowa State Planning Board

June, 1938

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Iowa State Planning Board

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FOREWORD, TRANSMITTING THE COMMITTEE'S REPORT TO THE
IOWA STATE PLANNING BOARD

TO THE IOWA STATE PLANNING BOARD:

The Committee on Iowa Farm Tenancy, appointed by the Governor of the State as a special committee of the State Planning Board, hereby submits its report on the tenure situation and recommendations for improving farm tenure conditions in Iowa.

The following fundamental ideas should govern society in dealing with rural problems:

The soil is the most precious gift of the Creator to mankind and to the dwellers of Iowa.

Ownership of the land is to be considered a stewardship not for yesterday or today alone but for the long tomorrow as well. Practically all of the world's food supply comes directly from the soil.

We, today's stewards, have a right to use the land and the fruits thereof for our benefit, but that we also have a duty to hand it down to future generations not despoiled but enriched. Just as the human culture and traditions we have fallen heir to must be richer tomorrow because we of today have lived.

The good earth was never intended by the all-loving Creator to be a source of benefit to a few and a mere means of servile labor to others.

The human rights of the individual and family living on the land must have the first attention, consideration and protection of civil law itself because natural law so postulates it.

Ownership of productive property is essential to economic freedom, hence to political freedom. And we, unhesitatingly, state that ownership of land by the family that lives upon it and operates it is the best way to secure and retain these manifold freedoms, and thus achieve permanency for the free, democratic institutions we cherish.

The blessings of economic freedom should not come second-handed, through the channels of a privileged few.

Conscious of the manifold relationships arising from present-day accepted traditions and attitudes we make bold to state

that American agriculture which furnishes food and fiber for the nation and population for its cities, should and must have a just share in the national income and its merited portion of the comforts and culture of American civilization.

By proper education and emphasis, the agricultural population should be made cognizant of its mission to the world and of its functions to itself. That farming is not merely an industry or a commercial enterprise, but foremost a mode of living for a human family and the source of the food supply for the human race.

With these fundamental statements as a preface we beg to present the following report.

TENTATIVE DRAFT OF THE REPORT OF THE
IOWA FARM TENANCY COMMITTEE

I. Present State of Affairs

(1) The Importance of Agriculture to the Welfare of Iowa

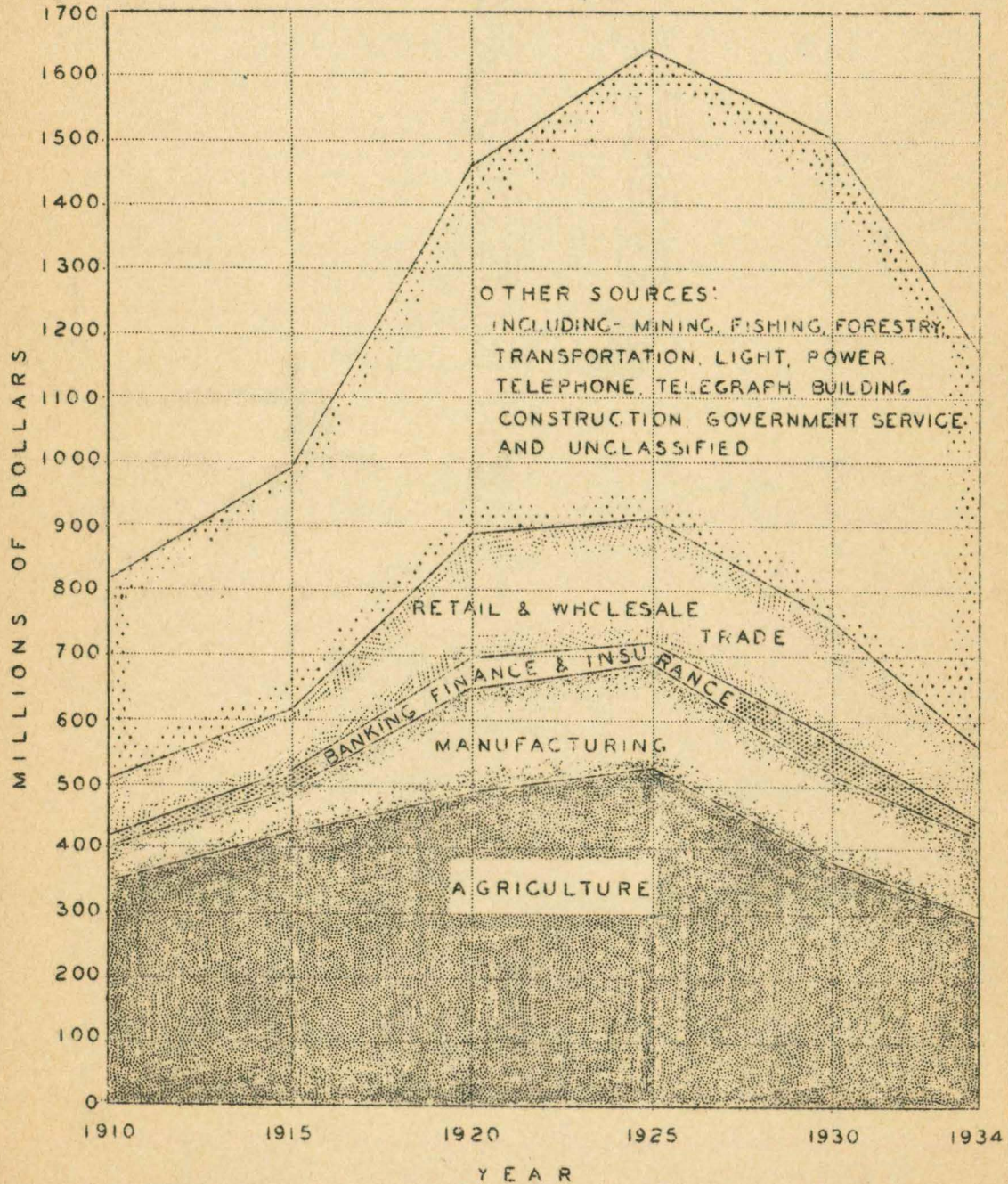
Iowa is the leading agricultural state in the Union. Forty per cent of her population lives on farms, deriving their income directly from farming. In addition, 20 per cent of the population lives in rural towns and villages and depends upon the income the farmers receive. The welfare of the population in Iowa, as well as in the country as a whole, is closely connected with the welfare of the farmer. There is not a business, a trade or profession in Iowa which does not suffer if the farmer suffers, or prosper if the farmer prospers. In 1929 the total income from Iowa agriculture was estimated at 451 million dollars, as compared to only 194 million dollars derived from manufacturing, and 37 million dollars from banking, finance and insurance.*¹ If Iowa agriculture would have obtained its share in the total Iowa income which would correspond to its proportion of the Iowa population, the income from Iowa agriculture would have been around 650 million dollars. It is obvious that any sound and effective program designed to improve agricultural conditions in Iowa will ultimately benefit Iowa business men, laborers and professionals as well. Every citizen in Iowa should

* Iowa Studies in Business, No. XIV, March 1935, p. 20, State University of Iowa. The respective figures for 1934 are \$298 million from agriculture, \$123 million from manufacturing, and \$24 million from banking, financing and insurance.

¹ See Figure 1.

FIGURE 1. SOURCES OF IOWA INCOME 1910-1934

FROM IOWA STUDIES IN BUSINESS NO. XIV
STATE UNIVERSITY OF IOWA, MARCH 1935



be vitally interested in the prosperity of Iowa agriculture. It is, therefore, the interest of the entire citizenry of Iowa which this committee has at heart in submitting this report to the State Planning Board, the Governor and the General Assembly of the State.

(2) Nation-wide Interest in the Farm Tenure Problem

Farm tenure problems have been discussed in recent years throughout the country. The growing interest in this question is reflected in the nation-wide attention given to the President's Committee on Farm Tenancy during the winter of 1936-37, in the tenant farm purchase and the rural rehabilitation program authorized by the Bankhead-Jones Farm Tenant Act passed by Congress in the summer of 1937, in the Landlord-Tenant Act passed by the Oklahoma legislature in 1937, and in the appointment of state committees on farm tenancy by the governors of the two states, Arkansas and Iowa. These developments indicate that people feel an urgent need for improving certain farm tenure conditions through some form of legislative action. The serious land problems that are now confronting this country have been experienced in older countries many decades ago, and many of these problems have been successfully met by legislative action and enlightened public opinion.

This committee is fully aware that not all tenure problems can be solved by legislation. Mutual cooperation, education and the development of a sense of responsibility on the part of both landlord and tenant are essential. What legislation can do, however, is to provide a framework of certain minimum standards in tenure relationships which will facilitate a clearer understanding of the rights and responsibilities of the parties concerned, and will prevent certain

practices distinctly detrimental to land and community. It is the duty of the people of Iowa to accomplish the development of such standards.

(3) Seriousness of the Tenure Problem in Iowa

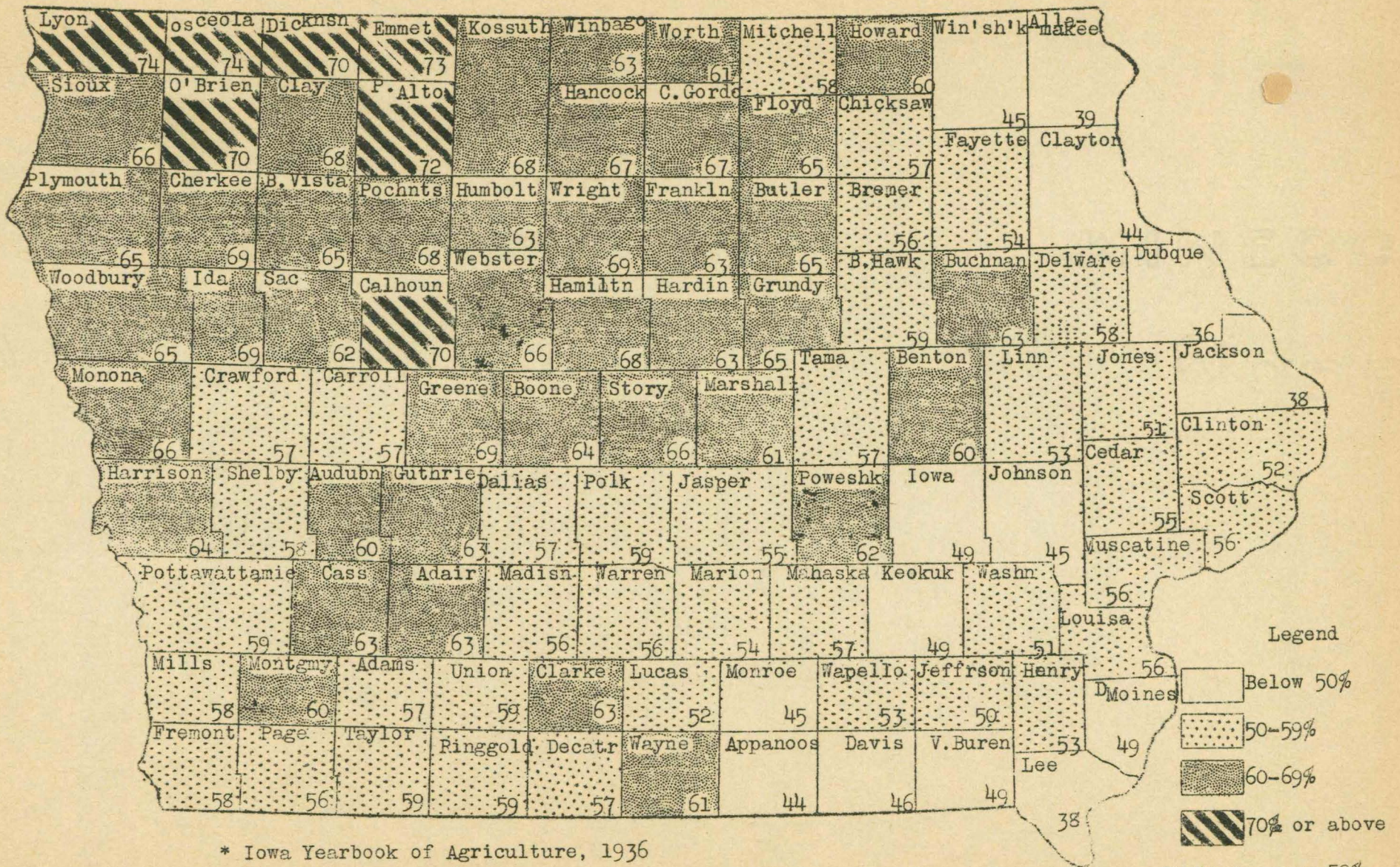
The proportion of farms operated by tenants has shown a steady increase, from only 24 per cent in 1880 to 50 per cent in 1935. A certain proportion of tenancy, possibly between one-fourth and one-third, is not undesirable as tenancy as a rung in the agricultural ladder toward ownership can fulfill an important function. If tenancy, however, approaches or even exceeds one-half of all farms, serious problems arise. There was only one county in 1900 where half of the farms were rented; in 1935, 57 counties had half or more of their farms operated by tenants.¹ Considering the land area farmed under lease, the state average for 1936 was 59 per cent of all land in farms, varying between counties from 74 per cent in Osceola and Lyon counties to 36 per cent in Dubuque County.² According to the "Summary of Findings" from the county hearings (Part II, Section 2), a large number of people expect a continuing increase in tenancy unless effective action is taken to prevent it. It is estimated that between 4,000 and 7,000 owners are operating under the moratorium law which was enacted in 1933 brought about by overwhelming pressure of public opinion. Without the moratorium, many more farmers would have changed from owner-operators to tenants.

Taking the total value of all farm real estate in Iowa in 1935, the equity of the farm operators was only 25 per cent, or only one-fourth

¹ Iowa Agricultural Experiment Station, Bul. 356.

² Iowa Yearbook of Agriculture, 1936.

Fig. 2. PERCENTAGE OF IOWA FARM LAND RENTED BY OPERATOR
1936*



* Iowa Yearbook of Agriculture, 1936

State Average 59%

of the total value; 75 per cent of the value of all farms belonged to landlords or mortgage holders.¹ In Iowa the trend has been from a state of independent farm home owners to a state of tenants and over-burdened debtors. (See Fig. 2)

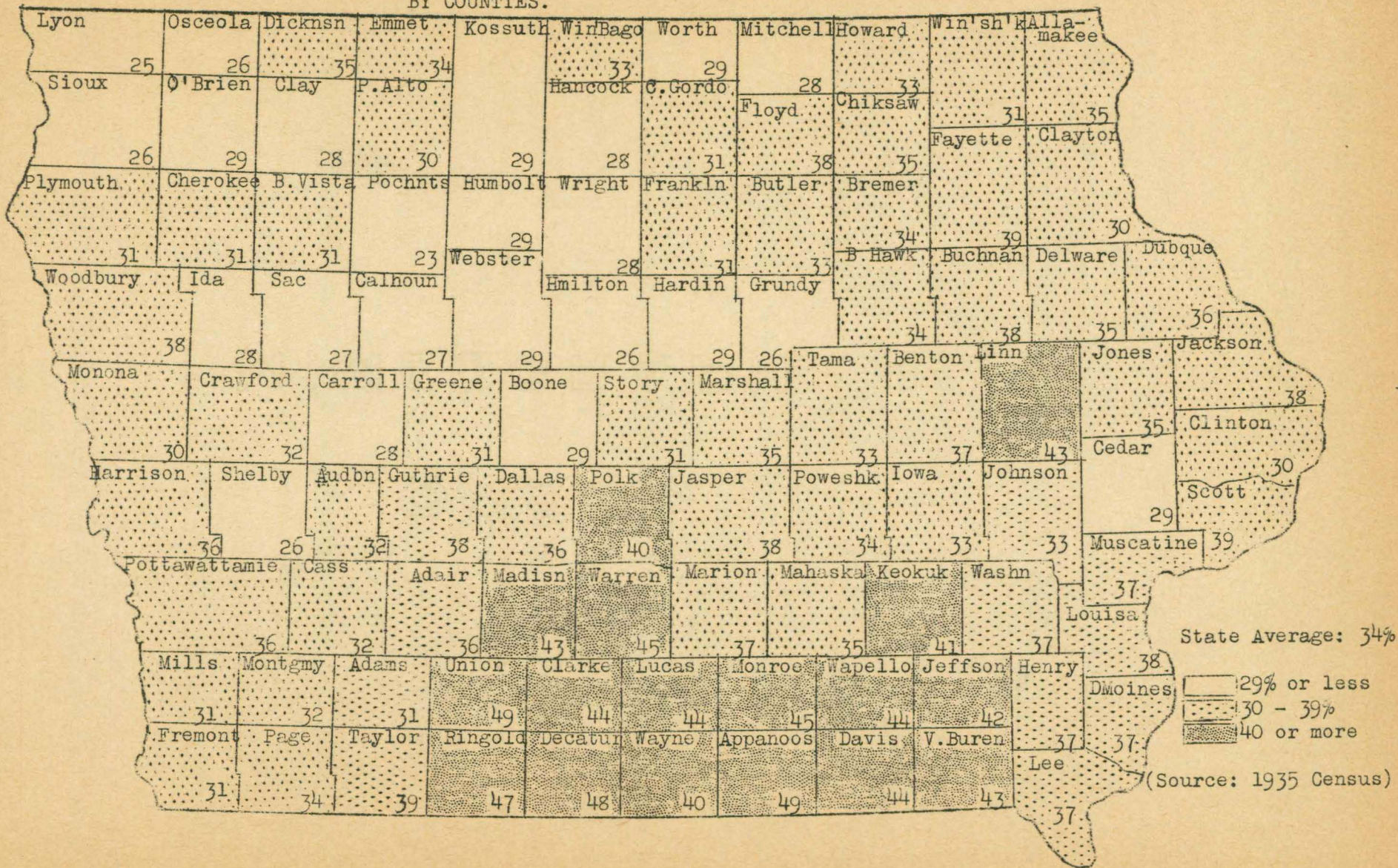
In addition to the increase in tenancy and the drain on the farmer's equity in the land, the great insecurity of the renter's tenure adversely affects farm income, soil fertility and community welfare. On January 1, 1935, the Census revealed that 34 per cent, or over one-third of all tenants were on their farms for less than 2 years. This proportion varied from 49 per cent in Appanoose to 25 per cent in Lyon County.² The area of greatest tenant mobility is in southern Iowa, where around 45 per cent of the tenants were on their farms for less than 2 years when the Census was taken. Such unstable conditions necessarily lead to severe soil exploitation, to neglect of farm improvements, to tremendous losses involved in frequent moving, and to reduced farm incomes of both tenant and landlord. In addition, rural institutions, particularly schools, churches, farm and cooperative organizations and other social activities are suffering severely from unstable tenure conditions. (See Fig. 3)

(4) Causes of Tenancy

During all the public hearings held in every county of the State, the lack of adequate income from the operation of the farm has been held to be the first and most important cause of increasing tenancy and decreasing ownership among farm operators. Whether appearing as

¹ U.S.D.A. Misc. Pub. No. 261, Dec. 1936. The figures for 1935 quoted above are taken from a supplement to the publications cited.
² Iowa Agricultural Experiment Station, Bul. 356.

Fig. 3. PERCENTAGE OF TENANTS ON PRESENT FARM FOR 2 YEARS OR LESS, AT DATE OF JANUARY 1, 1935 BY COUNTIES.



"Cost of Production", Parity Prices" or "World's Market Plus Tariff", it was pretty generally agreed that, unless and until farm prices can be stabilized at a reasonable level, farm tenancy will continue to increase regardless of how low interest rates may be, or how easy it may be made to contract for the purchase of a farm. No tenure system can withstand the onslaught of extreme price fluctuations and the paralyzing effect of chronic price disparities between the things farmers sell and those they buy, a disadvantage under which agriculture has been laboring during many decades. (See Fig. 4)

The following table should convince any fair-minded man of the truth of the foregoing.

	<u>1900</u>	<u>1920</u>	<u>1930</u>	<u>1933</u>	<u>1935</u>
Per cent of pop. on farms	35.0	30.0	24.6	25.3	25.0
Per cent of nat'l. income	20.5	14.9	9.0	7.8	10.5

Next to the chronic disparity of farm income, faults in our credit and taxation systems are blamed as major causes for the increase in tenancy. Eleven per cent of the total farm land in Iowa, or an acreage equivalent to eleven counties, was sold under foreclosures during the period of 1927 to 1934.* This does not include the large number of voluntary transfers of deeds under hard financial pressure. The wholesale dispossession of farm families caused by factors entirely beyond their control has meant to most of these families the loss of the savings of a lifetime and the loss of hope for the future, in spite of the fact that the Iowa farmer is and has been a most efficient producer of food and fibers.

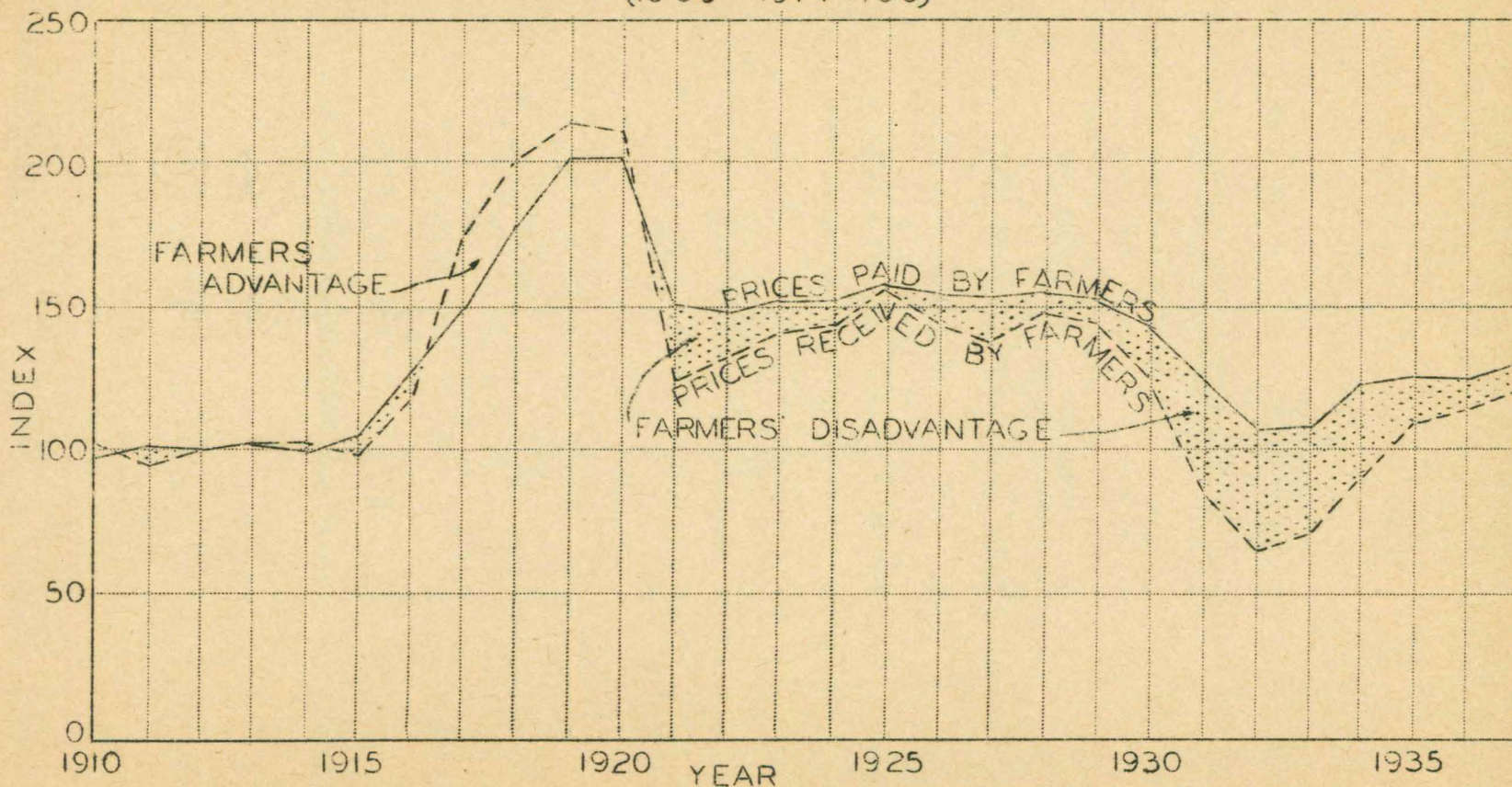
The average tax burden on Iowa farm land has increased from 56 cents per acre in 1914 to \$1.40 in 1930; in terms of per cent of the

* Iowa Agricultural Experiment Station, Bul. 328, April 1935.

FIGURE 4.

GENERAL TREND OF INDEX OF PRICES RECEIVED BY FARMERS AND PRICES PAID BY FARMERS 1910-1937

(1909-1914=100)



SOURCE: BUREAU OF AGRI. ECON. U.S.D.A

land value the increase was from 0.45 per cent to 1 per cent during the same period.* Since 1930, the real estate tax has decreased to \$0.89 per acre in 1934. Land values have declined even more, in that the tax amounted to 1.12 per cent of the land value in 1934. In many localities, however, the tax burden upon the land is more than twice as heavy as the state average. This holds particularly true in certain drainage or consolidated school districts, or both, where the tax loads are sometimes almost confiscatory and are creating intolerable tenure conditions.

Besides these shortcomings in the price and taxation systems, many other causes have contributed to the increase in tenancy. (See Summary of Findings, Part II, Section 4, Question 1.) Land speculation and investment in land by city people are frequently mentioned. Moreover, our present educational practices tend to stimulate, rather than counteract, the shift in the interests of rural youth from farm to city life. This growth of an urban philosophy of life, often associated with an exaggerated emphasis on money income and material comfort, leads many farmers to live beyond their means or to refuse to make even temporary sacrifices in their living standards for the sake of acquiring ownership in a farm.

Considerable emphasis is placed on the unsatisfactory tenancy system itself hampering the tenant in his ascent to ownership on the "agricultural ladder." It is pointed out that insecurity of tenants and high rents retard the accumulation of savings necessary to acquire equity in a farm.

* Basebook of Iowa, Agricultural Experiment Station, Spec. Rep. No. 1, April 1936.

II. Outline of a Long-Time Policy of
Farm Tenure Improvement

The tenure conditions are affected by the economic conditions throughout the country in general, and by the agricultural situation in particular. The tenure problem, therefore, cannot be solved completely within a single state; nor can it be solved overnight. It is deemed advisable to outline the main directions in which various federal, state and local policies should move in order to encourage a sound and equitable tenure system to develop in Iowa.

Federal Policies

(5) Stabilization of Prices

The stabilization of the general price level, and of farm prices in particular, is a fundamental requirement for the establishment of satisfactory tenure conditions, since an increase in farm home ownership involves long-time and relatively fixed debt obligations on the part of the farmers. The commitment to pay heavy fixed charges for a long period of future years is ^{likely} apt to be ruinous unless farm income can be depended upon to support the farm family in addition to the debt obligations. Recognizing that this problem is distinctly national in scope, it is recommended that the citizens of Iowa, as voters, representatives or officers of local or state agencies, do everything in their power to insist that the federal government should carry out an effective agricultural policy designed to stabilize farm incomes at a reasonably profitable level, and to revise our monetary system so as to stabilize the purchasing power of the dollar. (See Summary of Findings, Part II, Section 4, Question 7.)

Any long-time program to stabilize farm income should eventually become self-supporting, gradually reducing the need for annual direct appropriations from the Federal Treasury. Energetic efforts should be made to eliminate the price disparity between agricultural and industrial products, by more vigorous enforcement of anti-trust laws, revision of tariff schedules, promoting agricultural exports, adjusting production of major farm products to effective demand, and other policies aimed at putting agriculture on equal footing with industry. For instance, the protective effect of tariff rates on industrial products should be compared with that on agricultural products; discrepancies should be remedied preferably by gradually scaling down excessive rates on industrial products. Extremely high tariffs have no place in the sound economic thinking of a creditor nation.

(6) More Adequate Agricultural Credit Facilities

In no other industry is the volume of production in any given year so hard to control as in agriculture; consequently, agricultural prices show much more violent yearly fluctuations than industrial prices.

There is an urgent need for making payments on agricultural loans more flexible. This is all the more important as a comparatively large proportion of the agricultural investments are fixed and difficult to liquidate at any given time. Since our present credit facilities are largely designed to serve industrial and commercial needs, these credit facilities are not serving agriculture adequately.

It is, therefore, recommended that the policies of the Federal Land Banks and other agricultural credit agencies be more definitely directed toward adjusting the available credit facilities to the needs of the farmers.

(7) Federal Assistance in Promoting Farm Home Ownership

Recent depressions and droughts have deprived many previous owner-operators of their farms, and many farmers of any savings they had accumulated. It is imperative that effective programs be developed to assist competent farm operators in purchasing farms and to encourage farm home ownership by every possible means. (See Summary of Findings, Part I, Section 2, Question 7 and Part II, Section 2, Question 9.)

Now

It is recommended that the Bankhead-Jones Farm Tenancy Act be expanded, and that other public as well as private credit agencies be induced to actively cooperate in a program of assisting bona fide farmers in purchasing family-sized farms. Serious consideration should be given to amending the Bankhead-Jones Farm Tenant Act so that land transferred under the program be prevented from entering the speculative market and that the ownership status of the tenant-purchaser be more adequately protected. Any programs of extended farm purchases should be safeguarded against a speculative rise in land values, and probably will fail in the end unless effective stabilization of purchasing power is achieved which would give agricultural products a fair exchange ratio.

State Policies

Granting the fundamental importance of these general and necessarily nationwide policies regarding the price and credit systems, an equally important field of action to improve tenure conditions is reserved to the state. In fact, any comprehensive and thorough-going program of tenure improvement must be originated and carried out by the state rather than by the federal government, since the tenure problems are widely different in the various sections of the country and require rem-

edial measures which fall distinctly within the jurisdiction of the state. In view of the fact that the Federal government, through its four great agricultural programs of the Farm Credit, Farm Security and Agricultural Adjustment Administrations and the Soil Conservation Service, has a vital interest in aiding and encouraging state action in the field of tenure improvement, constructive cooperation between the State of Iowa and the Federal Government is urgently recommended in order to secure the greatest possible permanent benefits of these programs to Iowa agriculture.

Proposals to improve tenure conditions in Iowa can be grouped according to two major objectives: (a) to encourage and protect farm home ownership; and (b) to improve landlord-tenant relationships. In order to develop a comprehensive long-time program for the attainment of these objectives, two lines of action are recommended: (a) legislative; and (b) educational. The committee is convinced, and this conviction is strongly supported by the evidence collected in the public hearings, that the success of a tenure improvement program in Iowa rests upon the simultaneous and well coordinated use of these two approaches. Legislation without education and popular support, just as education without appropriate legislative action, is bound to fail to bring about a substantial and lasting betterment in our tenure conditions.

It is recommended that the State of Iowa adopt a long-time tenure policy embodying the following basic principles:

Measures to Encourage Farm Home Ownership

(8) Prevention of Land Speculation and of Concentration of Land Holdings

The state should use every available power (statutory and educational) to stabilize the value of land at a fair level determined by

its long-time earning capacity. Never again should land prices be permitted to skyrocket, and the speculative element in the land market should be restricted to a minimum. Speculative buying and selling of land, and speculative foreclosures should be discouraged, by effective statutory measures as well as by publicizing the disastrous effects of land booms on the security and living standards of farm operators and their families.

The accumulation of large land holdings by owners not primarily engaged in actual farming should be discouraged without working undue hardship upon such owners and without causing a sudden turmoil in the land market. (See Summary of Findings, Part I, Sections 2 and 4, Question 6; and Part II, Sections 2 and 4, Question 13.)

It is recommended that a committee be appointed to undertake a thorough study of the possibilities and limitations of statutory regulation of land transactions, taxation measures and foreclosure and inheritance laws in attaining the above stated objectives. Means how to more adequately enforce the law limiting the time for which corporations may hold land acquired through foreclosures should be found.* A report embodying definite recommendations should be available for consideration by the General Assembly. (See "Specific Recommendations," below, Sections 21 and 24.)

(9) Protection of the Owner-Operator's Equity in Years of Crop Failure and Depression

Throughout rural Iowa, people are painfully aware of the fact that the tremendous wave of foreclosures and surrenders of deed sweeping over the country during recent years has seriously impaired the fertility

* See Code of Iowa, Section 8736.

of millions of acres of land, has injured thousands of rural communities and has ruined tens of thousands of farm families and homes. (See Summary of Findings, Part II, Section 4, Question 11.) In most cases it was not the owner's incompetence or personal disability, but national policies unfair to agriculture, the depression and drought affecting wide areas, which caused the default in payments. The wholesale dispossession of encumbered owners under such conditions has no concrete common-sense justification. This orgy in foreclosures, instead of protecting the interest of the creditor, has in effect harmed it in many cases, since great losses through depletion and neglect of farm property incident to the dispossession of the former owners and to the insecurity of the succeeding tenants could have been avoided, to the mutual benefit of creditor and debtor.

It is, therefore, recommended that the encumbered owner be given statutory protection from foreclosure in years of poor crops or extremely low prices. In no case should foreclosure take place at a sale for less than a reasonable normal price set by the court. This protection should be afforded particularly to owner-operators as an inalienable "homestead right."

The principle should be established that the amount of payments in any given year which can be required from an operator of a farm, either for interest, amortization or rent, should not exceed a certain percentage of the value of the total farm production during that year, or should not be so large as to deprive the operator of working capital necessary to carry on his farming operations; provided the farm has been operated in a workmanlike manner under good soil management practices. (See Specific Recommendations, below, Section 22.)

(10) Abolishment of Deficiency Judgments, Invalidation of Waivers of Exemption Rights, and Limitation of the Landlord's Lien

The statutes pertaining to deficiency judgments, to exemptions of personal property from execution, and to the landlord's lien should be revised in conformity with the principle stated in the previous paragraph. Abuses in the application of deficiency judgments and landlord's lien have created an urgent need for protecting human and family interests against excessively stringent property rights, as is indicated in the "Summary of Findings", Part I, Question 8; and Part II, Question 29. (See "Specific Recommendations, below, Section 23.)

Measures to Improve Landlord-Tenant Relationships

(11) Increasing the Security of Tenure on Rented Farms

Frequent moving of tenants caused by unsatisfactory and insecure tenancy conditions results in heavy costs and irreparable losses not only to tenant and landlord but also to the fertility of the soil and the welfare of the community. The general public of today must protect the right of our children and grandchildren to the fertility of the land, to the basis for making a decent living for themselves and their families, and the food supply of future generations, both rural and urban.

Successful farming and soil conservation require planning the farm program ahead for at least several years. Crop rotations with soil-building legumes usually run over four or more years; frequently limestone must be applied before clover or alfalfa can be grown; in many sections of the state more livestock must be kept to utilize the increased amount of hay and pasture, and barns must be enlarged or built anew to accommodate more livestock and to store more hay. Such changes require that the tenant be permitted to develop a genuine long-time inter-

est in, and a reasonable security of tenure, on a particular farm.

Yes, most leases in Iowa run for one year only, without renewal provisions. The average tenant family moves every 3 or 4 years -- not because they want to, but because our tenancy system works that way. Some competent landlords renew the lease in summer or early fall, but many prefer to wait either for a buyer or for a renter who may offer a little more rent. (See "Summary of Findings," Part II, Section 4, Questions 15 and 19.)

It is recommended that effective action be taken to increase the tenant's security of occupancy, both by appropriate statutory provisions regarding length, renewal and termination of agricultural leases, and by educational activities encouraging better lease forms and publicizing the beneficial effects of more secure tenant, landlord, community and land. The goal to be ultimately attained may be stated as the following principle:

Any competent farm operator, be he an owner or a tenant, should be granted certain clearly defined homestead rights and privileges guaranteeing him the highest possible degree of security of tenure on the land, in order to safeguard our land resources, to create an intimate, constructive and permanent relationship between the farmer and the land, and to facilitate the development of a prosperous cultural home and community environment for the farm family.* (See "Specific Recommendations", below, Sections 22 and 26.)

(12) Compensation for Unexhausted Improvements and for Damages

There are landlords in Iowa who cooperate with the tenant in

* See Iowa Agricultural Experiment Station, Bul. 371.

keeping up soil productivity, farm buildings and dwelling house, and who are interested in their tenant's well-being as well as in the returns on their investment. There are many landlords, however, who are not in contact with everyday farm life and who do not assume their responsibilities as trustees of the land resources and promoters of the welfare of farm families and rural institutions. Their farms are available each year to the highest bidders. Whatever improvement a tenant makes on such a farm results in higher rent. The tenant's interest, therefore, is to get out of the farm as much as possible without putting into it any more than is absolutely necessary.

It is only natural that such conditions breed an attitude among renters which is detrimental to the landlord, the land and ultimately to themselves. Recent studies have shown conclusively that rented farms, in the average, are more seriously eroding, have less adequate improvements, and are generally in a less satisfactory state of repairs and maintenance of fertility than are owner-operated farms.* The lack of legal recognition of the renter's equity in improvements he has made is, in effect, a penalty upon his thrift and initiative. (See "Summary of Findings", Part I, Question 2; and Part II, Questions 25 and 26.)

It is recommended that the tenant's right to compensation, within certain limits, for unexhausted improvements the tenant has made in case he should leave the farm, be given statutory recognition. As a corollary, the landlord should be given the explicit right to claim compensation for damage done to his property by the tenant.

* See President's Report on Farm Tenancy; Ia. Agr. Exp. Sta., Bul. 333 and 356; Ia. Agr. Exp. Sta. Res. Bul. 174.

In order to prevent the tenant from claiming compensation for unnecessary, unprofitable or very costly improvements, compensation should be limited to certain well-defined types of improvements, and perhaps also to a certain maximum amount in terms of dollars or percentage of the rent. Claims for compensation should never exceed these limits except if written consent of the landlord had been obtained before making the respective improvements. (See "Specific Recommendations", below, Sections 27 and 28.)

The principle of compensation for unexhausted improvements brings advantages to the landlord, because the tenant is more interested in the maintenance of soil fertility and the equipment of the farm with adequate improvements if he contributes to the costs and investments involved; under these conditions the landlord's property is better protected as the tenant has little incentive to exploit the farm. If the landlord is financially pressed he need not plow back into his farm as much of his rental income as he would if he were to furnish all necessary improvements himself. The tenant can take more initiative in improving the productivity of the farm and in making the farm home a better place to live, as his equity in such improvements is protected. An outside tenant will not outbid him, nor will his landlord raise the rent, owing to the improvements he has made, since either the landlord or the incoming tenant has to compensate the outgoing tenant for the unexhausted value of such improvements.

A simple statute providing for compensation for damage will afford much more effective protection of the landlord's property than the "Treble damages" now provided under the common law concept of waste.*

* Iowa Code, Ch. 529, 12402; and Ia. Agr. Exp. Sta., Bul. 371.

(13) Arbitration Facilities to Settle Landlord-Tenant Difficulties

Most differences arising between landlord and tenant relate to matters which must be settled within a short time and which do not involve sufficient amounts to justify the relatively high costs of court procedure. Consequently, minor differences often become the basis of serious disputes and ill-feelings and result in the termination of the lease which could have been avoided, to the mutual benefit of both parties and the land, if expeditious arbitration facilities would have been available. (See "Summary of Findings", Part I, Question 4; and Part II, Question 30.)

The principle of arbitration is being practiced successfully by many local mutual insurance associations in determining damages and settling other questions of fact. The Iowa statutes contain provisions for voluntary arbitration of differences.¹ In some individual cases a provision is included in the lease stipulating that each party shall select an arbitrator, and the two shall select a third, and the decision of these three shall be final.² This method has proved highly successful in the settlement of problems arising under leasing arrangements.

In order to encourage a wider practice of arbitration, the selection and certification in each county of qualified arbitrators may be desirable, who are familiar with state law, customary leasing procedure, rates of deterioration and value of different types of improvements. Through experience they would soon become ~~vested~~^{versed} in settling questions involving termination of leases, compensation for improvements or damage, fair rental provisions and many other related matters. Such

1 See Code of Iowa, Chapter 548.

2 See Agricultural Experiment Station Bul. 371.

a certified appraiser may render valuable services as the third arbitrator selected by the two representing landlord and tenant, or may be directly agreed upon by the two parties as a single arbitrator which would further increase speed and reduce costs in arriving at a decision.

It is recommended that the use of arbitration processes be encouraged through education and publicity in general, and required by statute whenever the issue involved is one of determining facts rather than interpreting laws, as an amicable and efficient way of arriving at fair decisions, thus preventing disputes and ill-feeling and greatly increasing security and cooperation in landlord-tenant relationships.

(See "Specific Recommendations", below, Section 29)

General Recommendations Suggested for Serious Consideration After Careful Study

(14) Establishment of a State Land Commission

The feasibility of setting up a State Land Commission with clearly defined powers and functions should be explored. Such functions may include the establishment and enforcement of certain standards of land use and soil conservation measures deemed necessary to safeguard public interest and general welfare, perhaps through such devices as rural zoning, conservancy districts or condemnation of badly mismanaged lands. Any land which may be acquired by the Land Commission may be resold to qualified tenants or farm laborers, possibly in cooperation with federal government agencies.

(15) Revision of the Taxation System

The taxation system of Iowa should be thoroughly examined with the view of arriving at a distribution of the tax burden more equitably

according to ability to pay. Particularly, a redistribution of the tax load on farm real estate is urgently needed. The long-time productive capacity of the farm as a whole under soil conserving management should be used in determining the assessed value of the farm real estate. Special tax assessments upon farm land should be limited to a maximum percentage of average assessed value per acre, and speedy refinancing of over-taxes drainage and consolidated school districts should be undertaken.

(16) Improvement of Farm Labor Conditions

The first rung in the agricultural ladder has been the farm laborer. At the present time his status appears to be a preliminary step to going on relief.

The farm laborer group in Iowa as elsewhere furnishes a large number of citizens for future Iowa, their birth rate being higher than that of any other group.

Due to the insecurity and subsequent mobility of the group we find a lower educational and social standing among them. This is mainly due to the actual practice of regarding farm labor as a commodity to be bargained for at the lowest price. As a rule, their housing conditions are below the minimum standard of decency.

We have in Iowa different types of farm laborers:

(a) Those employed by industrial farming in the production of food for canning.

(b) Those employed by seasonal crop production in commercialized farming.

(c) Those year-around employed by general farmers and stock raisers.

(d) There are fathers of families, unattached men, and sons of farmers working at home or for neighbors.

Therefore, the same detailed policy cannot be applied to all classes but some fundamental principles should be considered:

It is recommended that:

By education and pressure of public opinion, if not by legislation, such evil conditions as exist be remedied.

Farm labor should not be regarded as a commodity.

A yearly family living wage should be the goal.

A limited form of partnership (such as bonus payment in kind or cash when there is a good crop or good prices) might be made a practice so that the laborer might have a better opportunity to rise from his apprenticeship to renting and to future ownership.

Minimum standards of decent housing should be required.

(17) Education for Rural Life Appreciation

Being fully aware that a rural civilization is the surest safeguard of our democratic institutions we must look to the formation of proper attitudes towards the land and rural life by both urban and rural dwellers.

The rural home should be the cradle of the educational effort to lead sons and daughters of the soil to love it and all it means to them. The rural school must be the nursery wherein these ideals are carefully nurtured, developed and rationalized. 2

Our rural schools, both primary and secondary, must educate the children of Iowa for the proper appreciation of a home on the land, and prepare the majority for the noble career of conducting a home

on the land.

The general curriculum, the textbook and the teachers should become vehicles and instruments for the teaching of this philosophy of life and the formation of proper attitudes in the minds of the children.

Training schools might well analyze their present methods of preparing rural teachers, and textbooks might well be scrutinized for glorifications of urbanism.

City children, too, should be taught the values of rural life and, in a state like Iowa, they should be made to realize that their prosperity depends upon the land and upon the prosperity of rural folk.

There should be present a realization on the part of the general public that ["]rural human erosion will eventually cause the city to deteriorate, and hence the whole nation.

We recommend to state and local school authorities even more intensive efforts than they have so nobly put forth in the past to this end.

(18) Promotion of Better Mutual Understanding Between City and Farm People

Iowa business men, laborers and professionals should be given more adequate opportunities to learn about the problems of the farmers, and vice versa. Cooperation between the urban and rural parts of our population in important matters of public and fiscal policies is highly important for the effectiveness of democratic institutions, and nothing can foster such cooperation more than a good understanding of the other man's problems. Our civic, business, cooperative, church and other organizations should be encouraged to develop programs of urban-rural

rapprochement and fellowship. This cooperation is of vital importance to Iowa's future prosperity.

(19) Cooperatives

The retention of wealth by the producer of the wealth is quite essential to his own prosperity and to the well-being of a nation.

The proper study of the principles of the cooperative system insofar as it may apply to the agriculturalist of Iowa is indeed worth while.

The proper application and practice of cooperative credit, consumers and producers cooperative, and processing cooperatives might be the very steps needed for Iowa farmers to retain the wealth they produce and thus achieve a state of deserved prosperity and help create a better situation for the whole nation.

(20) Enactment of a Comprehensive Land Use and Tenure Chapter in the Iowa Code

All laws and statutes relating to agricultural land use, farm real estate and farm tenure should be assembled into one chapter of the Code in easily understandable language.

In view of the extremely different conditions affecting the use of land in urban and rural areas, real estate and tenure laws, drafted with urban conditions primarily in mind, have often proved unsuited to rural needs. Consequently, the real estate and land tenure laws of the state should be re-examined and special provisions made to govern agricultural lands in the light of agricultural conditions.

It should be clearly understood that the recommendations of this committee apply only to agricultural lands, and that all measures

to effect changes in the law affecting taxation, foreclosure, landlord-tenant relations and landlord's lien, should be drafted so that they apply only to land used for agricultural purposes. No suggestions contained herein are intended to apply to non-agricultural property.

Consideration should also be given to the feasibility of adapting constructive urban regulations to the rural situation. For example, the urban housing law might well be adapted to give rural dwellers the same assurance of a safe and sanitary dwelling which urban people now enjoy.

III. Specific Recommendations

It is not the province of this Committee to draft legislation. That is the exclusive prerogative of the Senators and Representatives elected by the people of Iowa. In the preceding part of this report this Committee has outlined the general principles and elements of a comprehensive policy for the improvement of farm tenure conditions in Iowa. This outline resulted from the careful study of the information gathered by this Committee in 101 public hearings held throughout the state and of the more than 4,000 questionnaires, briefs and letters filed with the committee.

This Committee recommends that a special sub-committee on Farm Tenure be appointed from the Agricultural Committees of both branches of the coming General Assembly for a careful study of this most important problem. We further recommend that the following Specific Recommendations be embodied in bills and, if possible, enacted into law during the coming winter.

Measures to Encourage Farm Home Ownership

(21) Tax on Capital Gains From Sales of Land

It is recommended that a provision be inserted into the State Income Tax Law imposing a specific tax on capital gains from the sale of farm lands, limiting such gains to a definite percentage, perhaps 4 per cent per annum, of the capital investment. *or process the gains* Due allowance should be made for improvements or other enhancement of value brought about by the owner.

(22) Protection of Farm Operator's Tenure in Years of Crop Failure or Depression

It is recommended that there be written into the statutes of Iowa that from the time of the taking effect of this law, no mortgage or rental contract within the state shall be legal and binding for more than one-half the production of the farm in any one year provided that the farm has been operated in a good workmanlike manner. For already existing contracts, provision should be made for the extension of required payments over a period of years at reasonable interest and without penalty if it can be shown that natural conditions or extremely low prices have rendered the mortgagor or renter unable to meet his obligations within a given year.

(23) Revision of Foreclosure Procedure and Abolition of Deficiency Judgments

It is recommended that the foreclosure procedure for farms be revised so that the court must determine a fair normal value of the property, and no foreclosure sale can be consummated at a price lower than this fair normal value.

It is further recommended that the deficiency judgment be abolished, in foreclosures of mortgages related to the acquisition or improvement of agricultural lands.

This Committee believes that these three measures, enacted into law, will stabilize the price of Iowa farm land on a fair basis of its earning capacity. If Iowa people are again to own Iowa's soil, land values must be so stabilized.

(24) Differential Taxation of Farm Lands

It is recommended that a special committee be appointed to make a thorough study for the purpose of discovering the most equitable and effective way for discouraging the concentration of large land holdings by means of differential taxation, such as a moderate surtax levied on land holdings exceeding a liberal amount of acreage, or, preferably, assessed valuation.

It is believed that if associated with ample credit facilities and other positive measures of encouraging farm home ownership, the gradual but steady pressure of differential taxation might exert an influence in favor of family-sized farms operated by owners.

(25) Resolution on National Programs

It is recommended that the General Assembly adopt a joint resolution requesting Congress to materially expand the Tenant-Purchase program of the Bankhead-Jones Farm Tenant Act, and to amend the act so as to prevent land transferred under it from entering the speculative land market by more nearly conforming to the recommendations of the President's Committee on Farm Tenancy.

It is also recommended that the National Government be requested to revise the Agricultural Adjustment Program to more adequately protect the interests of the tenant, to more equitably distribute the payments between landlord and tenant, and to furnish an incentive to better leasing practices.

Measures to Improve Landlord-Tenant Relationships

(26) Automatic Continuation of Year-to-Year Leases and Minimum Period of Notice for Termination

It is recommended that all agricultural year-to-year leases shall automatically continue from year to year until notice for termination is served by either party not later than six months before the expiration date of the lease. In Iowa, the expiration date for agricultural leases should be not later than March 1 following the crop year.

either party needs to
In case notice for termination is served less than 6 months before the expiration date of the lease, *e any agricultural lease* a minimum amount of compensation for disturbance shall be claimable by the disturbed party, perhaps 10 or 20 percent of the annual rental value of the farm, to be specified in the statute. If either tenant or landlord want to claim a larger sum the determination of the amount of compensation shall be based upon the costs involved in locating a new farm or a new tenant, and in actual moving of livestock, feed and equipment. If both parties cannot agree upon the amount, the question shall be decided by arbitration, upon the request of either party. *the disturbed party may elect to accept*

(27) Compensation for Unexhausted Improvements

It is recommended that the tenant be entitled to a reasonable compensation, within certain limits described below, for the unexhausted value of improvements he has made, in case he should leave the farm.

Compensation shall be claimable by the tenant upon termination of the lease for the following types of improvements:

1. Application of limestone, phosphate, other fertilizers or green manure resulting in a residual benefit to the land;

2. Seedings of alfalfa and other grasses and legumes and establishing temporary meadows or pastures;

3. Certain specified erosion control devices;

4. Plowing, fall seedings of small grain and preparing the land for the next year's crop in excess of what was on the farm at the beginning of the tenancy;

5. Manure appropriately spread which was produced from feedstuff bought by or belonging to the tenant;

6. Establishing perennial garden plants, small fruits and orchard trees not in excess of those adequate for home use;

7. Repairs to buildings and fences necessary for the proper operation of the farm or for decent housing conditions, other than repairs which the tenant is himself under an obligation to execute, provided that the tenant has given notice to the landlord of his intention to make such repairs and that the landlord has failed to execute them within a reasonable time after receiving such notice.

In addition, an upper limit might be set, for instance 10 percent of the total rent paid during the tenancy, beyond which compensation for unexhausted improvements is not claimable.

The tenant should not be permitted to claim compensation for any improvements not included in such a specified list or exceeding the specified maximum amount, unless he had obtained the written consent of the landlord prior to making them.

The compensation for improvements in question should be determined according to their value to a typical incoming tenant. An improvement not adapted to the customary farming in a given community should not be

eligible for compensation, except if prior consent of the landlord had been obtained.

If landlord and tenant cannot agree upon the amount of compensation, such amount should be settled by arbitration, upon the request of either party.

The tenant should be given the right to remove any improvement that he adds to the farm within a reasonable time after the termination of the lease.

(28) Compensation for Damage

It is recommended that the landlord be entitled to a reasonable compensation for any damage done by the tenant to the farm property through mismanagement, neglect or violation of the lease, provided that the tenant is clearly responsible for the damage. Damages caused by ordinary wear and tear or depreciation should not be claimable.

Compensation should be claimable by the landlord upon the termination of the lease for the damage resulting from the following types of practices, unless the tenant has received the landlord's consent:

1. Cutting of trees;
2. Burning of straw and corn stalks;
3. Improper care and use of manure;
4. Plowing up of permanent pasture;
5. Failure to maintain erosion control structures;
6. Failure for taking proper care of drainage tiles, ditches and outlets;
7. Negligent care of lawn, garden and orchard;
8. Improper use or neglect of dwelling and household fixtures;

9. Improper use or neglect of barns, fences and other farm improvements.

In arriving at a fair compensation for damages, the landlord should show proof that he has fulfilled his obligations regarding the upkeep of improvements stipulated in the lease, or customary in the community. If landlord or tenant cannot agree upon the amount of compensation, the amount should be settled by arbitration, upon the request of either party.

(29) Arbitration Provisions

It is recommended that all differences regarding matters of fact arising between landlord and tenant shall be submitted to arbitration, upon the request of one of the parties, before the case can be carried to court. If the sum involved does not exceed a certain amount (for instance 300 or 500 dollars) the decision of the arbitrators shall be final and binding upon both parties, except in cases of questions of law.

Each party shall appoint an arbitrator, and the two shall select a third one. The efficiency and fairness in the process of arbitration might be enhanced if at least this third arbitrator were a man experienced in the practice of valuation of improvements and in the settling of questions arising out of leasing conditions.

Two suggestions were submitted:

1. A certain number of competent and fair-minded arbitrators may be certified in each county. These arbitrators should be provided with up-to-date information on prices, methods of valuation, and the legal status of landlord-tenant relationships. It may be left up to the parties whether or not they want to call upon the services of these certified arbitrators.

2. County arbitration boards could be established before which all questions arising between landlord and tenant may be brought. At least two of the county arbitrators should be bona fide farmers. Provision should be made for furnishing the county arbitrators with pertinent up-to-date information which they need in order to execute their functions.

(30) Limiting the Landlord's Lien

It is recommended that the Iowa statute pertaining to the agricultural landlord's lien be amended so that the landlord's lien for rental should not exceed one-half of the value of the crops grown and one-half of the value of the livestock increase produced on the farm during the current crop year.

The landlord's lien should not include any breeding stock, machinery, household equipment and other personal property belonging to the tenant, notwithstanding provisions in the lease to the contrary. Any waiver in the lease of the tenant's right to his property exempted from execution by statutory law shall be declared invalid.

(31) Promotion of Equitable Lease Forms

It is recommended that lease forms be prepared which embody all or as many of the above principles as may be feasible. These approved model lease forms should be made available to local printing shops, county court houses, farm organizations, local banks and real estate offices, and their general use should be encouraged by every feasible means.
