

History 323

Re: Some Notes on Crop-lien from Sources

Lawrence Goodwyn, Democratic Promise, pp.

27-28.

At the heart of the credit system operated by the local merchant or "furnishing merchant" was a simple two-price system for all items--one price for cash customers and a second and higher price for credit customers. Twenty-five to 50% interest would then be charged on this inflated base. (Although books of furnishing merchants demonstrated that credit charges frequently well in excess of 100 to 200 per cent annually were not unusual). An item carrying a "cash price" of 10 cents would be sold on credit for 14 cents and at the end of the year would bring the merchant, after the addition of, say, 33% interest, a total of 19 cents--almost double the standard purchasing price. The farmer was rarely ever aware of this disparity between the cash price and credit price, for he usually had no basis for comparison; many merchants did almost an exclusively credit business that they set no cash prices.

In South Carolina low farm prices forced middle class white farmer S.R. Simonton to open a credit account with the furnishing house of T. G. Patrick. While Simonton's first year's expenditures were \$916.63, declining prices helped reduce his after-sale credits to only \$307.31, leaving an unpaid balance of over \$600.00, which he settled by note. The subsequent annual credit extended to him by the furnishing merchant did not exceed \$400 per year, showing that he had suffered a drop of well over 100% in his standard of living. Still, he was never able to "pay out." For seven years between 1887 and 1895 Simonton spent a total of \$2,681.02, but he produced credit enough to pay only \$687.31. The debt was settled by a transfer of land to the furnishing merchant. Simonton had become a landless tenant.

Thomas D. Clark, "The Furnishing Merchant and Supply System in Southern Agriculture since 1865," Journal of Southern History, XII(1946).

Detailed accounts of the record of a Mississippi black farmer over a 17 year period reveal an even grimmer personal degradation. Matt Brown purchased his supplies from the Jones Store in Black Hawk, Mississippi, from 1884 to 1901. Brown was not free of debt at any time in those seventeen years. He began the year 1892 with an indebtedness of \$226.84 held over from the previous years. At final settlement on January 4, 1893, his obligations had increased to \$452.41. His credits during the year came from selling cotton, cutting wood, clearing land, and hauling for the store. They amounted to \$171.12. His expenditures for the year were \$33.15 for food; \$29.45 for clothing; and \$173.64 for household and farm supplies such as bagging and ties, mules and land rent, ginning, plow tools, and seeds. He also spent 55¢ for drugs, \$4.00 in a cash advance, and \$112.81 for miscellaneous supplies. By 1895 his credit standing had diminished to the point that his twelve-month expenditure for food totalled \$8.42. In that year he spent \$27.25 on clothing, \$38.30 on farm and household supplies, 95¢ on drugs, \$2.25 for a cash advance, and \$12.08 on miscellaneous supplies. Brown's account was ultimately settled by a mortgage. In 1905 an entry appears for a coffin and burial supplies. The record was permanently closed by "marking it off."

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