

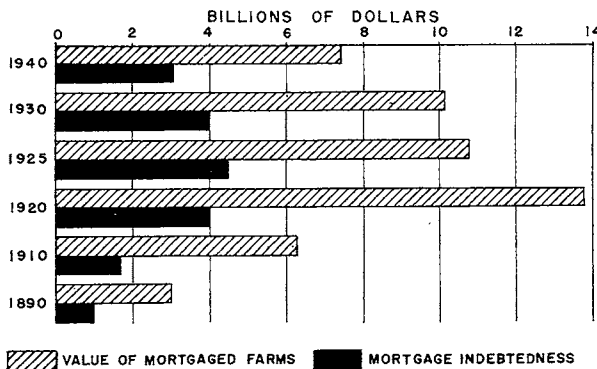
free from mortgage. However the United States totals for farms of nonwhite full owners show the opposite situation. This was due almost entirely to the farms of nonwhite full owners in Arizona who were mostly Indians. In that State the farms of "nonwhite" owner operators were larger and a smaller percent were mortgaged as compared with farms of "nonwhite" owner operators in other sections of the United States. Farms of part owners reporting mortgage indebtedness also averaged larger both as to owned and rented acres than those free from mortgage.

The acreage and value of farms whose operators owned no additional land are also presented by mortgage status for full owners for 1940 and 1930, and for part owners for 1940. For 1940 these figures include data only for those owner operators for whom an answer of "No" was reported in reply to the inquiry as to other land owned. For 1930 the figures for full owners include data for all those for whom an answer of "Yes" was not reported.

More than 7 out of every 10 full owners in 1940 reported no additional land owned. The proportion of part owners reporting no additional land owned was somewhat higher. Relatively more farms of owner operators reporting no additional land owned were mortgaged than those of owner operators reporting additional land owned. For full owners reporting no additional land owned the proportion mortgaged was 41.3 percent as compared with 33.3 percent for full owners owning additional land plus those not reporting as regards other land owned. The average acreage and the average value per farm were also smaller for the former group.

**Amount of mortgage debt.**—The amount of mortgage debt was not reported for all owner-operated farms which were reported as mortgaged. No attempt was made to calculate the debt for those farms. The amount of debt reported therefore is restricted to the farms of full owners, and to the owned portion of farms of part owners, who reported the amount of their indebtedness. In 1940 only 1.3 percent of all owner operators who reported that their farms were mortgaged failed to give the amount of their mortgage indebtedness. Another 6.3 percent did not indicate whether or not their farms were mortgaged.

**VALUE OF ALL MORTGAGED FARMS OPERATED BY FULL OWNERS REPORTING AMOUNT OF DEBT, WITH AMOUNT OF MORTGAGE INDEBTEDNESS, FOR THE UNITED STATES: 1890 - 1940**



In order to relate, insofar as possible, the amount of mortgage indebtedness to the acreage and value of the land encumbered, and to obtain the average amount of the owner's equity as well as his encumbrance, the number, acreage, and value of farms for which the amount of debt was reported are presented along with the amount of debt. Comparative figures are presented for the United States as a whole for each census beginning with 1890, except for 1900 and 1935. However, the acreage for such farms is available only from 1925. Similar statistics presented for part owners for 1940 are not available for earlier censuses.

All the land in mortgaged farms operated by full owners, or all the owned portion of mortgaged farms operated by part owners, may not necessarily be covered by mortgage. However,

this makes little difference insofar as the calculation of the owner's equity or encumbrance is concerned. On the other hand, if a mortgage covering additional land is related only to the farm operated, the equity and encumbrance of the farm operator cannot be determined accurately. Therefore, data for owners owning no additional land were tabulated separately, primarily to prevent distortion of county statistics. It will be noted from the State figures that the ratio of debt to value for farms of operators who own no additional land is generally higher than for farms of other owner operators, despite the fact that for the latter group some of the debt may be on additional land. Not only do operators owning no additional land have proportionately higher mortgages, but relatively more of them reported mortgage indebtedness. Comparative data for mortgaged farms of owner operators owning no additional land are available only for full owners for the Census of 1930.

Although the amount of mortgage debt on farms of full owners declined 23.1 percent in the decade 1930 to 1940, the value of full-owner-operated farms reporting indebtedness dropped 28.5 percent. Thus, despite the reduction in mortgage indebtedness, the owner's equity was less in 1940 than in 1930. The average debt for full-owner-operated farms was \$2,657 in 1940 as compared with \$3,561 in 1930. The average equity was \$3,584 in 1940 as compared with \$5,436 ten years earlier. The ratio of debt to value increased from 39.6 to 42.6 percent. Owners reporting mortgage debt have farms which average larger in size and higher in value than those of owners free from debt, but the equity of those mortgaged is less than for those free from debt.

Part owners reporting mortgage indebtedness average both a higher debt and a higher equity per farm than do full owners. The ratio of debt to value, also, is higher.

For "nonwhite" owner operators the ratio of debt to value averages lower than for "white" operators. Both the average debt and average equity are much lower for the former group than for the latter.

**Interest rate.**—The enumerator was instructed to report the interest rate specified in the first mortgage even though a lower rate was temporarily in effect. The rate was to be the annual rate and was not to include amortization or principal payments, commissions, or other extra charges. Data relating to the rate of interest were tabulated only for farms for which the amount of debt was also reported. The statistics presented include the number, acreage, value, and amount of mortgage debt for farms classified by the rate of interest, an unweighted average of the interest rates reported, a weighted average of the interest rates, the median interest rate, and a calculated minimum annual interest charge on the mortgage debt.

Separate tabulations were made for "white" and "nonwhite" full owners and for "white" and "nonwhite" part owners. In the division and State tables only the "nonwhite" operators are shown separately. The data for "white" operators are essentially the same as for all operators since relatively few "nonwhite" operators are included. If desired, however, separate statistics for "white" operators may be obtained by subtraction. In presenting the acreage, value, and amount of mortgage debt for farms classified by rate of interest, figures are shown by divisions and States for full owners, whereas similar information for part owners is shown only for the United States.

Comparative data relating to the rate of interest are available only for 1930 and 1920. For 1930 such information is limited to charges on the mortgage debt for full owners, and for 1920 to the number and amount of mortgage debt for farms classified by rate of interest. In calculating the average interest rates and in determining the median, definite reports of "None" or "0" interest rates were included. The unweighted average of the interest rates, designated merely as "average of the interest rates," was calculated by adding the rates reported for each farm and dividing by the number of farms reporting. This rate is available by counties in the second series bulletins of the 1940 Census of Agriculture. The weighted average interest rate was calculated by taking the sum of the products of each rate times the total mortgage debt for the farms reporting that rate, and dividing by the total mortgage debt for the farms reporting both mortgage debt