The alarming increase of tenancy up to 1930, the burden of debt and exorbitant interest rates, the social effects of excessive devotion to cash crop farming, the soil exhausting traits of cotton farming, starvation incomes, and other difficulties confronting the tenant in the effort to become an independent farmer are described in a report released today by Harry L. Hopkins, Works Progress Administrator. "The majority of tenants who have been on relief," said Hopkins, "were judged capable of becoming self-sustaining." The special efforts for relief and rehabilitation of cotton tenants are also described, emphasizing the importance of support by the Federal government in the future reconstruction of the Cotton Belt.

The report on "Landlord and Tenant on the Cotton Plantation" was prepared under the direction of Assistant WPA Administrator Corrington Gill by T. J. Woofter, Jr., of the Division of Social Research, after more than a year's study. It is based on visits to 646 typical plantations having more than 9,000 tenant families and the examination of relief and A.A.A. records of these tenants.

The near-collapse of the cotton farmer in 1931, 1932 and 1933, when the price of cotton dropped to around six cents per pound, dramatically focussed the attention of the nation on the necessity of rehabilitating ruined tenants.
"In the early years of the depression many landlords lost their plantations through foreclosure and their tenants were set adrift, still others were unable to secure the necessary funds (amounting to about $1,350 on the average plantation) to feed their tenants and laborers and these plantation families were also in desperate straits," said Mr. Hopkins. "Consequently, in 1933, relief rolls in the cotton areas were high in proportion to other rural areas. This burden continued to be heavy until the spring of 1934 when the program of rural rehabilitation was inaugurated with the object of removing tenants from the dole by lending them money for fertilizer, equipment, and subsistence which would enable them again to become self-supporting on small farms. The operation of the rehabilitation program, improved prices under the A.A.A., and transfer of unemployables to local agencies reduced the relief loads in cotton counties to a very low point late in 1935."

"Up to 1910 there was a slow, steady disintegration of plantations into small farms and a rise of tenants into ownership. Since 1910, however, the process of subdivision has about ceased, and tenancy is increasing at the expense of ownership at an alarming rate," Mr. Hopkins added.

In 1910, 58 per cent of the farms in the east cotton states were operated by tenants, and by 1930 this had grown to 64 per cent. Up to 1935 the percentage remained about the same in cotton counties. Along with this general increase in tenancy there has been an important increase in white tenancy. The number of white tenants in seven southeastern cotton states increased by 150,000 from 1910 to 1930, or from 20 per cent of all male farm workers to 28 per cent.

One condition responsible for the plight of tenants, according to the report, is the exorbitant rates of interest. Landlords pay between 10 and 16
per cent on short-term credit, and tenants pay about 37 per cent for credit on subsistence advances. This drag of interest charges is one of the principal stumbling blocks in the road to independent ownership.

These unfavorable conditions caused the burden of debt to pile up, the report shows. Mortgage debts increased in recent years more rapidly in the South than elsewhere. As a result foreclosures in the late 1920's and early 1930's were frequent. A large proportion of Federal feed and seed loans were made in the Southeast. Sample studies indicate that about 10 per cent of the land in the Cotton Belt is held by mortgage companies, insurance companies or banks. In some counties as much as 20 per cent of the land is held under foreclosure.

The one-crop system has been a precarious method of livelihood because of the boll weevil, fluctuation in foreign markets, frequent depressions in price, and increase in cotton production in new areas, the study indicates. That cotton is a soil exhausting crop and intensifies erosion is suggested by the fact that 10 per cent of the lands scheduled for retirement under the first sub-marginal land program were cotton lands.

Population pressure is also cited as a major feature of maladjustment in the Cotton Belt. Birth rates are high as the need for family labor puts a premium on large families. Up to 1930 southern farms were exporting a quarter of a million people a year to other sections. In the South there remained more men than jobs, and plantations could get labor almost at their own terms. This pressure of population became more ominous when the demand for cotton began to shrink, and today this is contributing to the insecure position of tenants. Youth maturing on cotton farms have found increasing difficulties in entering commercial agriculture and diminishing demand for their labor in cities.
Even in 1934, which A.A.A. benefits helped to make a good cotton year, it was evident that the total production of the plantation under the cash-crop system was inadequate to provide decent incomes, the report continues. For his risks, supervision of labor and management, the average landlord was able to earn 6 per cent on his capital, and $355 labor income without allowance for depreciation. The cropper family averaged $312 in total income. Only $122 of this was in actual cash. The rest was from subsistence advances and home-used products.

These low incomes coupled with inadequate food production are reflected, it is found, in the marginal standard of living found in all cotton areas. In addition to land for food production, fuel and housing are furnished the tenant free, but as the report points out, the housing is the poorest provided for any large group in the nation. The houses are ill-equipped, largely unscreened, and a surprisingly large percentage lack sanitary facilities. This is seen as contributing to the prevalence of malaria and typhoid in the Cotton Belt, and dietary deficiencies are regarded as the basic reason that pellagra is almost entirely confined to the southern areas.

Rural rehabilitation, thus far, has been largely confined to tenants previously on the relief rolls, and has in the main restricted its program to provision of working capital and subsistence supplies rather than selling of land. Rehabilitation loans were necessary for tenants since the Farm Credit Administration loans are made only on types of security which the tenant is unable to furnish. Farmers borrowing from the Rehabilitation Corporations and, more recently, from the Resettlement Administration, not only receive lower rates of interest than the charges for commercial loans but also receive instruction in methods of improved cultivation and increased production of food.
crops and livestock products.

The Bankhead-Jones Bill, proposed at the last session of Congress, would go further and start tenants of proved ability on the road to ownership regardless of their past relief record. Thus, the rehabilitation program, as well as that proposed under the Bankhead-Jones Bill, is said to be aimed at two of the fundamental weaknesses of cotton economy which are emphasized in the report: namely, lack of production for home use, and subjection of tenants to staggering rates of interest.

(Note: Attached is a preliminary proof copy of the report.)