hired labor, and interest, taxes, depreciation and upkeep on his equipment, as equal to the landlord's management, interest, taxes, upkeep and depreciation on real estate and equipment. Divide the other expenses half-and-half, by estimating their amounts in advance, or by settlement afterwards. This plan would be more commendable if provision was made for distributing the hired labor charge between landlord and tenant, for it would give the tenant the full benefit of all the extra labor he hires.

Another difficulty with share leasing systems is that, contrary to the usual opinion, they do not adjust themselves to changing conditions. In a period like the years from 1915 to 1919, share tenants had much the better of the bargain, because the prices for their products advanced much more rapidly than the wages of labor. It is quite likely that in the years just ahead the tables will be reversed.

Collective bargaining with respect to the terms of share leases has been undertaken in a few cases at landlord-tenant conferences. At such conferences landlords and tenants agree upon certain arrangements which both accept as fair and just. Some attempt is made to readjust these terms to suit changing conditions, but on the whole the plan followed is to maintain the best of the old terms and arrangements. Such conferences are highly desirable. They may perpetuate some arrangements that are no longer in accord with competitive forces, but after all, good farming and good management and right relationships between landlord and tenant will add more to incomes of both than a better division of income will add to either.

DISCUSSION OF MR. GREGORY'S PAPER

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That tenancy is undesirable when it reaches such high proportions as are already to be found in many parts of the country is beyond question. Since it is undesirable some sort of measures should be taken to prevent its further increase or even to reduce it. With the spirit of the writer of the paper we are all in accord. We agree that the tenant should not lose his improvements, that he should be induced to take an interest in the affairs of his community, and that he should be both encouraged and enabled to purchase land.

However, it does not follow that there is but one remedy for the conditions which we deplore, and from the speakers' program of reform we are obliged to dissent. With count one it hardly seems wise to use the term "strictly limited." Why not say "limited," since the qualifying word requires a decision as to amount which probably we are as yet hardly competent to make. To restrict the size of holding by direct legislation would be drastic and probably unwise. It would have to run a hazardous ordeal in the courts and the chances are that the people wanting the reform would have a hard time agreeing on the wording of a bill. The alternative of-
fared, that of progressive taxation, is free from most of these objections. It does not undertake to say just how large holdings shall be, but does exert a genuine influence in keeping the size down.

Number two of the proposed remedy, viz, the prohibition of ownership of land by non-residents has two fatal defects. It is impossible of accomplishment, and undesirable were it possible. To begin with, we would never agree on a definition of a non-resident. Does he live in the next county, or the next state? Is an owner a non-resident who lives within fifty miles of his land, and a resident if it be but forty-nine miles? More fundamental is the character of the landlord than the distance between him and his land. As in other instances the case should be judged by its works rather than by a tape line. Such a revision would be revolutionary and in all reason would be resented by property owners in general. Of course, if it were desirable legal difficulties should not be allowed to stand in the way.

As to the third count, it would seem much more desirable to provide local facilities for supplementing the federal farm loan system by local means rather than increasing the proportion of total farm value granted in a loan. The local lenders should be able to pass better judgment on the value of the property and so keep them within bounds.

There is a logical reason why a man who never intends to work a farm should own one. The reason is that the right to own any property is free so long as the public interests are not thereby jeopardized. The ownership of land by a retiring farmer is the most natural arrangement imaginable. But nature does not give it the sanction in which we are interested. If such ownership is socially detrimental it must go. The ability of such an owner to exploit others is the criterion. In the main it hardly seems that such can be done by the man who owns a few farms. In about half the instances of tenancy in three districts in Wisconsin, the tenant is a relative of the landlord. In the majority of instances as reported in surveys thus far made the landlord makes a smaller return on his investment than the tenant makes on his. This does not, however, include increase in land values in the landlord's income.

If the objectionable features can be taken out of tenancy, and they do not appear impossible of reform; if rents do not rise to a figure beyond reason, and for the most part they have not; if landlords do not rule the community, and usually they do not; if, in other words, tenancy can be kept within bounds both as to quantity and quality, it is hard to see why it may not continue as a desirable means to ownership. Farmers do not spring full fledged from the parents' homes. They begin with little capital. Why they should not hire land as well as capital requires explanation. That the system demands some attention is clear. We should see to it that every aspiring tenant should have a full and free opportunity to become a farm owner. To this end tenant rights should be defined and safeguarded. The state no doubt might well
enter the field of real estate agent and buy land for re-sale. It by all means is exercising a legitimate function in providing funds at reasonable rates for financing farming. If added to these measures, carried to their logical conclusion, a progressive tax could be used to discourage great landlordism it would seem that the results ought to be gratifying. At all events why not try out these reforms instead of flying in the face of the progress of generations and applying revolutionary remedies to the institution of landed property?

DISCUSSION OF PAPERS ON TENANCY

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I am much interested by the suggestion that the Farm Loan System does not adequately supply the credit needs of tenants and other landless persons. This has been generally recognized for some time. Indeed, the Division of Land Economics of the Office of Farm Management is now engaged in a study of the extent to which the Farm Loan System has facilitated the acquisition of land by these classes.

It is unquestionably true that some better means of financing second mortgages needs to be provided. It should be realized, however, that sellers of farm lands frequently provide very liberal credit terms in order to facilitate the purchase of the land, especially when the price is favorable to the seller. The recent study which the Division of Land Economics has been carrying on in the State of Iowa has illustrated this fact. It was found that about one-fourth of the sales investigated involved a second mortgage which averaged a little over 30 per cent of the sale price. It was also found that the rate of interest on second mortgages was not materially higher than on first mortgages, indicating the tendency to grant fairly liberal terms in order to effect a sale.

I admire the boldness with which Mr. Gregory presents his program for dealing with the problems of tenancy and absentee-landlordism. We all realize that Economists are likely to see so many phases of the subjects they study that they are ultra-conservative in proposing remedial policies. However, it seems to me that the suggestion that persons other than farmers be prohibited from owning farm land is too drastic. The question may be raised, Why do not a larger proportion of tenant farmers become landowners? The reason is that they do not have the means of purchasing a farm at the prevailing high prices for farm lands. Twenty or 30 years ago in the Corn Belt a farm could be purchased for an initial payment of from one-fourth to one-half of, say, $5,000. Now the purchaser must have these proportions of $40,000 or $50,000 in order to rise into the ranks of farm owners.

It should be recognized that absentee-landlords are making it possible for tenants who desire to farm to acquire the land on the