

first time. This separate value permits the relating of the mortgage and tax information to both the acreage and value of the land and buildings for which such information was secured and made possible the computation of the owner's equity as well as his encumbrance. Mortgage and tax data, other than a count of farms by mortgage status, are presented for part-owner-operated farms for the first time for the Census of 1940.

**Farm mortgage debt.**—The schedule for the 1940 Census of Agriculture carried the following inquiries relating to farm mortgage debt:

V.—FARM MORTGAGE DEBT AND FARM TAXES

- If you own all or part of this farm—
22. Was there any mortgage debt on the land and buildings so owned on April 1, 1940?----- (Yes or No)
23. Total amount of outstanding mortgage debt on such land and buildings----- \$ (Omit cents)
24. What was the annual rate (contract rate) of interest on the first mortgage debt? (Report fractions)----- (Percent)

The enumerator was instructed that:

"Mortgage debt on the land and buildings includes not only all debts locally called mortgages but also debts represented by agreements for deed or contracts for title, deeds of trust, judgment notes, mechanics' liens, confessions of judgment, deeds with vendor or lien clause, or any other legal instruments which partake of the nature of mortgages on real estate.

"Debts represented by crop liens or mortgages on livestock or implements are not to be included, unless the land and buildings are also pledged under the same instrument as security. A tax lien is not to be considered as a mortgage.

"A farm on which there have been foreclosure proceedings, where the period of redemption has not expired and the operator still has the use of the land, should be considered as mortgaged."

The amount of mortgage debt was to include the unpaid principal plus any additions represented by past due interest, taxes, or insurance.

The interest rate referred to the annual rate as specified in the first mortgage. Even though a lower rate was temporarily in effect this contract rate was to be reported. The interest rate was not to include any amortization or principal payments, commissions, or other extra charges. In a few instances the rates reported may have included other items or may not have represented annual rates. The classifications of farms on the basis of the mortgage information reported and the items shown for each of these classifications are given in the Introduction to this chapter.

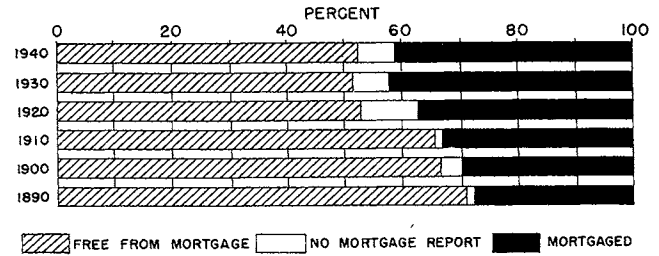
Data relating to farm mortgage debt were first collected in the Census of 1890. All mortgage figures available for former census years which are comparable to those shown for 1940 are included in the United States tables. The statistics presented for each of the former censuses and their comparability with those for the 1940 Census are given in the discussions for each of the various items and classifications.

**Mortgage status.**—Farms were classified into 3 groups according to mortgage status, namely, those free from mortgages, those mortgaged, and those for which there was no report as to mortgage status. Comparative data are shown by divisions and States for each decennial census beginning with 1890. In addition, owners who reported the amount of mortgage debt are shown for the middecennial Census of 1925. For that year the mortgage debt referred to that owed on farm land and buildings anywhere in the United States. For all other years the mortgage presumably referred only to debt secured by real estate of the farm operated.

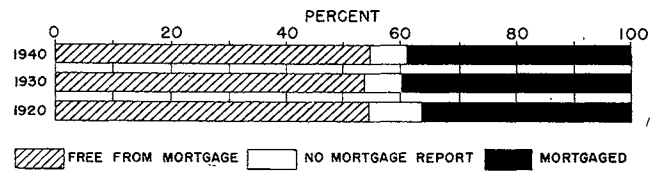
The statistics for 1890 and 1900 are for farm homes occupied by their owners instead of for farms of owner operators. This difference would have little effect on the comparability of the data except that the number of farm homes occupied by their owners would be slightly smaller than the number of all owner-operated farms. Although the number of owned farms for 1890 for which there was no report as to mortgage status is shown separately, these were distributed in the 1890 reports between the "mortgaged" and "free from mortgage" groups. The exact figures for all three groups as to mortgage status were

available for that year only for the United States as a whole. However, the number not reporting mortgage status was available by States and was deducted proportionately for each State from the "mortgaged" and "free from mortgage" groups in order to leave the figures for these groups approximately as originally reported. These adjusted State figures for 1890, shown in the 1920 and all subsequent Census Reports, add to United States totals that differ slightly from those originally reported.

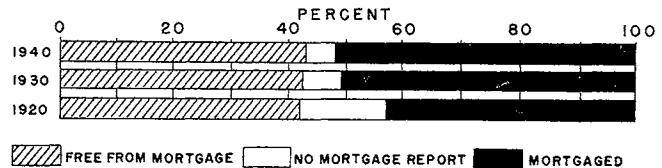
FARMS OPERATED BY ALL OWNERS -  
PERCENT DISTRIBUTION, BY MORTGAGE STATUS,  
FOR THE UNITED STATES: 1890 - 1940



FARMS OPERATED BY FULL OWNERS -  
PERCENT DISTRIBUTION, BY MORTGAGE STATUS,  
FOR THE UNITED STATES: 1920 - 1940



FARMS OPERATED BY PART OWNERS -  
PERCENT DISTRIBUTION, BY MORTGAGE STATUS,  
FOR THE UNITED STATES: 1920 - 1940



In the decade 1930 to 1940 there was a slight decrease in the proportion of owner operators who reported that their farms were mortgaged. For 1940 the number of owner-operated farms reported as mortgaged was 41.0 percent of all owner-operated farms as compared with 42.0 percent in 1930. This decline in the percentage of mortgaged farms was the first recorded for the United States as a whole in any decade since the enumeration of mortgage status was first made in 1890. This decline in percentage of owner-operated farms mortgaged was not universal among the States. A total of 25 States rather widely distributed, showed increases in the percentage of farms mortgaged. In 1940, in about one-third of the States, more than one-half of the owner-operated farms were mortgaged. A few of these States were in the northeastern part of the country but the greater number were in the area of Wisconsin, Iowa, Kansas, and westward to the Pacific Coast. North Dakota had the highest average percentage of owner-operated farms mortgaged with 64.8 percent, followed by Nebraska with 59.8 percent and Iowa with 59.0 percent.

A count of farms by mortgage status is available for full owners and part owners separately for each decennial census