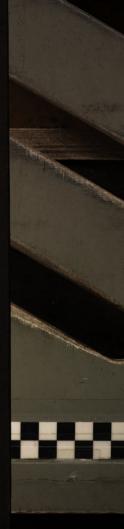
THE CONFLICTS IN AGRICULTURAL POLICY MAKING

Thesis for the Degree of Ph.D.

MICHIGAN STATE UNIVERSITY Jerry B. Waters





## This is to certify that the

## thesis entitled

The Conflicts in Agricultural Policy Making

presented by

:Jerry B. Waters

has been accepted towards fulfillment of the requirements for

PhD degree in Political Science

Major professor

Date October 18, 1965



#### ALSTRACT

# THE CONFLICTS IN ACRICULTURAL FULLLY MAKING

Frobably no domestic public rolicy in the post-world war II period has been subjected to such extensive and sustained debate as has the agricultural price support and production control program. Few policies have fallen so short of the promise originally envisioned by its authors, yet, despite numerous efforts to change it, few policies have been more immune to significant alteration.

A central concern of this study is the development of a fuller understanding of the dominating forces in this phase of public rolicy making. The findings of existing professional analyses are necessary to such an understanding, but they do not provide a sufficient explanation. A necessary step toward a more adequate explanation is the recognition that the over-arching goal of agricultural policy is the promotion and preservation of the family farm.

Analytically focusing on the family farm goal, this study incorporates the standard explanatory factors while accounting for the important fact that the vitality of the goal is sustained by more than calculations of economic interest and political aggrandizement. A major component of this goal is a set of beliefs that constitute the family farm creed. Because of the persuasiveness of this creed, family farming has long been ascribed a unique role in the life of the American nation. The family farm creed and policy goal constitute valuable tools in explaining the rationale of the demands made by the farm interests, and help to explain

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. . 2 - 2 the lack of serious challenge to the dominance of the farm interests in the writing of farm legislation despite the skyrocketing cost of the farm subsidy.

When the agricultural policy makers undertook the writing of new legislation in 1947-49, they were confronted with a barrage of advice from agricultural economists urging the abandonment of the existing program. The experts asserted that the pernetuation of the existing policy would create several major economic evils while solving none of agriculture's problems. Congress declined to follow these recommendations partly because the experts' advice was so weighted with moral principle and so light in documentation that much of it was justifiably discounted. In fact, the economists' estimates and predictions had the effect of strengthening the disposition among participants to renew the existing policy. After 1953 the policy makers were caught up in an exquisite dilemma created by a deterioration in farm incomes and a spectacular upsurge in the cost of the surplus purchase program. Although these conditions were satisfactory to no one, the participants divided over the question of what policy course should be followed; the policy making process has been stalemated for the past decade.

Several factors have contributed to this stalemate, but this study concludes that two have been of principal importance. First, participants have held widely divergent beliefs concerning the technical nature of the farm problem and the consequences of alternative policy approaches. Political analysts have paid scant attention to these disagreements because, due to the great volume of expert studies of the farm problem, most have

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fully adequate. A conclusion of this study is that, despite this massive study, the farm problem has been one of the era's least understood economic problems. The informational base has been so limited and uncertain that many divergent positions have been equally defensible.

A second major factor in the stalemate has been an intense conflict in values among the participants, arising out of the liberal and conservative agrarian traditions. Both traditions support the family farm goal, but differ in emphasis as to the most valuable characteristics of family farming. Recent conditions have brought increasingly bitter conflict.

Data for this study have been drawn from extensive surveys of congressional committee hearings and floor debates, the public press, the literature of agricultural economics, opinion polls, platforms and strategies of farm groups, writings of political leaders, and correspondence with key participants, plus an analysis of a wide range of secondary sources. A considerable portion of this study is devoted to an analysis of the origin and development of the family farm creed. A historical analysis of parity pricing was also necessary.

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## THE CONFLICTS IN AGRICULTURAL POLICY MAKING

Ву

Jerry B. Waters

## A THESIS

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

DOCTOR OF PHILOSOPHY

Department of Political Science

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A note of appreciation is also due the Farm Foundation of Chicago which provided the author with a fellowship during the summer of 1964.

## TABLE OF CONTENTS

	Pi	ag <b>e</b>
ACKNOWL	EDGMENTS	ii
Chapt <b>er</b> I.	INTRODUCTION	1
	Background	1 12 35 49
II.	ORIGINS OF THE FAMILY FARM CREED	51
	Introduction	51 57 63
III.	NINETEENTH CENTURY AGRARIAN POLICIES	87
	Agrarian vs. Industrialism	87 92 102
IV.	FROM POPULISM TO THE COUNTRY LIFE MOVEMENT	105
	Populism The Watershed Roosevelt and Country Life Movement Summary	105 109 115 130
٧.	TWO DECADES OF DEPRESSION	132
	Depression on the Family Farm Back to the Land	1 7
VI.	AGRICULTURAL POLITICS AND POLICIES, 1900-1945	
	The New Agrarian Strategy and Program The First Two Decades The Twenties The New Deal Proluce to the Postwar Period	<ul><li>159</li><li>168</li><li>172</li><li>183</li></ul>

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. . .

	1	Page	
Chapt <b>er</b> VII.	THE TRADITION CONTINUED	203	
	The Immediate Postwar Years  Dialogue of the Fifties  Abatement and Retrenchment	203 212 228	
VIII.	VALUE CONFLICTS AND THE STALEMATE	236	
	The Mis-labeled Family Farm Controversy	236 247 259	
IX.	ECONOMISTS AND AGRICULTURAL POLICY	<b>2</b> 66	
х.	ECONOMIC FACTS AND POLICY MAKING	297	
	Immediate Postwar Years The Eisenhower-Benson Years The 1960's Temporary Policy for a Permanent Problem	299 321 350 365	
XI.	THE CHALLENGE CF EFFICIENCY	368	
	Technological Revolution and Policy Making Policies at Cross Purpose	371 383	
XII.	THE PUBLIC AND THE FARMER	392	
	The Spectre of an Urban Revolt	<b>392</b> 400	
XIII.	SUMMARY AND CONCLUSIONS	• 417	
SELECTED BIBLIOGRAPHY 43			
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## CHAPTER I

# INTRODUCTION

"Farm policy has long been a serious source of discouragement to those who believe that, with thought and effort, public problems, however intractable, can be made to yield, however gradually, to solution." John K. Galbraith 1

# Background

Shortly after the end of World War II, there arose in Washington and across the country a vigorous and wide ranging political debate over the federal government's price support and production control program. The debate continues with undiminished vigor today. Probably no contemporary domestic public problem has been more extensively studied by experts, informed observers, and politicians than has the farm problem; few debates have been as marked by bitterness, frustration, and inconclusiveness.

Over the course of the past two decades the perennial debate and political maneuvering which has followed has at times been described as "scandalous," and some frustrated observers have expressed concern at

l"Farm Policy: The Current position," <u>Journal of Farm Economics</u>, XXXVII (May, 1955), 292.

<sup>2&</sup>lt;u>Time</u> magazine, for example, during the late fifties and early sixties carried most of its stories on agriculture under the heading of "Scandal Con't."

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the capacity of the democratic system to solve tough public problems, and the position of Secretary of Agriculture has become one of the most controversial and personally uncomfortable of cabinet posts. Throughout most of this period farm income has remained low. While the debate has continued the economic difficulties of agriculture have persisted. Thus after almost two decades, the debate has not been resolved nor the farm problem solved.

In attempting to describe the meaning of the farm policy debate which "goes on and on" the editor of the <u>Kansas City Star</u> recently suggested that "the public will be pardoned if it becomes completely confused." It is certainly the case that the observer who seeks to explain this situation is confronted with a set of events and circumstances which, on the surface at least, would seem to defy many of the traditional notions

<sup>3</sup>Note the opening Galbraith quote. The Washington correspondent for the New Republic put it more directly by describing the persistent farm problem and the perennial struggle over farm legislation as "a kind of breakdown of democracy," June 8, 1959, p. 2. It was in the latter fifties that public criticism reached its peak, a point we will later discuss in detail.

<sup>4</sup>John K. Galbraith once noted that "among the many mysteries which surround the government of the United States there is none more impenetrable than why anyone should want to be Secretary of Agriculture." "Why be Secretary of Agriculture?" Harper's, July, 1953, p. 82. One observer recently noted that "Crville Freeman holds the most unenviable big job in government. His predecessor, Republican Ezra Taft Benson, left the office so disspirited that he embraced the tenets of the John Birch Society." Charles O. Gridley, "Farm Bills are Next Hurdle in Path of LBJ's Program," Wichita Eagle, May 29, 1965. Being Secretary of Agriculture may have some compensations. Mr. Freeman recently demonstrated an ability to soothe a caged quartet of Bengal tigers at the Brookfield Zoo in Chicago. Commenting on the feat Mr. Freeman said: "I have been living in a lions' den for over four years, so it seemed fairly routine to put my arm in the tigers' den." Newsweek, July 12, 1965, p. 52.

<sup>5&</sup>quot;Farm Ideas Clash over Same Goals," August 26, 1962, p. 15E.

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about politics and policy making. For example, despite the fact that farmers have become an ever smaller minority and despite the fact that agricultural political community has become increasingly divided against itself, government subsidies to agriculture have risen sharply. While the government has poured billions of dollars into agriculture, farm income has remained depressed, and one has to search widely to find anyone who is happy with the "farm program," including the recipients themselves. Let us look at these characteristics in greater detail.

From 1960 to 1965 the nation's farm population dropped by 2.5 million. Should this rate of attrition continue all of the country's farmers would have moved to the city within 25 years. Impossible? Probably. But if there are to be more than a mere handful of people on the farms 25 years from now the present rate of out-migration will have to be sharply reduced. In 1940 the farm population stood at 30.5 million, where it had been roughly stabilized since the turn of the century. By 1950 it had fallen to 23 million, by 1955 to 19 million, by 1960 to 15.6 million, and by 1965 to just under 12 million, a decline of almost 50 percent in the short span of 15 years. In 1940 farmers accounted for 23.2 percent of the total population, in 1965 only 6.8 percent. The decline in the number of farms has also been precipitous, from 6.1 million in 1940 to 3.7 million in 1959.

<sup>&</sup>lt;sup>6</sup>U. S. Bureau of the Census, <u>Statistical Abstract of the United States: 1964</u>, 85th annual edition, p. 610; <u>Kansas City Star</u>, June 20, 1965, p. 5D. Figures prior to 1959 are revised to approximate the new 1959 definition of farm population.

<sup>&</sup>lt;sup>7</sup>Statistical Abstract, 1964, p. 611.

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Contrasting dramatically with the decline in farm population, various services and subsidies to agriculture have risen sharply during the past two decades. Taking note of this, Congressman Griffin of Michigan, during a debate on farm legislation in 1962, with tongue in cheek, moved that the number of employees in the U. S. Department of Agriculture could at no time exceed the number of farmers in the country. 8 Congressman Griffin was calling attention to the interesting phenomena that between 1955 and 1962 while the farm population had decreased by 22 percent, the number of Department of Agriculture employees had increased by 30 percent. More interesting than the Department's employment figures are its expenditures. Net budget expenditures of the Department rose from \$1.8 billion in 1945 to \$2.9 billion in 1950, to \$4.6 in 1955, to \$5.4 in 1960 and to an all-time record of \$7.9 billion in fiscal 1964. an increase of 340 percent. 10 Throughout much of the postwar period Department of Agriculture expenditures have been the third largest item in the federal budget. exceeded only by spending for defense and the servicing of the national debt. Certainly not all the expenditures of the

<sup>&</sup>lt;sup>8</sup>U. S. <u>Congressional Record</u>, 87th Cong., 2nd Sess., 1962, CVIII. 565.

There were 85,503 employees in 1955 and 110,511 in 1962. Statistical Abstract, 1964, p. 406. This was somewhat above the previous high point of 106,217 employees reached in 1937. Wayne D. Rasmussen and Gladys L. Baker, "The Department is Built." After a Hundred Years, The Yearbook of Agriculture, 1962, U. S. Department of Agriculture (Washington: U. S. Government Printing Office, 1962, p. 12). The number of employees had dropped off considerably after 1937 before beginning to rise around 1955.

Budget Expenditures, Fiscal Years 1926-1966, Office of Budget and Finance, U. S. Department of Agriculture, May 4, 1965.

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Department can be treated as subsidies to farmers. However, the Statistical Abstract puts the cost of "subsidy programs" for agriculture from 1959 through 1964 at \$20.7 billion. 11 The Department's Office of Budget and Finance listed the cost of "programs predominantly for the benefot of the farmer" from 1952 through 1958 at \$14.4 billion. 12 In 1959, for example, if each of the nation's 3.7 million farms had shared equally in the \$3.9 billion spent on "programs predominantly for the benefit of farmers" this would have meant an average subsidy of about \$1,000.

There are endless ways and means of counting or discounting the size and significance of the various services and subsidies to agriculture. But in whatever way the benefits are measured, and however the costs are computed, and to whomever they are assigned, it is quite clear that while the number of farmers has been falling, government expenditures in support of agriculture have been soaring upward at an even faster rate.

Considering the extent of the services and subsidies to agriculture, one might well expect to see farmers, farm pressure groups, and farm-state congressmen acting and speaking in unison, thereby maximizing the political influence of this ever smaller minority. Such, however, is not the case. Although the agricultural political community has never spoken with a single, united voice, it has seldom spoken with so many conflicting voices as it does today. Increasingly during the postwar period the farm interest has divided into bickering and hostile

<sup>11&</sup>lt;sub>p</sub>. 394.

<sup>12</sup>Budget Expenditures, Fiscal Years 1952-1959, Office of Budget and Finance, U. S. Department of Agriculture, March 21, 1960.

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camps. This poses the seemingly paradoxical situation of an increasing volume of farm subsidies in juxtaposition to a growing political division within an ever shrinking minority.

Another interesting feature of the postwar era is the fact that the experts almost universally have vigorously and persistently condemned the price support and control policy. As one observer noted: "It is hard to find well reasoned defenses of American agricultural policy because economists are almost always on the other side." Few public problems have been more widely studied by the experts than the price and income problem of agriculture. Few public policies have been more universally condemned by them. The experts vociferously urged Congress not to renew the program in 1948-49. And ever since, in the name of the national interest, the long-range interest of farmers, and for the sake of sound, rational public policy, they have been demanding that it be dismantled.

The economists are not the only ones unhappy with the price and control program. Although they would probably be a great deal more unhappy without it, many farmers feel uncomfortable with it. Drive into a rural Midwest town on a Saturday evening and ask the nearest group of conversing farmers what they think of the "farm program" and their reply will be prompt because they probably have been talking about it anyway. Among other things, one will learn, probably to one's surprise, that the farm program is not something that the government has done <u>for</u> the farmer, but something that "they"—a nebulous and nefarious group of politicians and bureaucrats—have done <u>to</u> the farmer.

<sup>13</sup>Rendigs Fels, Challenge to the American Economy: An Introduction to Economics (Boston: Allyn and Bacon, Inc., 1961), p. 106.

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One will have thus encountered the farmers' characteristic tendency for overstatement (the weather is always said to be worse than it really is) on the one hand and the tendency for understatement (the crops are never said to be as good as they really are) on the other.

Cne will also have been confronted with the manifestation of a dilemma which most farmers and their spokesmen are caught up in. Inherently they dislike Big Government, but they need its protective hand in order to survive. Yet once the hand is offered it is often rationalized as an instrument of a plot to subvert them. Read the literature of the largest farm pressure group, the American Farm Bureau Federation, and one will find Big Government not infrequently described as agriculture's most dangerous enemy. Louis Bromfield spoke for himself and many of his fellow farmers when he wrote that:

The average farmer...hates the intervention of the federal government and the domination of the dusty, inhuman waffle-bottom bureaucrats in Washington... The tragedy is that in bad times he is forced to compromise these beliefs in order to save his economic bacon, and it is then that the 'socialist' planners step in and use every trick they can to take him over. 15

One of the important reasons for the sharp divisions and bitter frustration that has characterized so much of the postwar policy debate is that the farm income problem has seemed to be relatively invulnerable to significant improvement. For example, from 1952 through 1959 the government spent a total of \$18.3 billion on programs "predominantly for

<sup>14</sup>No observer can understand farm politics unless he appreciates this phenomenon; few political participants can succeed unless they exploit it.

<sup>15&</sup>quot;How the Farmer Thinks," The Atlantic Monthly, June, 1952, P. 64. Italics mine.

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the benefit of the farmer," but total net income to agriculture, which stood at a Korean war high of \$16.5 billion in 1951, dropped steadily to a low of \$11.8 billion in 1959. In vivid contrast to the chronically low farm income, incomes to nonfarm persons have risen sharply. Thus "the incomes of farm families were lower relative to the rest of the population in 1961 than at any time since the last days of the great depression." 18

Although some of the specifics are different, the contemporary economic problems of agriculture are not unique to the postwar period. Since at least the early 1920's, American agriculture has been plagued with the twin problem of surplus production <sup>19</sup> and low income. During the 1930's the policy of price supports and production control evolved as the government's major weapon for dealing with this problem. In the early months of World War II the basic policy, which had been crystallized in the Agricultural Adjustment Act of 1938, was amended by substantially raising the support levels and expanding the list of commodities covered.

<sup>16</sup>U. S. Congress, House, Committee on Agriculture, Food Costs—Farm Prices, Committee Print, 88th Cong., 2nd Sess., 1964, p. 24. From the low of 1959 net income to agriculture has stabilized at around \$12-13 billion.

<sup>&</sup>lt;sup>17</sup>Ibid., p. 25.

<sup>18</sup>Kennard O. Stephens, "We Have Not Yet Learned," After a Hundred Years, pp. 505-9.

<sup>19</sup>We use John D. Black's rather general but useful definition of a surplus as "a volume of production continuing so large over a period that the producers of it have to sell at prices that will not allow them to operate with their accustomed profits, income and scale of living." Class notes from a lecture on agricultural policy by Black.

With the wartime provisions due to expire at the end of 1948, policy makers were confronted with the choice of writing new legislation or allowing the automatic reinstitution of the permanent provisions of the 1938 law. Since the closing days of the War professional economists had been urging that not only should the wartime provisions be allowed to expire but that the whole price support and production control system be either abandoned or completely restructured. Partly because of this chorus of expert criticism and partly because of the booming prosperity then being enjoyed by farmers, most sideline observers anticipated that major changes in the depression-inspired policy would be forthcoming.

The first postwar legislation, the Agricultural Act of 1948, did provide for the eventual phasing out of the rigid 90 percent of parity supports that had been adopted in 1942, but the general structure of the 1938 program was retained. Indeed, although providing for a system of flexible supports, the minimum and maximum support levels were substantially higher than those established in 1938. In 1949, the Truman Administration called for a wholesale revision of the government's price and control policy via the so-called Brannan Plan. Congress rejected Brannan's scheme and enacted the Agriculture Act of 1949. This law differed from the 1948 Act, which it replaced, by slightly narrowing the flexible support range and further delaying the transition from the rigid to the flexible scale.

In 1954 the Eisenhower Administration asked Congress to enact legislation which, generally speaking, called for the institution of a program along the lines provided by the 1949 Act, the provisions of which had not yet been put into effect because of the advent of the Korean

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conflict. Except for somewhat delaying the transitional period, the Agricultural Act of 1954 was about what the Administration had asked for. However, as the costs of maintaining the program began to sky-rocket, because of mounting surpluses, the Administration began to call for ever lower support levels. By 1959 President Eisenhower proposed the abandonment of the historic parity price support system. Congress steadfastly refused to meet these requests.

In 1961 and 1962 the Kennedy Administration, mindful of the growing discontent with the existing farm program from virtually all quarters, called for the enactment of a program which maintained high parity supports with the added provision of a highly restrictive and mandatory system of production controls—a program which was dubbed the "supply-management" approach. Congress initially resisted and then, in 1962, relented by approving a supply-management program for wheat, the commodity most chronically in surplus. But the rejection of this plan by farmers in the wheat referendum in the spring of 1963 effectively killed the supply-management approach and left the price and control program about where it was a decade earlier, with the exception of the limited introduction, in 1964, of a direct-payments support system. President Johnson, following the pattern of his predecessors, has issued a call for "a fundamental examination of the entire agricultural policy of the United States." 20

The lack of substantial change in the price and control policy has been a signal feature of postwar agricultural policy making. Few major changes have occurred despite the fact that three successive

<sup>20&</sup>quot;Farm Message," New York Times, February 5, 1965, p. 16.

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Administrations, aiming in sharply divergent directions, sought to substantially alter the policy, and despite the fact that the existing policy has been universally and persistently condemned by the experts.

The durability of the policy is all the more phenomenal in view of the fact that at least since the mid-1950's it has neither functioned as those who have voted to retain it intended, nor has it achieved the results they had anticipated. All of those engaged in the agricultural policy making process have felt uncomfortable with the high cost of operating the program during the past decade. And while those who have supported it have been convinced that the farm income problem would have been far worse without it, they have at the same time been continually disappointed at the lack of solid improvement in the farm income situation. As one long-time observer, critic, and policy participant appropriately noted in 1960: "Virtually no one endorses or supports this program in its present form, and the farmers generally evince extreme dissatisfaction with it." But as Mr. Davis added, "It has been highly resistant even to minor improvements and politically invulnerable to drastic revision." That judgment would be no less true in 1964. Moreover, the maintenance of this extremely expensive program is particularly significant considering the sharp decline, both relative and absolute, of the farm sector in postwar American society.

There are, then, many seemingly contradictory and incongruous features of post-World War II agricultural politics and policy. To say

<sup>21</sup> Joseph S. Davis, "The Executive and Farm Policy," Annals of the American Academy of Political and Social Science, CCCXXXI (September, 1960). 94.

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as much, however, is not to say that postwar agricultural policy making is unexplainable. We believe that it can be explained, and that is the central task of this study. Such a study does not, of course, start from scratch. There exists a considerable body of valuable information about postwar agricultural policy making. While we believe that the existing information is inadequate, it is by no means insignificant, and a full knowledge of this body of information is the necessary beginning point of this study.

## Review of the Literature

The contemporary professional literature on agricultural politics and policy is not particularly characterized by an abundance of solid, in-depth analyses. Although a considerable amount has been written in this area an extremely high proportion of the literature is polemical rather than descriptive; it is more concerned with explaining what is wrong with a particular policy and why and how it should be changed than describing why it has taken the shape that it has. In addition there is a deficiency of comprehensive analyses capable of putting the entire postwar period into proper historical perspective while providing analytical continuity. In reviewing the literature one is also impressed, not only with its partial coverage, but also with its inconsistent and sometimes plainly contradictory character.

However, there is some existing literature which, either directly or indirectly, deals competently, if partially, with the question of why the postwar price and control policy has taken the course and shape that it has. Any attempt to develop a broader understanding must start with

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a survey of the general answers suggested by that literature. The answers, which are generally not integrated, stress the potent political power of farmers, the conflict of commodity interests within agriculture, and an occasional reference to an uninformed and indifferent urban public.

These must be considered systematically.

Reduced to its simplest form, one of the most commonly emphasized reasons for the maintenance of a high price support policy throughout the postwar period has been that low "price supports have become symbolic of little government action to help farmers. And 'rigid' or high price supports have become symbolic of generous aid to agriculture." As this high support policy has cost the taxpayers several billion dollars a year this implies that the American farmer exerts a considerable political influence. Indeed, in the eyes of many observers the political power of farmers has assumed almost legendary proportions. The editor of Harper's, John Fischer, expressed a common notion when he referred to the country's two million commercial farmers as "the most powerful vested interest in the American economy." 24

The maintenance of the high price support policy along with such programs as special credit facilities, soil conservation payments, tax

<sup>22</sup>Lauren Soth, Farm Trouble (Princeton: Princeton University Press, 1957), pp. 19-20.

<sup>23</sup>Mr. Fischer was referring to those farmers who have a gross annual sales of at least \$2,500. They produce the bulk of the total farm output. The other farmers (2.7 million in 1954) are the small, part-time, and residential farmers who produce comparatively little in the way of commodities and even less in the way of political pressure.

<sup>24&</sup>quot;Country Slickers Take Us Again," Harper's, December, 1955, P. 22.

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privileges for farm co-ops, REA, extension education, marketing advice, clearly indicate that farmers have done quite well in terms of government largess. Charles Hardin presented a common view when he said that "government has gone further in promoting, supporting, and regulating agriculture than any other sector of the political economy." Because of the difficult problem of evaluation and comparative measurement of services and subsidies to any given sector, such a sweeping judgment should be accepted with caution. Still, by whatever measurement, the legislative record suggests a considerable political leverage on the part of the American farmer. Thus this question presents itself: "If farm families scarcely represent 8 percent of the population, how is it that they exercise such dominance in legislative policy on agriculture?" Standard answers to this question emphasize the significance of the farm vote, rural overrepresentation in Congress, and the effectiveness of the farm pressure groups.

Mr. Fischer attributed the political influence of farmers to the fact that the political parties view them as constituting the largest "single block of detachable votes." As the Southern and Northeastern farm vote can hardly be considered "detachable" and because Western farmers are too few and far between, it is the Midwest farm vote which has been treated as the most significant. Political analysts have focused

<sup>25&</sup>quot;The Politics of Agriculture in the United States," <u>Journal</u> of Farm Economics, XXXII (November, 1950), 571.

<sup>26</sup>Joseph R. Monsen, Jr., and Mark W. Cannon, <u>The Makers of Public Policy: American Power Groups and Their Ideologies</u> (New York: McGraw-Hill Book Company, 1965), p. 100.

<sup>27</sup>Harper's, December, 1955, p. 22.

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considerable attention on this vote because of the belief that it has the capacity, despite its relatively small size,  $^{28}$  for tipping the electoral balance scales, and thus has not only determined the fate of many Senators and Representatives but supposedly has "decided many a Presidential contest" as well.

It has been generally argued that the Midwest farm vote plays such a critical role because of a high correlation between the direction of that vote and the course of agricultural policy. The relation between "farm policy and the midwest farm vote" is one of the three "most cited examples of issue that are presumed to have a decisive effect on the vote of particular groups."

The relationship is strong because the farm vote is considered to be the prime example of "pocketbook" voting.

As the farmer's pocketbook is invariably subjected to periodic pinches, this makes his vote highly volatile.

A. H. Holcombe had assigned to this block of votes a pivotal role when presidential campaign strategy was aimed at putting together winning

<sup>28</sup>In 1954 there were 1.7 million Midwestern farm "operators" 25 years and older. U. S. Bureau of the Census, <u>Census of Agriculture</u>: 1959, Vol. II, p. 124. During the decade of the fifties this probably meant a potential farm vote of 3 to 3.5 million.

<sup>&</sup>lt;sup>29</sup>Carroll Kilpatrick, "What Happened to the Farm Bloc?" <u>Harper's</u>, November, 1957, p. 57.

<sup>30</sup>Thomas V. Gilpatrick, "Price Support Policy and the Midwest Farm Vote," <u>Midwest Journal of Political Science</u>, III (November, 1959), 319. The other examples cited by Gilpatrick are: U. S. policy toward Israel on the Jewish vote in New York City and the Atlantic Seaboard, and racial policy on the northern Negro vote.

<sup>31</sup>Angus Campbell, et al., <u>The American Voter</u> (New York: John Wiley & Sons, Inc., 1960), Chapter 15, "Agrarian Political Behavior."

<sup>32</sup>For example, see <u>ibid</u>.; V. C. Key, <u>Politics</u>, <u>Parties</u>, and <u>Pressure Groups</u> (4th ed. New York: Thomas Y. Crowell Co., 1958), pp. 581-82;

sectional combinations. He concluded, however, that this would be diminished with the shift in political strategy aimed at attracting the urban middle class vote. 33 However, he argued that in 1948 the "grain-growing and stock-raising interests still held the balance of power.... 4 Although subsequent analysis has suggested that the shifting Midwest farm vote may not have been the major factor in Truman's victory, many politicians, journalists, and political scientists thought that it was. The interpretations of Truman's victory acted to strengthen the beliefs as to the political significance of the Midwest farm vote. 35 The Democratic congressional victories in the Midwest in 1956 and 1958 did little to challenge these beliefs. 6 Thus, despite their ever smaller absolute and relative numbers, Midwest farmers are still considered "a big enough group in many districts to swing elections from one candidate

Leon Epstein, "Size and Place and the Division of the Two-Party Vote in Wisconsin," Western Political Quarterly, IX (March, 1956), pp. 138-50; Louis H. Bean, "The Farmer in the Voting Booth," The New Republic (February 29, 1960), pp. 9-10; Don F. Hadwiger, "Political Aspects of Changes in Farm Labor Force," Labor Mobility and Population in Agriculture, Iowa State University Center of Agricultural Adjustment (Ames: Iowa State University Press, 1961), pp. 50-72; Angus Campbell et al., The American Voter (New York: John Wiley & Sons, Inc., 1960), Chapter XV, "Agrarian Political Behavior."

<sup>33&</sup>lt;u>The Middle Classes in American Politics</u> (Cambridge: Harvard University Press, 1940).

<sup>34&</sup>lt;u>Our More Perfect Union</u> (Cambridge: Harvard University Press, 1950), p. 117.

<sup>35</sup>For a review of how the 1948 election was interpreted and for his own dissenting argument see Charles M. Hardin, "Farm Price Policy and the Farm Vote," <u>Journal of Farm Economics</u>, XXXVII (November, 1955), pp. 601-24.

<sup>36&</sup>lt;u>Congressional Quarterly Almanac</u>, XII, 1956, pp. 804-10; XIV, 1948, pp. 714-15, 737-38, 810.

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to another  $^{37}$  and are credited as being a major "bargaining power" in presidential elections.  $^{38}$ 

Certainly it is true that the farm vote has been an historically potent factor in American politics. It remains a force to be reckoned with today. Still, in attempting to explain why government subsidies have continued to rise, while the relative and absolute size of the farm population has declined, one notes a tendency on the part of some analysts to give to the farm vote a significance which must be questioned. Hadwiger, for example, argues that in terms of presidential politics, farmers have become more powerful by becoming an ever smaller minority. The common strategy of presidential parties to play to minorities, at least during campaigns, is well known. But there are limits on how far this type of analysis can be carried. As evidence of his argument Hadwiger cites the fact that 1900 was the first time that a presidential candidate (Nixon) proclaimed that the farm issue was the most important in the campaign. The significance of this is highly questionable. 41 His major evidence, however, is that "the farm vote since 1948 has been extremely volatile." That farmers have been somewhat

<sup>37</sup>Monsen and Cannon, p. 100.

<sup>38</sup>Hadwiger, Labor Mobility..., p. 67.

<sup>39&</sup>lt;u>Labor Mobility...</u>, pp. 67-72. Also see "Discussion: Trends in the Political Position of the American Farmer," <u>Goals and Values in Agricultural Policy</u>, Iowa State University Center for Agricultural and Economic Adjustment (Ames: Iowa State University Press, 1961) where he argues that one of the four major trends in agricultural politics is "the <u>increased power</u> of the farm vote." (p. 236) Italics mine.

<sup>40</sup>Labor Mobility..., p. 68.

<sup>41</sup>Because of a conjunction of several factors quite unrelated to any calculation that the farm vote had somehow become more critically

more volatile in their political choices than other voting groups seems to be fairly well confirmed. But the really critical question here is whether or not this vote has been <u>more</u> volatile than previously. Hadwiger presents no comparative evidence nor do the sources he cites. The erratic farm belt swings in the 1890's, the 1920's and the 1930's suggest that if anything, the farm vote has been comparatively stable during this period.

Going beyond the question of whether the postwar farm vote is more or less volatile is the deeper question of precisely what impact the vote has had on the behavior of the political parties, individual politicians, and the policy process. The analyses of farmer voting patterns during this period certainly reveals periodic discontent. Yet exactly what the farmers were trying to communicate when they marked their ballots is extremely difficult to determine.

Hardin has shown that upon close analysis the meaning of the farm vote in 1948 and 1954 with respect to price support policy is vague. Gilpatrick, in his comparative analysis of the fortunes of Midwest congressional candidates with divergent views on price policy, also found

important both candidates proclaimed the farm issue to be the most important domestic issue. Despite these declarations there have been few previous peacetime campaigns in which the farm issue received less sustained attention from the presidential candidates. Moreover, both candidates, in promising to do something about the farm problem were speaking as much to the nonfarm public as to the farmer. We might also note that the farm issue was hardly mentioned in 1964 and ask if this means that the farm vote had lost its power during that four-year period? For a fuller discussion of the 1960 campaign, see Chapter X.

<sup>42</sup>Angus Campbell and his associates believe that "since 1948 the two-party vote division among farmers outside the South has fluctuated more sharply than it has within any of the major occupation groupings." American Voter. p. 402.

<sup>43</sup> Journal of Farm Economics, XXXVII.

little clear relationship between the candidates' positions on price policy and farm vote patterns; "price support policy showed no noticeable differential effects in rural voting in Iowa and Illinois."

but while the analysts have some doubts concerning what the farm vote has really meant with respect to price policy, they have had no doubt concerning what meaning the politicians have assigned to the farm vote. In this respect the 1948 vote has been considered the most crucial, and virtually all analysts have agreed with Hardin's conclusion that that election had a profound effect on "practicing politicians and especially congressmen," and as a consequence considerably changed the whole course of postwar price policy. Thus in this critically formative period Congress was impelled to adopt a high price support policy rather than a low support policy. Subsequent elections, particularly the congressional elections of 1954, 1956 and 1958, have been analyzed as having a reinforcing effect on congressional support for high guaranteed prices.

A study of the actual political and economic conditions of 1947, 1948 and 1949 casts considerable doubt on this view that the 1948 election, in and of itself, had this supposedly profound effect. There is considerable evidence to suggest that the price policy would likely not have been much different regardless of who won in 1948. Some of the same doubts can be raised about the supposed impact of subsequent elections. In any event one can readily accept Hardin's admission that he had not "proved"

<sup>44</sup> Midwest Journal of Political Science, III, 332.

<sup>45</sup>Journal of Farm Economics, XXXVII, 610.

 $<sup>^{46}</sup>$ See our discussion of the 1948 election in Chapter X.

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his argument that the politicians reacted to the elections of 1948 and 1954 in the manner that he ascribes to them.<sup>47</sup>

As much as anything else, the standard interpretations of the impact of the farm vote on price policy may reveal the analyst's bias toward the existing price policy. Because they believe that policy to be a bad policy, they have been inclined to conclude that Congress would not have adopted it except for the particular interpretation that the politicians placed on the farm vote. Thus, analysts like Hardin, reflecting the common view that high price supports have been "bad for the economics of farm policy," have tried to show the politicians that they have been needlessly sensitive on this issue. Similarly, Gilpatrick advises the political parties that with respect to price policy they "have more room for maneuver than they think possible without great risk of political loss or gain."

Most accounts of farm political power also emphasize the advantage that rural interests enjoy in Congress. Traditionally the Senate was cited as a prime example of rural overrepresentation. With the widespread urbanization which has affected all states, <sup>50</sup> this argument is now seldom used, especially as it has become customary to use the urbanization factor

<sup>47</sup> Journal of Farm Economics, XXXVII, p. 618.

<sup>48</sup>Ibid., p. 619.

<sup>49</sup>Midwest Journal of Political Science, III, 334.

<sup>50</sup>In 1960 farmers constituted 20 percent or more of the population in only 5 states. They were Iowa, 24.0%; N. Dakota, 32.3%; S. Dakota, 30.2%; Nebraska, 21.9%; Mississippi, 24.9%. U. S. Bureau of Census, County and City Data Book: 1962, p. 2.

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in explaining why the Senate is "more big-city in orientation" <sup>51</sup> than the House.

Overrepresentation of the rural community in the House is apparent. The protracted failure of the states to reapportion their legislatures has meant that rural representatives have exerted a considerable influence in congressional districting, resulting in a disproportionate number of rural congressmen. Compounding this numerical advantage is the fact that rural districts tend to be one-party districts which send their Representatives back to Washington year after year where, because of their seniority, they acquire a general expertise and commanding positions in the committee system and are therefore able to yield a disproportionate political power. Thus the general conclusion is that "the main results of the politics of districting are to reduce the number of competitive seats in the House and to overrepresent the rural areas."

Unquestionably the farm sector enjoys a certain advantage in the House. However, this factor of overrepresentation must be kept in proper perspective. In much of the literature this notion has been greatly overworked and often misused. For example, the <u>Congressional Quarterly Almanac</u> classified 203, or 46 percent, of the congressional districts of

<sup>51</sup>Charles R. Adrian and Charles Press, <u>The American Political</u>
Process (New York: McGraw-Hill Book Company, 1965), p. 410.

<sup>52</sup>For one of the more detailed accounts of the rural overrepresentation, see Gordon E. Baker, Rural versus Urban Political Power (Garden City, New York: Double-day & Company, Inc., 1955).

<sup>53</sup>James MacGregor Burns and Jack Walter Peltson, Government by the People (5th ed., Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1963), p. 397.

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the 88th Congress as "rural." <sup>54</sup> Considering that by census definition the rural population constituted only 30 percent of the national total, the discrepancy in representation seems large. But the "rural" classification used by the Almanac left much to be desired as it included "many medium-sized cities" under 50,000. <sup>55</sup> A more meaningful classification was used in 1956. Defining "rural" districts as those being at least two-thirds rural (census definition), or one-half to two-thirds rural with no city of 35,000 or more, it was concluded that a redistricting based strictly on population would decrease the "rural" districts by 10 and increase the urban and metropolitan districts by 14. <sup>56</sup> Although this is not insignificant it seems unlikely that there have been many farm policy issues, either in the negotiating stage or the voting stage, where this margin would have made a critical difference.

Of greater significance is the fact the concept of "rural" can no longer be equated with the farm, as was once the case, and as many observers still seem prone to do. In 1920 farmers constituted 60 percent of the census definition of rural (farms and towns under 2,500). In 1950, however, farmers constituted only 42 percent of the rural population, and in 1960 farmers made up only 25 percent of the rural segment of society. While it is undoubtedly the case that gerrymandering by state legislatures has continued to magnify the farmer interest in Congress,

<sup>54</sup>XIX, 1963, 1170.

<sup>&</sup>lt;sup>55</sup>Ibid., p. 1172.

<sup>56</sup>Congressional Quarterly Almanac, XII, 1956, 788-92.

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unquestionably, however, the farmers' advantage has dwindled throughout the postwar period. 57

Ross B. Talbot echoed another common theme concerning farm political power when he stated:

The <u>imposing</u> and <u>rowerful</u> private farm interest groups have been an <u>influence</u> in Congressional politics since the early 1920's. Considering the relatively small, albeit stable, number of commercial farms (2,063,778 farms producing over \$2,500 gross in farm products, according to the 1959 census), <u>it would seem correct to state that farmers are the most effectively organized of all groups of the American society. D8</u>

Although much of the literature implicitly or explicitly evokes this image the justification is too often no more penetrating than the bit of deductive logic engaged in by Mr. Talbot. Without in any way implying that farm pressure groups are ineffective, several factors about farmers, their pressure groups, and their congressional representative need to be kept in mind.

First, there are no serious studies which show that farmers enmasse are exceptionally active in politically oriented farm organizations.

The Survey Research Center reports that a majority of the farmers do not belong to such organizations and moreover "of those who do belong, the proportion willing to indicate 'a great deal of interest' in the

<sup>&</sup>lt;sup>57</sup>Adrian and Press also point out that the "common belief that a great many national legislators are farmers is erroneous," and that it is not the farm but "the small town and its viewpoint that leaves its mark on the legislative process." p. 410.

<sup>58&</sup>quot;Farm Legislation in the 86th Congress," <u>Journal of Farm Economics</u>, XLIII (August, 1961), 590. Italics mine.

<sup>&</sup>lt;sup>59</sup>Actually there has been surprisingly little detailed analysis of farm pressure group activity in the postwar period. The literature that does exist is very general.

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organization is small." In addition, no one has documented that the farm organizations can "deliver" the vote of their membership. Certainly Hardin's observations about the power of the farm organizations seem to be well taken: "Indirectly farm organizations may help bring out the vote... But formal organizations seemingly cannot change their members votes... and their effectiveness on farm price policies is often exaggerated."

Any description of the relationship between the farm organizations and congressional legislation must also take account of the disunity among these groups. The notion that the farmers are the "most effectively organized" group would seem to suggest a considerable cooperative harmony among the various farm organizations. Considering the sharp decline in the number of farmers, one might expect to see such unity so that they might maximize their power. But such is not the case. 62

The farm groups have never worked in perfect harmony. As V. O. Key, Jr., notes, they "seldom unite for legislative purposes...and generally urge upon Congress conflicting programs." However, it is the case that from the middle 1920's through the middle 1940's the farm groups, with the young and ascendant American Farm Bureau Federation in the vanguard, united as they never had before around the goal of erecting a system of parity price supports. But increasingly in the postwar period,

<sup>60</sup>The American Voter, p. 414.

<sup>61&</sup>quot;Farm Political Power and the U. S. Government Crisis,"

<u>Journal of Farm Economics</u>, XL (December, 1958), 1651.

<sup>62</sup>A fact that Talbot himself has noted. See, e.g., "The Changing Political Position of Agriculture," <u>Journal of Farm Economics</u>, XLV (May, 1963), pp. 318-331, esp. pp. 325-26.

<sup>63</sup>Politics, Parties, and Pressure Groups, 5th ed., p. 40.

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the farm groups have sharply divided on this very issue, with the same Farm Bureau leading the effort to dismantle the program that it had formerly done so much to erect. Conflict between the Farm Bureau and its chief rival, the National Farmers Union, over price and control policy became apparent in the late 1940's, and by the mid-1950's they were engaging in open combat. By the early 1960's name-calling between the organizations' presidents, Charles B. Shuman, of the Bureau, and James G. Patton of the Union, had reached the point that Shuman had begun to refer Patton's attacks to his lawyers for possible libel action. 64

The rivalry between these two giants is the most dramatic, but other divisions exist and, by the latter part of the fifties, the community of farm groups was not inappropriately described as "a collection of conflicting interests milling about Washington with more zeal than purpose."

As Harold B. Cooley, Chairman of the House Committee on Agriculture, ruefully noted in 1964: "There is great disharmony among farmers as to public policies relating to their well-being."

Also it needs to be kept in mind that properly speaking, there has been no meaningful "farm bloc" operating in Congress in the postwar

<sup>640</sup>vid A. Martin, "A Concerted Attack on Farm Bureau," <u>Kansas</u> <u>City Star</u>, 1964.

<sup>65&</sup>quot;Wanted: A New Farm Program," America, July 11, 1959, p. 506. For similar views by other political reporters see, William Blair, "Farm Bloc Now Split in Many Factions," New York Times, June 14, 1959, p. 7E; Kilpatrick, Harper's, November, 1957, pp. 56-59.

<sup>66</sup>Food Costs-Food Prices, p. x.

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period. The highly touted farm bloc--a bi-partisan group of farm-state Senators and Representatives -- came into existence in the early 1920's largely at the suggestion of the farm groups (particularly the Farm Bureau). Certainly the effectiveness of the farm groups in pressing their demand was greatly enhanced by the existence of this formally organized group of friendly congressmen. As a formal organization the bloc was fairly short lived. Apparently an informal grouping continued to function for some time, but several analysts have declared that it was extinct as a viable coalition prior to the beginning of the postwar period. The increasingly partisan character of congressional voting on farm legislation since 1948 confirms this view. 68 Thus when Representative H. Carl Anderson (Rep., Minnesota) observed in 1957, after taking part in a series of highly partisan debates and votes on a farm bill, that he had witnessed the "burial of the remains of the farm bloc,"69 it is probably the case that there weren't many remains to be buried.

The demise of the "farm bloc" is but one of the manifestations of the contemporary disarray within the agricultural political community.

<sup>67</sup>Wesley McCune, The Farm Bloc (New York: Doubleday Doran, 1943), p. 44; Harmon Zeigler, Interest Groups in American Society, (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1964), p. 178. Senator Dirksen claimed in 1944 that "there is no farm bloc unanimity in the Congress. It is everybody thinking for himself." Fortune, "The Farm Bureau," June, 1944, pp. 177, 188.

<sup>68</sup>Hardin, Journal of Farm Economics, XXXVII, 602-610; Hadwiger, Goals and Values..., pp. 233-35; J. Roland Pennock, "Party and Constituency in Postwar Agricultural Price-Support Legislation," Journal of Politics, XVIII (May, 1956), 167-210.

<sup>69</sup>Congressional Quarterly Almanac, XIII, 1957, 637.

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In this respect there is a rather curious anomaly that pervades much of the popular and professional literature. First, there is the stereotyped picture of American farmers wielding almost omnipotent political force in the writing of the farm legislation and, as a result, securing from government a range of services and subsidies virtually unparallelled by any other group in society. This implies that the lack of significant change in the price and control program is due to the fact that, through the exercise of raw political force, farm interests have been able to maintain this extremely expensive program against the general interest of the tax-paying and food-consuming public. But even the most cursory survey of the politics surrounding this policy shows that the really significant battles have not been between farmer and nonfarmer, but within the farm political community.

Of late, however, some analysts have pointed to conflicts within agriculture as a factor in explaining the course of recent price and control policy. Explanations of the conflict within agriculture stress the fact that agriculture is composed of an "endless variety of farms and many different kinds of and classes of farmers" having different and sometimes competing interests. As applied to the price and control policy, it is the differences in commodity-based interests that are given primary attention; "the interests of a specialized wheat farmer in Kansas who is interested in high wheat prices is far different from those of a New York dairy farmer who wants to buy cheap feeds."

The price and control policy is not general in nature, but is written and administered along individual commodity lines. This means

<sup>70</sup>Gilbert C. Fite, "The Changing Political Role of the Farmer," <a href="Current History">Current History</a>, X (August, 1956), 84.

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that the drafting of legislation lends itself to a piecemeal, commodity-by-commodity approach. This has a potentially paralyzing effect, particularly if broad, integrating political forces fail to maintain an ascendant position. Just this type of a situation seems to have developed.

Over the past several decades, agriculture has become increasingly specialized. This means that the individual farmer's economic well-being depends primarily upon the profits realized from one or two commodities. This invariably affects his views on agricultural policy. One direct manifestation of this development has been the increased activity of farm pressure groups organized on a commodity basis, for example, such organizations as the National Wheat Growers Association, the American National Cattlemen's Association, and the National Wool Growers Federation.

A similar orientation has been developing at the congressional level since greater agricultural specialization has meant that one or two commodities oftentimes constitute the major source of agricultural income for a given geographical region. In addition, because of the manner in which the price and control program is administered, there is a strong tendency for many administrators in the Department of Agriculture to identify with the producers of a given commodity. These administrators may develop an interlocking relationship with the commodity organizations and certain congressmen. One result of this is that the Secretary of Agriculture may be hampered in his efforts to propose and administer broad, general farm policy. 71

<sup>71</sup>For an excellent general analysis of how this commodity-bycommodity approach pervades all levels of the policy making process, see
Dale E. Hathaway, Government and Agriculture: Public Policy in a Democratic
Society (New York: The Macmillan Company, 1963), pp. 183-238.

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In juxtaposition to the rise of the more narrowly focused commodity interests there has been a weakening of the chief political forces which could serve as a coordinating and integrating factor, i.e., the demise of the farm bloc and the sharp rupture among the general farm organizations. Several observers have looked forward to the development of a more programatic, disciplined approach by the political parties as a force capable of providing the centralized leadership necessary for the development of general, integrated farm legislation. In this respect the tendency toward a somewhat more partisan behavior in congressional voting has been judged a favorable sign. However, these voting patterns can be highly deceiving, 72 and no one seriously argues that party interest has become the controlling factor in farm legislation.

In the absence of the older accommodating forces and with party influence only nascent the small, rather narrowly focused agricultural committees in Congress have played a crucial role. But the membership of these committees reflect a rather even balance of commodity interests. This type of arrangement is not conducive to positive, unified action. Commenting on this, Dale E. Hathaway concludes that the "organization

<sup>72</sup>The partisan voting patterns can be deceiving as the party geographical distribution tends to reflect commodity distribution. Thus, what may appear to be party regularity may actually be a reflection of constituency interests. See "The Political Impasse in Farm Support Legislation," Yale Law Journal, X (April, 1962), 962-64.

<sup>73</sup>Ross B. Talbot, "Farm Legislation in the 86th Congress," Journal of Farm Economics, XLIII (August, 1961), 582-605.

<sup>74&</sup>lt;u>Ibid.</u>, and Charles O. Jones, "Representation in Congress; the Case of the House Agriculture Committee," <u>American Political Science Review</u>, LV (June. 1961). 358-67.

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and operation of the congressional committees dealing with agriculture are now such as to virtually preclude general farm legislation." The impact result that this commodity-by-commodity orientation in virtually all phases of the policy process has had on legislation is summed up by one study as follows:

This proliferation of interests within agriculture has created a stalemate on farm policy. Congressional procedures are such that a concerted minority interest can usually block action distasteful to it through various obstructive tactics, if the interest has sufficient access to strategic points in the legislative process. Many farm interests have access through the agriculture committees, without whose approval no farm bill is likely to be adopted. The proliferation of interests has meant that there are now many groups, each trying to obstruct the others' programs. The sum of all these obstructionist tactics has been impasse. To

An appreciation of the importance of this commodity-interest factor is essential, but it is by no means sufficient for understanding why agricultural price and control policy has taken the course that it has. First, the development of commodity oriented interest does not, in itself, necessarily lead to increased conflict. Some of the commodities are competitive to be sure, and this is likely to lead to conflict between the political forces representing those commodities in terms of public policy. Still, in most cases, no such conflict exists. In reading the studies which have stressed this commodity-interest conflict, one notes a tendency for the analyst to go from the observation of potential economic conflict between commodities to the conclusion that an actual political conflict exists.

<sup>75</sup> Government and Agriculture, p. 197.

<sup>76</sup> Yale Law Review, X, 969-70. Although overstating the case this is one of the best accounts of the commodity-interests conflicts.

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However, one clear-cut result of these developments is that the agricultural political community speaks through increasingly separate voices. This has made the writing and enactment of farm legislation more difficult and has created a situation in which even rather minor conflict can contribute to wholesale stalemate. This raises the important question as to why broader, integrating and unifying forces have been unable to gain a more dominant position. Congressional leaders have certainly been keenly aware of the need for the development of such harmonizing forces. The will suggest that the factors which have divided the agricultural political community and stalemated the policy making process transcend the conflicts, real and fancied, of differing economic commodity interests.

All those who attempt to describe agricultural policy making stress the dominance of the farm political interests in the writing of farm legislation. The fact that the farm interests enjoy this commanding position is usually explained by pointing to the various facets of farmer political power discussed above. This emphasis on the formidable power of the farm political community has contributed to a popular image of farm interests riding roughshod over the political representatives of nonfarm interests who dare to try to intervene or protest. However, as has been pointed out, the great farm policy battles in the postwar period have occurred within the farm political community rather than between the farm and nonfarm communities.

<sup>77</sup>See e.g., U. S. Congress, House, Subcommittee on Family Farms, The Family Farm, Committee Print, 84th Cong., August 1, 1956, p. 23, and Food Costs--Farm Prices, p. x.

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If nothing else is clear about agricultural policy in the recent years one feature stands out in sharp, bold relief--it has cost the tax-payers billions and billions of dollars. This fact, particularly when viewed against the background of the disarray among the farm interests, forces the question of why there has been no serious challenge from the nonfarm political community.

The possibility of such a challenge has been a source of worry to more than a few farm political leaders. Over the long course of the postwar debates on price and control policy, farm spokesmen have, on occasion, openly expressed their fear that the taxpaying, food-consuming urban public would one day rise up in wrathful protest against the farm program. By the late 1950's and early 1960's the urban press and urban congressmen were indeed exhibiting signs of discontent. But no major revolt materialized. This lack of a major and concerted protest from the urban political community suggests itself as another factor in explaining why the agricultural price and control program has been subjected to so little change.

The professional and popular literature has devoted little direct attention to the question of why no major urban challenge has developed. There is, however, a common implication that urban political leaders so respect, or fear, the power of the farm interests that they judge such a challenge to be futile. Those few analysts who have directly addressed themselves to explaining this lack of urban protest have stressed as their general theme that the urban voter is basically too uninformed and unconcerned about farm policy to provide the basis for such a revolt. On this score, Samuel Lubell suggests that "support for farm legislation in

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the past has rested largely on ignorance and confusion among urban dwellers as to what the farm problem is all about." He also points out that through the "complicated juggling of formulas of support prices, acreage bases and more or less controls...the writing of farm legislation has become a conspiracy against public understanding.... Sometimes even members of Congress are fooled by the country slickers on the agriculture committees."

Unquestionably the urban public is not fully conscious of the complexity of the farm program and the magnitude of the farm subsidy. Contemporary studies of public opinion and voter behavior have forceably dispelled the image of the highly informed, carefully calculating citizen. <sup>80</sup> However, lack of detailed knowledge does not preclude the formation of general impressions, and on this score there is evidence that the urban voter has a fairly strong image of the farmer receiving highly favorable treatment from the government. <sup>81</sup>

But even if one attributes the maximum significance to ignorance and indifference, the question arises as to why this is the case. The opinion and voting studies prove that voters are often uninformed on any given issue, but they do not prove that voters are immune to an informing

<sup>78&</sup>quot;America's Newest Minority," Farm Policy Forum, XVII, No. 3, 1964-65, 22.

<sup>79&</sup>lt;u>Ibid.</u>, p. 24.

No McPhee, Voting (Chicago: University of Chicago Press, 1954, and Campbell et al., The American Voter, and the other voting studies that have been produced by the Survey Research Center.

<sup>81</sup>For a presentation of such evidence see Chapter XII.

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debate of political issues. Thus one must ask why urban political representatives and opinion leaders haven't made a greater effort to "enlighten" their constituents. Hadwiger suggests that any such effort in regard to the farm issue would be doomed to failure. He cites as evidence the fact that Secretary of Agriculture Benson's "effort to alert consumers and taxpayers against high farm price supports" and the "scattering" of hostile editorial commentary in the national press in the latter 1950's and early 1960's produced "no rebellion." Hadwiger concludes: "The reason that urban voters did not react, according to voter studies, is that it is very difficult to draw voter attention to issues which have not directly affected their status or their pocketbooks." 82

Whatever Hadwiger meant by "status," his thesis that the farm price policy issue can't be presented to the voter in pocketbook terms is highly suspect. In fact, despite the basically complex nature of the program, it can, for the purpose of unsophisticated public political debate, be reduced to two very simple and readily understood pocketbook aspects. First, unlike many of the indirect subsidies to business and labor, the costs of operating the support program are very visible. The multi-billion dollar expenditure of the Commodity Credit Corporation and related agencies stand out in bold type and make potentially excellent campaign fodder for any politician or opinion leader who wants to use them. Second, it is a fairly easy matter to develop a readily grasped

<sup>82&</sup>quot;Farmer and Consumer in an Urban Age, Farm Policy Forum, XVII, No. 3, 1964-65, p. 34.

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argument to the effect that high price supports mean high food prices. 83
Whatever may be the weaknesses in Hadwiger's reasoning, he correctly observes that the Benson effort to "alert" the urban public backfired and the only rebellion that occurred was in the "major farm areas, where the Secretary's popularity dropped to near zero."

Although we would argue that the urban public is not as uninformed and as indifferent as some analysts suggest, there is no question but that this state has been a factor in the lack of a vigorous
anti-farm revolt. However, of greater importance is the fact that this
state is a manifestation of other more fundamental factors.

## Statement of Analytical Propositions

The initial concern of this study is the analysis of the price support and production control policy in the post-World War II period and the political process which generated it. It must be emphasized that the lack of major change in this policy is a signal feature of postwar agricultural policy making, and it is one of the truly interesting aspects of the contemporary American political scene. More specifically, this study attempts to understand why the political debates and

<sup>83</sup>In actual fact the relationship between price support levels and retail food prices is not at all simple. A substantial argument can be made that the price support program of the past 20 years has not resulted in higher consumer prices than would otherwise have been the case. But such a counter argument is complex and difficult to explain in terms that can be readily grasped by the public, particularly in the face of ever higher marketing costs which have pushed retail prices steadily upward.

<sup>84</sup> Farm Policy Forum, XVII, p. 34.

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ensuing struggles surrounding that policy have taken this course and shape.

The preceding section has identified the major themes of the contemporary literature which deals with this question in one way or another. An analysis of this literature is essential to any attempt to explain contemporary agricultural politics and policy making, and it provides some of the parts of the answers to the questions with which this study is concerned. It is our contention, however, that while the results of these analyses provide a partial explanation, they do not constitute a sufficient explanation either individually or collectively.

The contemporary literature is inadequate, not because its explanations are intrinsically wrong, but because too much is left unexplained. Because the standard analyses have been restricted to an excessively narrow range of explanatory factors, too much dependence has been placed on the factors that have been used. In the preceding review, therefore, several questions were raised and some qualifications were introduced to establish this over-worked character of the standard explanations. This review was not intended to suggest that the contemporary literature is insignificant, but only that it is inadequate.

One of the major reasons for the inadequacy of the existing literature is the general failure of these analysts to properly account for the significant and meaningful effect that a strong ideological commitment to the family farm creed, 85 and the family farm goal it sustains,

<sup>85</sup>See Chapter II for a listing of other terms that have been used to describe at least some of the beliefs and values that we have assigned to this concept.

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The first proposition of this study is, therefore, that in order to understand the agricultural policy making process in general, and the price and control policy in particular, it is essential to realize that there is a fundamental relationship between the family farm creed and the behavior of the relevant policy making participants.

In order to achieve the objectives of this study it is necessary to trace the origins and the development of the family farm creed, how its meaning has changed over time, and how its persuasive existence has affected the agricultural policy making process.

Few socio-economic institutions in American society have been held in greater public esteem than the family farm. This has been true because of the population's confidence in the political, social, and economic characteristics and capacities of this institution. The family farm has been seen as an institution which fosters a rather impressive range of human virtues such as: simplicity, piousness, honesty, patriotism, devotion to family, respect of property, respect for nature, democratic spirit and civic responsibility, political and social individualism, and political and social stability. The institution's prestige has been enhanced by widely held belief that many of these virtues could not be realized through non-family farm agricultural institutions. The more vigorous adherents of the family farm creed believe that urban-industrial

<sup>86</sup>See Appendix for a fuller statement about the research effort of this aspect of the study.

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 $<sup>^{86}\</sup>mathsf{See}$  Appendix for a fuller statement about the research effort of this aspect of the study.

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communities are not only incapable of adequately fostering these characteristics among their inhabitants but also are likely to promote their very antithesis.

It is also commonly believed that the family farm is, or can be made to be, an economically efficient unit of agricultural production, and that a prosperous family farm agriculture is a vital component of national prosperity because general economic depression is "farm led and farm fed." Many have also argued that the population of the cities must be physically replenished and morally renewed by the export of youth from the family farms of the countryside.

These and other beliefs<sup>87</sup> have helped to make the promotion and preservation of the family the over-arching goal of American agricultural policy, from the early days of the Republic to the present period. Every agricultural policy has not explicitly identified the promotion and preservation of the family farm as its goal. We contend, however, that because of the persuasiveness of the family farm creed all major agricultural policies have been at least implicitly assumed to be contributing to this over-arching goal, and that no significant policy has been adopted which was knowingly intended to retard or restrict the family farm or to promote non-family farm units in agriculture.

It must be emphasized that all those who have supported the family farm goal have not done so because of a commitment to all these

<sup>&</sup>lt;sup>87</sup>At various historical periods there have been certain beliefs which have acted to strengthen the importance assigned to the family farm. For example, during the nineteenth century the beliefs that the family farm was a necessary vehicle for the settlement of the West and that the settling of the West by family farmers acted as a social and economic safety valve were significant components of the creed.

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beliefs. One individual might support the family farm goal primarily because he wishes to see the promotion of economic efficiency. Another individual might support the goal primarily out of a desire to promote family solidary. Indeed, this is one of the major reasons for the influence and staying power of the family farm goal; it has been able to attract the support of many diverse ideologies and interests.

It would be an extreme and indefensible position to say that the sole determinant of the behavior of the participants in the agricultural policy making process has been an ideological commitment, thus ignoring economic self-interest and calculations of political aggrandizement.

These policy makers are ordinary men operating under all the pressures and demands of the political environment. When a farm pressure group leader petitions Congress for legislation to "protect the family farmer," he may sincerely believe that a prosperous family farm agriculture is vital to the economic and moral well-being of the nation as a whole, but often his most immediate concern is to secure legislation that will put dollars in the pockets of the members of his organization. Similarly, some congressmen can and do speak of protecting the family farm for very practical political reasons:

A member of Congress is asked by many different groups to represent their interest in the Halls of Congress. Family farmers of Montana have asked me to support legislation in their interest, both individually and through several organizations—Farmers Union, Grange, and Wheat Growers being the most vocal. Their membership is made up predominantly of owners and operators of family-type farms. These groups helped me to get elected in the House of Representatives in 1952 and to the Senate in 1960.88

<sup>88</sup>Senator Lee Metcalf (Dem., Montana), letter to author, August 8, 1964. Italics mine.

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At the same time the political environment allows and indeed fosters, ideological commitments which go beyond but do not replace calculations of narrow self-interest. One of the reasons why this behavior determinant is often ignored by analysts is that family farm oriented policies are necessarily economic policies. But the family farm cannot be protected by decree. The economic well-being of the family farm is an integral part of the way of life that it sustains and economic security is necessary for its survival. Thus the demands for economic policies to serve the over-arching family farm goal can be and are sustained by broader conceptions of what constitutes a good society:

This system of family farming in America rejected the feudal systems of older nations and established the free enterprise economic foundation on which this nation has flourished... America cannot now afford to allow the substitution of a hired hand industrial type of agriculture for the independent farm family on the land.... The nation's policies must be shaped to perpetuate the family as the dominant operating unit in agriculture....<sup>89</sup>

The family farm creed and policy goal permeate the entire agricultural policy-making process. This is significant in terms of the postwar price support and production control policy in two respects. First, it is the contention of this study that by the late 1930's the parity price program had come to be viewed by most of the participants as the principal instrument in the over-arching goal of promoting and preserving family farm. This view was equally dominant in the late 1940's and thus was a powerful determinant in shaping the legislative pattern that emerged from that period, a pattern that has persisted ever since.

<sup>89</sup>Representative Harold D. Cooley (Dem., North Carolina), Chairman of House Agriculture Committee, letter to author, July 20, 1964.

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Increasingly since the early 1950's, disagreement has developed among the policy making participants as to the role and place of the price and control program in the family farm goal. This disagreement became a bitter, stalemate; despite concerted efforts to change the program, few significant changes have occurred.

But what did change, and change dramatically, was the cost of financing the program. That this extremely expensive program has been maintained suggests that the farm community, even though sharply divided against itself and dwindling in size, exerts a formidable political power. Of this there is no doubt. But this is political power in a more basic sense than that term generally implies.

We propose that the lack of a major and concerted effort on the part of the urban political community to force a change in the price and control program is not simply the product of a resigned respect for the raw political force of this ever smaller minority nor of a general ignorance and indifference on the part of the urban public. We contend that another factor which must be considered here, is the sympathetic support given to the traditional family farm policy goal by many urban voters and urban political and opinion leaders and their acceptance of the price and control program as a legitimate means for achieving that goal.

Certainly mid-twentieth century urban America does not fully embrace the family farm creed as articulated by the agrarians. However, we do contend that some of the sentiments of the creed are accepted. Indeed, there has been enough support for the family farm goal to make this a significant factor in the failure of a massive urban revolt to materialize.

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We have spoken of the stalemate in the agricultural policy making process. It is now necessary to explicitly indicate what we mean by the concept, and to identify those factors which have generated this situation. Other analysts, as has been noted, have attributed the lack of major change in the price and control policy to a stalemated stand-off among the farm interests. However, we assign to this notion of stalemate a broader meaning than has generally been intended by other analysts. In this study, we use the concept of stalemate to describe a situation where there has been widespread discontent with the policy at question among virtually all participants in the struggle. The degree of this discontent has been such that virtually all participants have been receptive, even desirous, of change. Still, no significant change has emerged because of a failure to develop a working consensus as to what form any such change should take. The actual legislative result of a situation of this type can, in one sense, be described as one of default rather than of intent.

This notion of a stalemate can be applied to the period from around the close of the Korean conflict through 1964. As compared to this period the legislative results of the late forties were not the product of a stalemate in the sense we have defined it. To be sure, the legislation that emerged then was not what the experts had been urging, nor what most observers had been expecting, nor what the Truman administration after 1948 asked for, but the widespread discontent among the congressional participants, the farmers, and the farm pressure group leaders that has become a distinguishing characteristic of the past decade did not then exist.

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The discontent of the past decade was a product of the growing recognition of and the disappointment over the fact that the historic program which had once been hailed as the greatest achievement in agricultural policy making in the twentieth century was simply not functioning as originally intended nor achieving the results so hopefully anticipated. This discontent was largely the result of three factors: the unexpectedly high cost of maintaining the program; the perennial failure of the conventional acreage controls to hold production in line; and the chronic persistence of the farm income problem.

There are a number of possible alternatives in dealing with such situations, but practically speaking, the participants have grappled with two basic policy choices: (1) lowering or eliminating the parity price supports to bring about an adjustment in production and thus relieve the government of a costly burden and remove the need for controls over the farmer, or (2) maintaining price supports at relatively high level but instituting the tight mandatory production control that would assure an adjustment of supply to effective demand and thus eliminate the need for government purchases of surplus stocks. A decision to pursue either alternative inevitably is influenced by both the participants' value commitments and his perception of the economic consequences of each alternative.

Political analysts who have pointed to the stalemated stand-off among the farm interests have largely ignored the conflicts in value commitments and disagreements over technical aspects of the economics of agriculture as contributing factors in this stalemate. For example, a recent

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detailed and serious attempt to explain the stalemate in price and control policy typically placed virtually its entire emphasis on examination of the conflict among commodity-based economic interest within agriculture. It relegated to one qualified sentence and a footnote the notion that conflicts springing from commitments to values which transcend simple calculations of "maximum economic advantage" could be a contributing factor in the stalemate.

We propose, however, that a clash of value commitments among the participants in the policy making process has been a significant factor in the stalemate of the past decade. By and large this value conflict has not been between those who believe in the family farm creed and those whose value commitments make them indifferent or hostile to this creed. Rather the basic conflict has occurred among those who historically have been, and who are still, by and large, committed to the family farm goal.

Support of the family farm goal has never been conditional upon the acceptance of a tight, closed, logically coherent ideological construction. In fact, advocates of the family farm goal have articulated divergent opinions about what the most valuable characteristics of the family farm institution are and about what means should be taken to promote and protect it.

Within the agricultural political community which has supported the family farm goal, there has been two somewhat different ideological

<sup>90</sup>Yale Law Journal, X, 955.

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traditions; liberal agrarianism and conservative agrarianism. <sup>91</sup> Tensions have always existed between these two traditions. Conditions during the past decade have been such that these tensions have crystallized into open conflict. These two ideological orientations roughly parallel the traditional liberal-conservative division in American politics of the past 40 years, but the agrarian outlook which permeates each of them acts to set them apart from the liberal and conservative orientations in other political circles.

This value conflict has been apparent in presidential, congressional, and pressure group politics. It consists of differences in viewpoints concerning what constitutes the most valuable characteristics of the family farm and what is the proper role of government relative to the economy and to the individual. The conflict has been most sharply focused around the issue of production control.

Another proposition of this study is that another, although generally unacknowledged, factor significantly affecting the course of postwar price and control policy making has been the existence of fundamental and widespread differences in belief concerning the general and detailed nature of the farm problem and the economic consequences of alternative public policy approaches to that problem.

An extended reading of the congressional hearings and floor debates reveals that many of the participants throughout the postwar period have expressed sharp disagreement and many others have indicated agonizing uncertainty concerning the answers to such basic questions as: Do farmers

<sup>91</sup>See Chapters VIII and X for a fuller discussion of these two traditions.

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increase, maintain, or decrease their production in the face of falling price? What would be the level of free market prices if parity price supports were removed? Would a typical farmer's total net income be severely affected, mildly affected, or scarcely affected if artificial crops were removed from the relatively few commodities that are protected? What type of controls can be expected to effectively bring supply into adjustment with demand? Do price supports and production controls inhibit or promote efficiency in agriculture? What is the nature of the demand for farm products? What are the prospects of this demand?

Analysts of farm politics and policy generally have assumed that technically objective answers have existed to these technical questions. Cperating on this assumption analysts have thus ignored or discounted the disagreements and uncertainties expressed by the participants. This assumption has profoundly affected the standard interpretations of the agricultural policy making process.

we contend, however, that the technical information that has been available to the participants has not been of the quantity, quality, and clarity generally assumed by observers. We contend that throughout most of the postwar period, the claims of the professional economists notwithstanding, the technical information has not been such as to prevent reasonable disputes as to the precise nature and causes of economic problems of agriculture and the consequences of alternative policies aimed at meeting those problems, however defined.

The character of the available technical information has affected the course of price and control policy in two ways. First, the overall

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quantity and quality of the information available during the formative period of 1947-49 did little to dissuade, and in fact, tended to reinforce the widespread inclination among congressmen and pressure group leaders to renew the price and control policy of the 1930's. The arguments used by the economists aimed at demonstrating the unworkability of the program and the dangers attendant to its continued application were rejected by most of the other participants, not because of "political expediency"—as the economists and many observers so judged—but because the arguments were simply unconvincing to most of the participants whatever their ideological persuasion or political motivation.

Second, taken as a whole, the theoretical and statistical data available to the participants during the decade following the Korean conflict was such that it had the effect of magnifying the already intense conflicts within the agricultural policy making process. In the face of persistent price and income problems, chronic overproduction, and the extremely high and unexpected cost of executing the price support program, massive efforts by two different administrations were made to break out of the policy pattern established in 1947-49.

We contend, therefore, that a major reason why no breakthrough occurred was that there was sharp disagreement and uncertainty among the participants concerning the answers to such technical questions as we listed above. The technical information available was such that it allowed participants to advance conflicting answers and be quite justified in claiming that this particular answer was just as defensible as any other answer. This has changed somewhat during the last few years, but the technical information available to, and acceptable by the participants.

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is still such that it allows considerable dispute concerning the answers to these technical questions and directly encourages temporization in the formulation of policy.

Finally, we posit that any attempt to describe and explain the postwar era of agricultural policy making is necessarily inadequate unless it accounts for the impact of the spectacular upsurge in agricultural productivity that has come to be called the technological revolution. The existence of the technological revolution and the resction of the participants to it have been significant factors in causing the debates and the price and control policy to take the shape that they have.

The perennial failure to anticipate the accelerating force of the revolution and the failure of the economists to develop and agree upon a theoretical model capable of adequately explaining the meaning of the revolution for family farm agriculture under differing economic and public policy conditions have continually upset expectations and has doomed all the contending policy plans. These failures are a prime manifestation of the inadequacy of technical information cited above. However, the existence of the technical revolution is by no means the sole reason for the inadequacies of this informational basis. For this and other reasons the technological revolution needs to be discussed on a somewhat separate basis.

For example, the technological revolution has not only rendered policy planning nearly infeeble, its existence has acted to generate new belief and value conflicts within the agricultural political community.

These tensions have begun to emerge as the possibility has begun to present itself that the continued advance of the revolution and the survival of the

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family farm are not necessarily compatible. The recognition of such a possibility forces the consideration of steps to control or retard the revolution. But this challenges deeply ingrained beliefs about the positive role that technology has played in the past survival of the family farm, and the widely held belief that equates the advance of efficiency with "progress."

Because of the weaknesses in the quantity and quality of the technical information available to the participants, recognition of this condition has been possible only in recent years. Because the answers are still not complete and because the alternatives forced by such a prospect are so agonizingly difficult most participants, to date, have not fully accepted and acted upon this tension between the continued advance of the technological revolution and the survival of the family farm. However, there is little question but that the revolution, and the possible consequences that it presents, have affected the decision making process by subtly encouraging the participants to temporize, to put off to tomorrow—until more of the evidence is in—the job of acting on the alternatives presented. This type of situation has contributed, and continues to contribute, to the drift in agricultural policy making.

### Scope and Procedure

A statement of scope and procedure including the definition of key terms, theoretical statements, and the description of the research program appears in Appendix A. However, it is necessary to note briefly here that while our initial concern is the postwar World War II period, a considerable portion of this study is devoted to the period prior to

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the 1940's. This historical development constitutes a major portion of this study for two principal reasons. First, unless placed in the proper historical perspective, the contemporary agricultural policy making process is quite incomprehensible. To adequately understand the course of postwar price and control policy and the behavior of the policy making participants one must have a firm grasp of the relevant historical antecedents. The lack of such a perspective leads to distortions and misrepresentations of the significant explanatory factors. Second, due to the paucity of the existing literature, it is quite impossible to deal with the family farm creed in a meaningful way without a serious and detailed treatment of its origin and development. Therefore, this portion of the study is a valuable historical contribution in itself, as well as a necessity in providing the proper context for the postwar period. Moreover, this portion is not simply a chronological description, but rather a serious study of the policy making process, and should be read as such.

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#### CHAPTER II

#### ORIGINS OF THE FAMILY FARM CREED

"The small land holders are the most precious part of a state."

Thomas Jefferson<sup>1</sup>

"No other group is more fundamental to our national life than our farm families." Dwight D. Eisenhower<sup>2</sup>

# Introduction

Few socio-economic institutions have traditionally enjoyed a higher place in the general public esteem than the family farm. Politicians have reached heights of oratorical splendor in praising it, poets have experienced shivers of ecstacy in describing it, historians have seen America in it, industrialists have deferred to it, city people pine for it, few care or dare to criticize it. "Horn a farmer and you stand in contumacy to the platforms of all known parties, to the devout faith of all known statesmen, and to God." 3

Much of this praise can be chalked up to political sloganeering, the excesses of literary romanticism, and inevitable nostalgia. But

<sup>&</sup>lt;sup>1</sup>Jefferson to James Madison, October 28, 1785, <u>The Papers of Thomas Jefferson</u>, VIII, ed., Julian P. Boyd, (Princeton: Frinceton University Press, 1953), 591.

<sup>&</sup>lt;sup>2</sup>"Farm Message," New York Times, January 10, 1956, p. 16.

<sup>3</sup>H. L. Mencken, "The Husbandman," <u>Prejudices</u> (New York: Alfred A. Knopf Inc., 1924), p. 44. Raymond Moley recently paraphrased Menken: "Scratch the skin of a family farmer and the hot blood of a score or two congressmen and senators will flow copiously." <u>Newsweek</u>, April 10, 1961, 108.

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after all the chaff is sifted away a substantial body of grain remains. The residue of grain consists of a collection of beliefs about the characteristics and capacities of the institution of the family farm and the way of life that it sustains. Some of these beliefs concern valuable social and political characteristics that are thought to be fostered among those who are a product of the family farm. Some have to do with various economic and historical functions of the family farm. Some of these beliefs date from classical antiquity, some are of twentieth century vintage. Some are inconsistent, and not all stem from the same ideological strain. Whatever the case, they constitute an important and enduring part of the American political heritage.

Various terms such as the "Jeffersonian myth," "agricultural fundamentalism," "agrarian idealism," "agrarian myth," and the "freehold concept" have been used to designate at least some of these beliefs. We choose to use another term--the family farm creed. We do so not out of some urge simply to be different, but because none of the other terms are fully adequate or appropriate to the purposes and scope of this study.

The American version of the family farm creed in its most fully developed form is primarily the product of eighteenth and nineteenth century agrarianism, or what we might call the Jeffersonian-Populistic agrarian ideology. This ideology saw the world in terms of the country rather than the city, in terms of agriculture rather than industry.

<sup>&</sup>lt;sup>4</sup>We use ideology to mean simply a politically consequential belief system which has determinate spokesman and leaders and a politically consequential following; see Alan P. Grimes and Robert H. Horwitz, Modern Political Ideologies (New York: Oxford University Press, 1959), P. xiii.

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finance and commerce. It was pre-industrial in origin and remained antiindustrial in commitment. Nourished by backwoodsman-independence and
reinforced by philosophical theories of natural rights and social compacts, it trusted no governments except those which were popularly controlled, and the best popular governments were those which governed
least. It was born "along the Appalachian watershed" in the early
part of the eighteenth century, more or less fully formulated and
activated by Jefferson's leadership at the turn of the century, reinforced by the Jacksonian era, and sustained throughout the rest of
the nineteenth century by the promise and reality of the Western
frontier.

In the words of Arthur Schlesinger, Jr. it stood for "simplicity vs. ostentation; frugality vs. extravagance; rectitude vs. laxity; moderation vs. luxury; country vs. city; virtuous farmer or mechanic vs. depraved capitalist or demoralized day laborer; plain homely government vs. sumptuous complicated government; economy vs. debt; strict construction vs. loose construction; State rights vs. huge federal power; decentralization vs. concentration; democracy vs. aristocracy; purity vs. corruption."

The family farmer is the central figure and prime hero of this ideology. But the family farm creed is not synonomous with the agrarian ideology. The family farm creed demands only a family farm agriculture. Jeffersonian-Populistic agrarianism demanded much more; it demanded an essentially agricultural society. Twentieth century agrarian ideology,

<sup>5</sup>V. L. Parrington, Main Currents in American Thought, I (New York: Harcourt, Brace & World, A Harvest Book, 1954; first published in 1927), p. 133.

<sup>6</sup>The Age of Jackson (Boston: Little, Brown & Co., 1950), p. 512.

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at least since the failure of third-party agrarian efforts in the early part of the 1920's, differs strikingly from its nineteenth century predecessor. It differs radically in style and technique, and, having recognized reality, has negotiated a working peace with the urban-industrial world. But, like its predecessor, it too is concerned with the whole range of public policy. However, our prime concern here is with agricultural policy. We are not concerned specifically with the development, influence, and fate of American agrarianism in general, but only as it bears on the family farm creed and agricultural policy.

Just as the family farm creed is more narrow and less restrictive than the ideology which brought it to full bloom, important components of the creed have traditionally been accepted by groups and ideologies outside the agrarian circle. It is precisely because of this wide ranging and diverse support that the family farm has enjoyed such a long-enduring, privileged status.

It was suggested in Chapter I that one cannot understand American agricultural politics and policy without an appreciation of the family farm creed. We contend that because of the persuasive existence of the family farm creed, the over-arching goal of American agricultural policy has historically been the promotion and preservation of the family farm. Throughout much of the history of American agricultural policy the family farm goal has been an implicit one. Ever since the triumph of Jefferson-ian-type land policy assured that agriculture would be organized primarily around the family sized unit, Americans have simply equated agriculture with family farm agriculture. Policies intended to promote or protect agriculture in general have been implicitly seen as promoting or

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protecting the family farm in particular. Explicit identification of the family farm goal is not common until the 1930's and 1940's.

It is to be emphasized that we have used the term "over-arching." There have been and are, many specific goals of American agricultural policy such as stable prices, parity income, better housing, improved health, better education, cheaper and more adequate credit, bargaining equality for farmers, etcetera. The realization of these goals, however, has been seen, we submit, as contributing to or, at least, not detracting from the promotion and preservation of the family farm. Thus among those who have determined the course of American agricultural policy there has been a consensus that the promotion and preservation of the family farm ought to be the ultimate goal of agricultural policies.

A major task of this study is to identify the beliefs that traditionally have attended the family farm, to describe how the family farm came to be enthroned as the over-arching goal of American agricultural policy, and to explain the relationship between this goal and the resulting agricultural policies. It is no concern of this study to pass judgment on the question of whether or not the promotion and preservation of family farm should have enjoyed such a high status as a goal of agricultural policy or whether it should continue to enjoy this status.

Neither are we concerned with whether or not the image of the family farm has corresponded to the reality of the family farm except insofar as recognition of possible disparity between the two has affected the beliefs about the family farm and had consequences for agricultural policy.

<sup>7</sup>See Chapter V for a fuller discussion of this point.

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Although the general meaning of the terms family farm and family farmer dates to the eighteenth century, the actual useage of these terms is pretty well limited to the twentieth century. Because the family farm dominated American agriculture throughout most of its history, simply the terms farm and farmer, unadorned by the adjective, family, have been most commonly used. During the eighteenth and early part of the nineteenth century, however, to distinguish the small-scale, independent farmer from his European counterpart or from the American estate and plantation farmers and their tenant laborers, the terms "yeoman," "feesimple" farmer, or "freehold" farmer were also often used. As we will note later, the adjective, family, comes into more general useage during the period between the two World Wars.

While the terms have varied, the general meaning has been rather constant. Generally speaking the family farm has been defined as a farm operated by and for a family—a family enterprise. It is large enough to provide reasonably full employment for the family, but not so large as to require the employment of large quantities of outside labor. Proponents have preferred that the farm be owned by the family or that the tenure arrangement be such that the family makes most of the managerial decisions. Also, it has generally been the case that to be designated as a family farm, the unit—whether it be the nearly self-sufficient operation of the eighteenth and early nineteenth century, or the highly commercialized operation of the twentieth century—must be capable of providing the family with that degree of material comfort which American society, according to various historical periods, has considered to be minimal for a "decent" life.

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# The European Tradition

Although the family farm creed as developed on the American scene has its own distinguishing characteristics, many of the beliefs which attend it are neither new nor peculiarly American. The praise of farming and farmers has a long and persuasive history in Western thought. Sorokin et al. find extensive expression of it in the writings of major philosophers, scholars, and poets from Hesiod to Rousseau. W. E. Heitland, in his extensive survey of Greco-Acman agriculture, finds frequent reference to it. Paul H. Johnstone documents the praise of agriculture from the greats of the Greco-Roman period through the various agricultural enthusiasts and romanticists of eighteenth century Europe. Edward Townsend Booth writes of men of letters who identified with the country from Eesiod to Melville.

The praise of farming and the farmer probably is as old as the Golden Age legend of Greek mythology.  $^{12}$  Some of the first literary

<sup>8</sup>Pitirim A. Sorokin, Carle C. Zimmerman, and Charles J. Galpin, A Systematic Source Book in Rural Sociology, I (Minneapolis: The University of Minnesota Press, 1930), 1-140.

<sup>9</sup>Agricola (Cambridge: Cambridge University Press, 1921).

<sup>10&</sup>quot;In Praise of Husbandry," Agricultural History, XI (April, 1937), 80-95; "Turnips and Romanticism," <u>ibid.</u>, XII (July, 1938), 224-35; "The Rural Socrates," <u>Journal of the History of Ideas</u>, V (April, 1944), 151-175.

llGod Made the Country (New York: Alfred A. Knopf, 1946). Also see Dwight Durling, Georgic Tradition in English Foetry (Columbia University studies in English and Comparative Literature, No. 121: Columbia University Press, 1931), pp. 43-107; and Clark Emery, "The Poet and the Plough," Agricultural History, XVI (January, 1942), 9-15.

<sup>12</sup>Arthur O. Lovejoy and George Boas, <u>Primitivism and Related Ideas</u> in Antiquity (Baltimore: Johns Hopkins Press, 1935), and Johnstone, <u>Agricultural History</u>, XII.

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expressions of it are found in the writings of Hesiod. And in Greek literature, it probably reaches its fullest expression in <u>The Economist</u> by Xenophon. 13

Surveying the major Greek thinkers Sorokin et al. found that they "view the farmer class favorably, as being the foundation of social order and stability, a law-abiding, hard-working, vigorous, healthy, moral, patriotic, religious, sturdy, brace, and old-fashioned group. Farm life is regarded as the best school for physical training, for the developing of the best soldiers, and for producing honest and industrious citizens." 14

In the writings of Cicero, Varro, Virgil, Columella and the elder Pliny of the "praise of agriculture assumes a definitely conventionalized form." Agriculture is described as the only essential employment and the basis of all prosperity. Farmers are seen as simple, honest, patriotic, manly, generally virtuous citizens. Cicero tersely and cleanly stated the essentials of this view when he declared that "of all the occupations by which gain is secured, none is better than agriculture, none more profitable, none more delightful, none more becoming a freeman."

<sup>&</sup>lt;sup>13</sup>Sorokin et al., pp. 36-38.

<sup>14</sup>Ibid., p. 25.

<sup>15</sup> Johnstone, Agricultural History, XI, 80.

<sup>16</sup>Ibid., and Agricultural History, XII, 225.

<sup>17</sup>De Officiis, I, XLII, Loeb Translation, p. 155, quoted in A. Whitney Griswold, Farming and Democracy (New Haven: Yale University Press, 1952; first published by Harcourt, Brace and Company, 1948), p. 19-20.

During the Middle Ages there was a dearth of agricultural literature. <sup>13</sup> However, with the Renaissance a modern literature of agriculture began to develop and by the beginning of the eighteenth century a massive renewal was under way. <sup>19</sup> By 1750 the "vogue" for agriculture had become a "veritable craze" in England. <sup>20</sup> As one historian notes, "agriculture was not content with gaining a literature of its own; it might almost be thought of as setting out to conquer the literature of England. <sup>21</sup> The same trend was apparent on the Continent, causing Voltaire to remark that all but laborers are reading about farming. <sup>22</sup>

The craze for agriculture was not simply literary. It now became fashionable to live in the country, to at least make a show of being a farmer. King George III operated a model farm at Windsor, contributed to Arthur Young's <u>Annals</u> and apparently enjoyed being called "Farmer George." The nobility were active in organizing agricultural societies, sponsoring sheepshearing and plowing contests and experimenting with new techniques of husbandry. "Bourgeoisie, nobility, and royalty ran a higher and higher fever from this <u>furor hortensis...."</u> Arthur Young said of the third quarter of the

<sup>18</sup>As Booth notes, "there could be no sentimental or merely fashionable rural life at a time when everyone was in dead earnest a farmer, soldier or monastic." p. xvii.

<sup>19</sup>Johnstone, Agricultural History, XI, 86.

<sup>20</sup>Johnstone, ibid., XII, 232.

<sup>21</sup>N. S. B. Gras, A History of Agriculture in Europe and America, (2nd ed., New York: F. S. Crofts & Co., 1940), p. 227.

<sup>&</sup>lt;sup>22</sup>Ibid., p. 217.

<sup>23</sup>Johnstone, Agricultural History, XII, 233.

<sup>&</sup>lt;sup>24</sup>Booth, p. xxiii.

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eighteenth century, "perhaps we might, without any great impropriety, call farming the reigning taste of the present times." Not only did the literature of agriculture increase greatly in volume, but, more importantly, it "gained the patronage of the upper strata of society that decided matters of taste and fashion, thus disposing them to look with sympathy on farming and rural life." Johnstone concludes that the "agricultural enthusiasm was without a doubt one of the singular features of the eighteenth century."

Taken as a whole, this literature touched on all aspects of agriculture ranging from Jethro Tull's reports on his technical experiments to the economic theories of the Physiocrats. Much ot it was wholly practical and did much to encourage the development of scientific and commercialized farming. However, an integral part of almost all this literature was the conventionalized praise of agriculture and farm life. In this the writers borrowed directly from the Classical tradition.

"The only major change from the Classic praise of husbandry was the inclusion of Christian legend and dicta to reinforce pagan authority." 27

This literature idealized all country life and praised the landed nobleman and milk maid alike. But throughout there was one particular object of praise, one dominant hero—the small and virtuous yeoman farmer. In this praise of the small farmer many inconsistencies were apparent. The disparity between his interests and the interests of

<sup>&</sup>lt;sup>25</sup>Arthur Young, Rural Economy (Dublin, J. Exshaw, 1770), p. 173.

<sup>&</sup>lt;sup>26</sup>Agricultural History, XII, p. 233.

<sup>&</sup>lt;sup>27</sup>Ibid., p. 226.

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those who eulogized him were often considerable, particularly in England where writers could expound at length on the virtues of the small farmer while at the same time being vigorous advocates of scientific experimentation, the use of more capital, and the enclosure movement, all of which were acting to push the small farmer off the land. Likewise in France the Physiocrats sought economic reforms which primarily benefited the large estate farmers at the expense of the peasant whom they praised.

But after all the inconsistencies are taken account of and the many patent absurdities acknowledged there can be little doubt but that this agricultural enthusiasm of the eighteenth century did much to etch into the European mind and European politics the image of the small, honest, unpretentious, pious and patriotic farmer, the bed-rock of the social and political structure, an image that matured in the nineteenth century and survived on into the twentieth.

We are not interested in tracing through the influence and fate of the agrarian tradition in Europe beyond the latter part of the eight-eenth century. We might briefly note, however, that in almost all the European countries the family farmer has enjoyed a unique and many ways privileged position. Most of them "have put a premium on family farming and the agrarian way of life," particularly in France which has outdone every other country, it would seem, in making "a fetish of the small peasant farm." England is something of an exception. With the repeal of the Corn Laws in 1846, Englishmen had come "to think of their agriculture as a source of food and national wealth rather than the mainstay

<sup>&</sup>lt;sup>28</sup>Griswold, p. 87. See Chapters III and IV for an excellent review of the status of the family farm in England and France.

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of a particular state of society or way of life."<sup>29</sup> The last of the enclosure movement of the latter part of the eighteenth and early part of the nineteenth centuries had pretty well wiped out the small farmer, the repeal of the Corn Laws added to his adversity. Since the 1930's and particularly since World War II, however, England has been seeking to strengthen her family farmers.

From the Classical period through the eighteenth century in Europe the agrarian tradition consists of two hard-core sets of beliefs--beliefs as to the economic importance of agriculture, beliefs as to the way of life associated with farming.

Agriculture was depicted as the basic or fundamental industry because it was the first industry in historical development, because it was a "natural" industry, and because it produced the necessities of life, food and fiber. It was the basic industry also in the sense that economic prosperity in general was dependent on agriculture; that all other sectors of the economy, all other occupations, were vitally dependent upon the economic health and vigor of agriculture.

As depicted by the Classical tradition and the agricultural enthusiasm of the eighteenth century the rural way of life was treated as special and unique. In its most general expression the magic of the countryside was held to work its charm on peasant and nobleman alike. In many instances the praise of farming was used to the effect of enhancing the social and political prestige of the landed gentry. But even here the praise was seldom directed specifically at the nobleman.

<sup>&</sup>lt;sup>29</sup>Ibid., p. 60.

Generally the praise was directed to the small farmer, and with the passing of the landed aristocracy he became its sole object. His calling made him a citizen sound in body and spirit. Depending upon his own energies, working close to nature, and removed from the commercialization and artificiality of the city, the farmer was honest, unpretentious, reliable, self-reliant, and generally of high moral character. Because of his desire to preserve his claim over his property he is politically stable and intensely patriotic.

#### The American Tradition

In 1869 the First Secretary of the Eritish Legation in Washington, after making a survey of American agricultural practices and land tenure systems, filed the following report:

The <u>system of land occupation</u> in the United States of America may be generally described as by <u>small proprietors</u>.

The proprietary class throughout the country is, moreover, rapidly on the increase, whilst that of the tenancy is diminishing and is principally supplied by immigration.

The theory and practice of the country is for every man to own land as soon as possible.

The term landlord is an obnoxious one.

The American people are very averse to being tenants and are anxious to be masters of the soil....

The possession of land of itself does not bestow on a man, as it does in Europe, a title to consideration; indeed, its possession in large quantities frequently reacts prejudically to his interests as attaching him to a taint of aristocracy which is distasteful to the masses of the American people.

It may be asserted that the system of land-tenure by small proprietors is regarded in this country in great favour, and

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This detached and unemotional report quite accurately described the American system of land tenure of the day, a system which few Americans of the period could be detached and unemotional about.

As our analysis of the agrarian theme in European thought suggests, the belief in the sacredness of farming and of farm life is by no means peculiarly American. The European tradition was unquestionably a part of the young Americans' cultural baggage. However, as to precisely what extent men like Jefferson, John Taylor, de Crevecoeur, Philip Freneau, and Hugh Henry Brackenridge, who in prose, poetry and political action gave full expression to the American agrarian ideology during the formative years of the Republic, were influenced by the European tradition is a question which need not concern us. Suffice it to say that the New World agrarian view contained most of the stock beliefs about the economic fundamentalism of agriculture and the virtuous qualities of farm life that we have documented above.

Despite the similarities the New World praise of the farmer was no carbon copy of the European tradition, particularly the pre-French

<sup>30</sup>Great Britain, Accounts and Papers, 1870, LXVII, 465-466, 477, quoted in Griswold, p. 129. Italics mine.

<sup>31</sup>On this general point there has been a great deal of discussion about the extent to which Jefferson's agrarian ideas were influenced by the romantic philosophy of eighteenth-century France in general and the doctrines of the Physiocrats in particular. See Parrington, Main Currents, passim; Griswold, Farming..., pp. 26-35; Gilbert Chinard, "Jefferson and the Physiocrats," University of California Chronicle, XXXIII (January, 1931), 18-31; Joseph Dorfman, "The Economic Philosophy of Thomas Jefferson," Folitical Science Quarterly, LV (March, 1940), 98-121. Parrington emphasized the Physiocratic influence; the others down play it.

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Revolution tradition. In fact, much of the praise of the farmer was a product of the belief that the New World farmer differed radically from the Old World farmer. As seen from this side of the Atlantic, the Old World farmer was often depicted as a lowly peasant, encumbered by feudal obligations, and relegated to a humble social status in a stratified society. The American farmer was seen as the direct opposite—a feesimple land owner and a social equal. A British observer noted this difference when he reported that the word farmer had a different meaning here than in England:

Nor is the term 'farmer' synonymous with the same word in England. With you it means a tenant, holding of some land, paying much in rent, and much in tythes, and much in taxes; an inferior rank in life occupied by persons of inferior manners and education. In America a farmer is a land-owner, paying no rent, no tythes, and few taxes, equal in rank to any other rank in the state, having a voice in the appointment of his legislators, and a fair chance, if he deserve it of becoming one himself. 32

Because of the physical and political realities of the New World, the early American agrarians believed that "the society of the new nation was a concrete embodiment of what had been in Europe but a utopian dream." Thus the emerging agrarianism of the New World took on strong nationalistic and democratic themes.

Although a nationalistic agrarianism cannot properly be said to exist until the Revolutionary period, the groundwork was laid in the latter part of the seventeenth century. In this pre-revolutionary period much of the agrarian literature was in the form of promotionals

<sup>32</sup>Thomas Cooper, Some Information Respecting America (Dublin, 1794), pp. 72-73, quoted in Chester E. Eisinger, "Land and Loyalty: Literary Expression of Agrarian Nationalism in the Seventeenth and Eighteenth Centuries," American Literature, XXI (May, 1949), 177.

<sup>33</sup>Henry Nash Smith, Virgin Land: <u>The American West as Symbol and Myth</u> (New York: Vintage Books, 1957; first published by Harvard University Press, 1950), p. 146.

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intended to attract colonists to the New World. The ideas expressed in this literature represented "an awakening consciousness of the special quality of American life and thus became the predecessors of legitimate agrarian nationalism." 34

One of the special qualities these earlier writers took note of was the agricultural abundance of the New World:

Come, then, you that would well bestow your money, View this good land which flows with milk and honey.  $^{35}$ 

This abundance which assured the happiness and security of all those who partook of it was not simply the product of the richness of a virgin soil, but more importantly the general availability of land in fee-simple ownership to all those willing to expend a reasonable effort. This is expressed in the following:

I may say, and say truly, that if there by any terrestrial happiness to be had people of all ranks, especially of an inferior rank, it must certainly be here: here any one may furnish himself with land, and live rent-free, yea, with such a quantity of Land, that he may weary himself with walking over his fields of Corn....30

As the Revolutionary period approached, the agrarian literature stressed not only the contented happiness—bred by full stomachs and full barns—of the New World farmers but also their freedom and independence:

I eat, drink, and sleep, and do what I please, The King in his Falace can only do these. 37

<sup>34</sup>Eisinger, American Literature, XXI, 161.

<sup>35</sup>John Holme, A True Relation of the Flourishing State of Pennsylvania (c. 1698), quoted in Eisinger, <u>ibid</u>., p. 162.

<sup>26</sup>Daniel Denton, A Brief Description of New York (London, 1670, p. 21); quoted in <u>ibid.</u>, p. 163.

<sup>27&</sup>quot;The Contented Farmer, "Ames' Almanac (1761); quoted in Chester E. Eisinger, "The Farmer in the Eighteenth Century Almanac," Agricultural History, XXVIII (July, 1954), 111.

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Because the abundance of the New World's agriculture and the freedom and independence of her farmers were believed to stand in sharp contrast to the poor and politically oppressed peasantry of Europe, the farmer, particularly in his freedom and independence, became a source of patriotic pride. "The archetypal American—the rugged, individualistic, self-sustaining, independent farmer—thus becomes the object of a chorus of chauvinistic praise. This figure sent shivers of ecstacy up and down the spines of his articulate countrymen, the famous and unknown alike." 38

For those caught up in the growing spirit and reality of the emerging democracy, the family farmer became not simply an object of chauvinistic praise but the symbol of, and the best hope for, a political democracy. A political democracy required a free, independent, and honest citizenry and it was the freehold farmer who was seen as best exemplifying these characteristics. Both the fear that these characteristics were not to be realized in other classes and belief that they are personified in the farmer are expressed by Philip Freneau:

It is our great comfort...that although here are some things are wrong, I must confess, among the rich and great, the honourable and very worthy, our AMERICAN FARMERS, are VIRTUOUS, not in name but in REALITY. Vice has not been able to entice them from the standard of VIRTUE, INDEPENDENCE, and FREEDCM. To them we look—they are our bulwark, the guardians of our rights, the supporters of our dignity, and the pillars of our CCNSTITUTION.<sup>39</sup>

<sup>38</sup>Eisinger, American Literature, XXI, 166.

<sup>39</sup>Letters on Various and Important Subjects (Philadelphia, 1799), p. 18, quoted in Eisinger, "The Freehold Concept in Eighteenth Century American Letters," William and Mary Quarterly, 3rd series, IV (January, 1947), 58. Freneau was a noted poet-journalist of the period and has been described as the father of American poetry. He also was active in helping to organize the Democratic party; see, e.g., William Nisbet Chambers, Political Parties in a New Nation (New York: Oxford University Press, 1963), p. 6.

Most of the major themes of the attitude toward the family farm and the general American agrarian outlook that had emerged by around the turn of century are to be found in the works of J. Hector St. John de Crevecoeur and Thomas Jefferson. Crevecoeur represents its literary side, Jefferson is its ideologist and its chief political advocate.

#### Crevecoeur

Crevecoeur was a Frenchman settled on a farm in New York. His Letters From an American Farmer were quite popular in this country and in Europe during the 1780's and 1790's. In the third and probably most famous chapter of his Letters, Crevecoeur addresses himself to the question, "What is an American?" His answer and reasons for it are typically agrarian: "The American is a new man, who acts upon new principles" and "whose labours and posterity will one day cause great changes in the world."

The American is a mixture of "English, Scottish, Irish, French, Dutch, Germans and Swedes" most of whom in their homelands were

so many useless plants, wanting vegetative mould, and refreshing showers; they withered, and were mowed down by want, hunger and war.

But in the new soil of the "great American asylum" they are regenerated:

but now by the power of transplantation, like all other plants they have taken root and flourished: Formerly they were not numbered in any civil lists of the country, except in those of the poor; here they rank as citizens...where they have become men. 42

<sup>40</sup>This work was first published in 1782 in London. American editions followed in the 1790's. We use a paperback edition by E. P. Dutton and Co., Inc., 1957.

<sup>41&</sup>lt;u>Ibid</u>., pp. 40, 39.

<sup>42&</sup>lt;u>Ibid</u>., p. 38. Italics mine.

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How is it that the European is so transformed? Here Crevecoeur strikes the heart of the agrarian theme; he becomes a landowner.

Crevecoeur describes the effect of acquiring property on the "typical" European:

He is now possessed of the deed, conveying to him and his posterity the fee simple and absolute property of two hundred acres of land, situated on a river. What an epocha in this man's life! He is become a freeholder, from perhaps a German boor—he is now an American...and for the first time in his life counts for something; for hitherto he has been a cypher. 43

This new man, then, is the freehold farmer, a man who constitutes the backbone of the most perfect society on earth:

We are a people of cultivators, scattered over an immense territory, communicating with each other by means of good roads and navigable rivers, united by the silken bands of mild government. all respecting the laws, without dreading their power because they are equitable. We are all animated with the spirit of an industry which is unfettered and unrestrained, because each person works for himself. If he travels through our rural districts he views not the hostile castle, and the haughty mansion, contrasted with the clay-built hut and miserable cabin, where cattle and men help to keep each other warm, and swell in meanness, smoke, and indigence. A pleasing uniformity of decent competence appears throughout our habitations. The meanest of our log-houses is a dry and comfortable habitation.... We have no princes, for whom we toil, starve, and bleed: we are the most perfect society existing in the world. Here man is free as he ought to be.44

Then Crevecoeur goes on to strike another note of the agrarian theme, the belief that the vast land of the West would make it possible for this utopia to last almost indefinitely:

<sup>43</sup> Ibid., p. 55. Italics mine.

<sup>44&</sup>lt;u>Ibid., p. 36.</u> Italics mine.

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•••nor is this pleasing equality so transitory as many others are. Many ages will not see the shores of our great lakes replenished with inland nations, nor the unknown bounds of North America entirely peopled. Who can tell how far it extends? Who can tell the millions of men whom it will feed and contain, for no European foot has yet travelled half the extent of this mighty continent.

### Jefferson<sup>46</sup>

Secretary of Agriculture, Claude R. Wickard, speaking at Monticello on the two hundred and first anniversary (1944) of the birth of Thomas Jefferson, acclaimed the Sage of Monticello as the "father of the idea of the family-sized farm." This accolate is not wholly merited as the tradition out of which the family farm creed developed considerably pre-dates Jefferson. However, probably no other American is more closely identified with American agrarianism in general and the family farm creed in particular. Because of Jefferson's immense stature both during his day and down through the present 48 the

<sup>45&</sup>lt;u>Ibid.</u>, p. 37.

<sup>46</sup>For secondary sources on Jefferson and the Jeffersonian tradition we have relied heavily on the following works: Griswold, Farming..., esp. Chapter II; Parrington, Main Currents..., passim; Schlesinger, Age of Jackson, passim; Smith, Virgin Land, passim; Merril D. Peterson, The Jefferson Image in the American Mind (New York: Oxford University Press, 1960); Daniel J. Boorstin, The Lost World of Thomas Jefferson (New York: Henry Holt & Co., 1948); Herbert Agar, The People's Choice (Boston: Houghton Mifflin & Co., 1933), passim; Chinard, University of California Chronicle, XXXIII 18-31; Dorfman, Political Science Quarterly, LV, 98-121; Joseph Dorfman, The Economic Mind in American Civilization, I (New York: The Viking Press, 1946), passim; Saul K. Padover, ed., Thomas Jefferson on Democracy (New York: A Mentor Book, the New American Library, 1946); Saul K. Padover, Jefferson: A Great American's Life and Ideas (New York: A Mentor Book, The New American Library, 1952).

<sup>47&</sup>quot;Thomas Jefferson--Founder of Modern American Agriculture," in "The National Agricultural Jefferson Bicentenary Committee Its Activities and Recommendations," Agricultural History, XIX (July, 1945), 179.

<sup>48</sup>For an excellent account of Jefferson's image in American thought and politics, see Peterson, The Jefferson Image in the American Mind.

association is thoroughly justified.

Jefferson's championship of the small farmer at a time when almost ninety percent of the people livedon and by the land was undoubtedly a political asset; a fact which Jefferson was certainly not unaware of. On the other hand, it is equally apparent that the theme that the "small landholders are the most precious part of the state" was not simply a political slogan. Likewise, although at one point Jefferson represents farmers as the "chosen people of God" his belief in the virtuousness of the farmer did not rest on some notion of a mystical and purifying connection between soil and man as is the case with many of the more romantic agrarians. His views represent the conclusions of a serious student of philosophy and were based on hardnosed beliefs about human nature and about the social and economic conditions necessary for a stable and just political democracy.

Jefferson believed in democracy because he thought the people capable of fulfilling the responsibilities required of them for self government. In discussing this point with Du Pont de Nemours he stated:

•••we both consider the people as our children, and love them with parental affection. But you love them as infants who you are afraid to trust without nurses, and I as adults, whom I freely leave to self government.  $^{49}$ 

Further, man has a natural "sense of right and wrong...a conscience" which is "as much a part of man as his leg or arm." But Jefferson

<sup>49</sup>Letter to M. du Pont de Nemours, April 24, 1816, The Writings of Thomas Jefferson, ed. H. A. Washington (Washington: Taylor & Maury, 1854) VI. 591.

<sup>50</sup>Letter to Feter Carr, August 10, 1787, The Papers of Thomas Jefferson, ed., Julian P. Boyd (Princeton: Princeton University Press, 1955) XII. 15.

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recognized that inactivity on one hand or dissipative living on the other causes muscles to atrophy. As the athlete must care for and train his body, which is nature's gift, political man must live under proper conditions if his natural potential is to be realized. For Jefferson those conditions were best realized in the country, least in the city; the farmer was the most likely to be guided by this natural sense of right and wrong, the industrial worker, the merchant, etc., the least likely. 51

Thus when Jefferson expressed his faith in the "people" he thought primarily of the farmer and the independent mechanic. He thought of the class of manufacturers "as panders of vice, and the instruments by which the liberties of a country are generally overturned." Example 1.52 Merchants were often weak in virtue and amor patriae. The "mobs of the cities" were "sores" on the body politic. He ferson's democratic faith therefore seems to be a qualified one. Quite possibly Richard Hofstadter's assessment of Jefferson's democratic faith is unduly harsh, but certainly not baseless: "Sunder human nature from its proper 'natural' nourishment in the cultivation of the soil and the ownership of real property, and he profoundly distrusts it. Sunder democracy from the farm and how much more firmly does he believe in it than John Adams?" 55

<sup>51&</sup>lt;u>Ibid</u>., p. 15. Also see Boorstin, pp. 146-48.

<sup>52</sup>Letter to John Jay, August 23, 1785, Papers, VIII, 1953, 426.

<sup>53</sup>Dorfman, Political Science Quarterly, LV, 105.

<sup>54</sup>Thomas Jefferson, Notes on the State of Virginia, first published 1785, reprinted in Saul K. Fadover's The Complete Jefferson (New York: Duell, Sloan & Fearce, Inc., 1943), p. 679.

<sup>55</sup>Richard Hofstadter, <u>The American Political Tradition</u> (New York: Vintage Books, Random House, Inc., 1900; first published by Alfred A. Knopf, Inc., 1948), p. 31.

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Jefferson did believe that democracy could fulfill its promise only if the majority of the citizens were honest, independent and reasonably intelligent. Education—elementary schools for the people, colleges for the leaders—could provide for the latter, but the realization of the former depended on the social and economic conditions in which the citizens lived. The class of family farmers lived under conditions most conducive to these qualities, the mobs of the cities lived under conditions least apt to develop these qualities.

Jefferson believed that the family farmer's individualism and moral probity were basically the consequence of his economic independence and sense of social equality. 57 Both were derived from the fee-simple ownership of land, to which man has a natural right, and the making of a livelihood from that land. Owing no rents and bound by no feudal duties to any landlord, independent of the whims of any employer, to a considerable extent immune to the caprices of customers, blessedly isolated from the artificiality and vice of the city, the farmer is dependent only on himself and his family. He recognizes no one as his social superior,

<sup>&</sup>lt;sup>56</sup>Carl Becker, "What is Still Living in the Political Philosophy of Thomas Jefferson," <u>The American Historical Review</u>, XLVII (July, 1943), 700.

<sup>57</sup>Griswold, p. 36.

<sup>58</sup>Jefferson, like all agrarians of his day, was an advocate of fee-simple tenure, not simply because ownership conferred independence and dignity, but because to own property was a natural desire and a natural right. The modern natural right concept of property constitutes an important aspect of Jeffersonian agrarianism. For more detailed discussion of this point see: R. Freund, "John Adams and Thomas Jefferson on the Nature of Landholding in America," Journal of Land Economics, XXIV (May, 1948), 107-119; Chester E. Eisinger, "The Influence of Natural Rights and Physiocratic Doctrines on American Agrarian Thought During the Revolutionary Period," Agricultural History, XXI (January, 1947), 13-23; Griswold, Farming..., pp. 36-45; Dorfman, Political Science Quarterly, LV.

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and because he shares with his farmer neighbors a considerable equality and seldom employs permanent labor, none as his social inferior. Also because he has a property stake in society he loves it the more dearly; "they are tied to their country, and wedded to its Liberty and interests, by the most lasting bands." 59

On the other hand, Jefferson believed that these qualities were often lacking in wage-earners, their employers, and the cities that housed them. Here dependence was the rule and with dependence, subservience and venality. Artificiality, self-interest, luxury, and dissipation are the order of the day. "Vice, he thought, flourished chiefly in cities and in industrial communities which produce cities. In cities, where most people are unacquainted with each other, unscrupulous men could push their selfish interest under cover of the general indifference; wealth, opened the door to speculation for unearned profit, encouraged greed, and rewarded useless luxure: provided all the conditions, in short, for the rise of a corrupt and politically influential 'money power'." 60

Thus Jefferson believed that "our governments will remain virtuous for many centuries--as long as they are chiefly agricultural--and this will be as long as there shall be vacant lands in any part of America. He wished that we might "long keep our workmen in Europe" practicing neither commerce or industry in excess and thus standing "with respect to Europe, precisely on the footing of China. We would

<sup>&</sup>lt;sup>59</sup>Letter to John Jay, August 23, 1785, Papers, VIII, 1953, 426.

<sup>60</sup>Becker, American Historical Review, XLVII, 700.

<sup>61</sup>Letter to James Madison, December 20, 1787, Papers, XII, 1955, 442.

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thus avoid wars, all our citizens would be husbandmen."<sup>62</sup> And he dreaded the day that the vacant lands would be gone because when "we get piled upon one another in large cities, as in Europe, we shall become corrupt as in Europe."<sup>63</sup>

Many of Jefferson's views of farm and city, agriculture and manufacturing, farmer and city dweller, are summarized in this famous passage from his Notes on Virginia:

The political economists of Europe have established it as a principle, that every State should endeavor to manufacture for itself; and this principle, like many others, we transfer to America, without calculating the difference of circumstance which should often produce a difference of result. In Europe the lands are either cultivated, or locked up against the cultivator. Manufacture must therefore be resorted to of necessity not of choice, to support the surplus of their people. But we have an immensity of land courting the industry of the husbandman. Is it best then that all our citizens should be employed in its improvement, or that one half should be called off from that to exercise manufactures and handicraft arts for the other? Those who labor in the earth are the chosen people of God, if ever He had a chosen people, whose breasts He has made His peculiar deposit for substantial and genuine virtue. It is the focus in which he keeps alive that sacred fire, which otherwise might escape from the face of the earth. Corruption of morals in the mass of cultivators is a phenomenon of which no age nor nation has furnished an example. It is the mark set on those, who, not looking up to heaven, to their own soil and industry, as does the husbandman, for their subsistence, depend for it on casualties and caprice of customers. Dependence begets subservience and venality, suffocates the germ of virtue, and prepares fit tools for the designs of ambition. This the natural progress and consequence of the arts. has sometimes perhaps been retarded by accidental circumstances; but, generally speaking, the proportion which the aggregate of the other classes of citizens bears in any State to that of its husbandmen is the proportion of its unsound to its healthy parts, and is a good enough barometer whereby to measure its degree of corruption. While we have land

<sup>62</sup>Letter to G. K. van Hogendorp, October 13, 1785, Papers, VIII, 1953, 633.

<sup>63</sup>Letter to James Madison, December 20, 1787, Papers XII, 1955, 442.

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to labor then, let us never wish to see our citizens occuried at a work-bench, or twirling a distaff. Carpenters, masons, smiths, are wanting in husbandry; but, for the general operations of manufacture, let our workshops remain in Europe. It is better to carry provisions and materials to workmen there, than bring them to the provisions and materials, and with them their manners and principles. The loss of the transportation of commodities across the Atlantic will be made up in happiness and permanence of government. The mobs of the great cities add just so much to the support of pure government, as sores do to the strength of the human body. It is the manners and spirit of a people which preserves a republic in vigor. A degeneracy in these is a canker which soon eats to the heart of its laws and constitution. Of

#### The Family Farmer Crows in Stature

Jefferson's equation of the "people," on which the new democracy was to be built, with the family farmer was inherited by the Jacksonians.

The wealth and strength of a country are in its population, and the best part of that population are the cultivators of the soil. Independent farmers are everywhere the basis of society, and the true friends of liberty.  $^{65}$ 

and transmitted through the Western agrarian radicals to the Populists in the 1890's. The Jeffersonian-Populistic agrarian ideology exerted a powerful and significant influence throughout the nineteenth century. But the total agrarian program was never put into effect. The Jeffersonian dream of a wholly agrarian society was irrecoverably doomed by the new industrialism. Even the Jacksonians had to come to grips with the realities of the growing industrialism, distasteful as they might have found it, and to "slowly and with some embarrassment" dilute their agrarianism so as to broaden the base of their voter appeal. 66

<sup>64</sup>The Complete Jefferson, pp. 678-79.

<sup>65</sup>President Andrew Jackson, in message to Congress on the public lands, quoted in Roy M. Robbins, <u>Our Landed Heritage</u>; <u>The Public Domain</u>, <u>1776-1936</u> (Lincoln: University of Nebraska Press, 1962; first published, 1942), p. 57.

<sup>66</sup>Schlesinger, Age of Jackson, p. 309.

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But even though the simple agrarian paradise was no longer possible and a simon-pure agrarian ideology no longer an adequate base on which to build an enduring electoral majority, the image of that ideology's hero--the family farmer--suffered little diminution; in fact it continued to take on new lustre. The image of the family farmer probably reached its most heroic proportions and its most extensive acceptability with the passage of the Homestead Act in 1862. There are several factors which explain the continued growth in the heroic status of the family farmer.

The popular propagation of the praise of the farmer was greatly enhanced by the development during the 1820's and 1830's of a robust agricultural press. These new farm journals did yeoman work in providing farmers with technical information and encouragement for the improvement of their farming operations. But they were not simply technical journals. Their pages were constantly sprinkled with articles and poems praising agriculture as an economic activity and as a way of life. All the stock beliefs as virtues of the country and the evils of the city were repeated over and over in prose and verse. 67

In more sophisticated literary circles the growing interest in nature, beginning in the 1820's and manifested in the 1830's and 1840's in the Transcendentalist movement, with its nature philosophy and antimaterialism, tended to reinforce, at least indirectly, much of the praise of the farmer and generally had the effect of increasing the appreciation

Albert Lowther Demaree, The American Agricultural Press, 1819-1860 ("Columbia University Studies in the History of American Agriculture," New York: Columbia University Press, 1941). Also see George F. Lemmer, "Early Agricultural Editors and their Farm Philosophies," Agricultural History, XXXI (October, 1957), 3-23.

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for rural life. <sup>68</sup> Emerson and his disciples praised the beauty and simplicity of country life. "The farm," Emerson said, "is the right school. The reason for my deep respect for the farmer is that he is a realist, and not a dictionary. The farm is a piece of the world, the schoolhouse is not. The farm, by training the physical, rectifies and invigorates the metaphysical and moral nature."

Popular literature also had a strong rural theme throughout the nineteenth century. To be sure, fiction writers had their difficulties in dealing with the farmer as a figure in literary romance. And for adventure the farmer was no match for a "Deerslayer" or a "Deadwood Dick." But in book, poem and song the rural hero was widely celebrated. As Henry Steele Commanger notes of the nineteenth-century Americans:

No novel of city life caught the imagination of these generations, no poem or song that celebrated urban virtues or delights. Whitman, who embraced city and country alike in his warm enthusiasm, had to wait until the twentieth century for popular approval. While heroes and heroines were countryfolk, villains were often city slickers; not until the twentieth century did Americans adopt a hero whose origins and character were wholly urban, and not until then did literature occasionally concede the advantages of city life. No article of faith was more passionately held than that the farmer was the peculiarly beloved of God, and a thousand songs and poems recalled the felicities of the farm.

<sup>68</sup>See, e.g., Booth, God Made the Country, Chapter XIV, "Concord Alluvial: Emerson, Thoreau, Alcott," pp. 186-201; Douglas C. Stenerson, "Emerson and the Agrarian Tradition," Journal of the History of Ideas, XIV (January, 1953), 95-115; Parrington, Main Currents, II, 371-418; Demaree, pp. 187-89, and The Transcendentalist Revolt Against Materialism, ed. George F. Whicher ("Problems in American Civilization," No. 4; Boston: D. C. Heath & Company, 1949).

<sup>69</sup>Quoted in Booth, p. 198.

<sup>&</sup>lt;sup>70</sup>Smith, pp. 246-290.

<sup>71</sup>Henry Steele Commanger, <u>The American Mind</u> (New Haven: Yale University Press, 1950), p. 34. For additional commentary on the farmer in literature during the nineteenth century see Robert H. Walker, "The Poets Interpret

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But probably no other factor was more instrumental in stamping into the American mind the image of the sturdy and virtuous farmer as the myth and reality of the West. Throughout the nineteenth century the great interior of the continent was a constant reminder of the importance of agriculture in American society. Because of its vast land resources America was able, both in deed and in imagination, to pursue simultaneously two great and ultimately antagonistic destinies—one agricultural, one industrial. The existence of the West provided plentiful nourishment for the agrarian ideology long after the new industrialism had been firmly and irrecoverably accepted.

Crevecoeur saw in this great expanse of land the primary factor which made early American society the "most perfect" on earth. It was in the ownership of this land that the European "boor" was transformed into the exalted status of freeman. It was in this "immensity of land" and in the possession of it by the small freeholder that Jefferson saw the world's best hope of building a sound and stable democracy. And because there would "long be vacant lands in America" he believed "our governments will remain virtuous for many centuries."

It was, thus, in this vast arable interior that so many of the nineteenth century saw the promise and reality of America. As Henry Nash Smith, summarizing his masterful account of the impact of the West on the American mind, put it:

the Western Frontier," <u>Mississippi Valley Historical Review</u>, XLVII (March, 1961), 619-35; Walter Prescott Webb, <u>The Great Plains</u> (New York: Grosset's Universal Library, Grosset Dunlap, n.d.), pp. 453-484.

<sup>72</sup>Letter to James Madison, December 20, 1787, Papers, XII, 442.

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With each surge of westward movement a new community came into being. These communities devoted themselves not to marching onward but to cultivating the earth. They plowed the virgin land and put in crops, and the great Interior Valley was transformed into a garden: for the imagination, the Garden of the World. The image of this vast and constantly growing agricultural society in the interior of the continent became one of the dominant symbols of nineteenth-century American society -- a collective representation, a poetic idea that defined the promise of American life. The master symbol of the garden embraced a cluster of metaphors expressing fecundity, growth, increase, and blissful labor in the earth, all centering about the heroic figure of the idealized frontier farmer armed with that supreme agrarian weapon, the sacred plow.... So powerful and vivid was the image that down to the very end of the nineteenth century it continued to seem a representation. in Whitman's words, of the core of the nation, 'the real genuine America.'73

Thus the historian Frederick Jackson Turner echoed a stock folk belief of the nineteenth century when he said:

The Western wilds, from the Alleghanies to the Pacific, constituted the richest free gift that was ever spread out before civilized man. To the peasant and artisan of the Old World, bound by the chains of social class, as old as custom and as inevitable as fate, the West offered an exit into a free life and greater well-being among the bounties of nature, into the midst of resources that demanded many exertion, and that gave in return the chance of indefinite ascent in the scale of social advance. 74

The West worked its magic in various ways. Not simply did the West continue to fire the imagination of the agrarians, it also, on the practical side, acted to prolong their political power. Although declining relatively, the farm population was increasing rapidly in absolute terms throughout the nineteenth century. And the West, of course, was the source of that increase. Thus with a large and growing farm population in the West, and with the growing spirit and reality of democracy—to which the West,

<sup>73</sup> Virgin Land, pp. 138, 139. Italics mine.

<sup>74</sup>The Frontier in American History (New York: Henry Holt & Co., 1920), p. 261.

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itself, was a major contributor—it was politically impossible not to pay tribute to the family farmer. By 1840 "even the Whigs, took over the rhetorical appeal to the common man, and elected a President in good part on the strength of the fiction that he lived in a log cabin." Certainly the political attractiveness of the family farmer had a powerful influence on shaping the policies of the emergent Republican party. 76

The great test of the strength of the family farm creed was presented in the question as to how this vast public domain was to be turned into private property. "No problem so continuously absorbed the attention of Congress throughout the century as that of the management, sale, and donation of this great empire." In the great and extended debates that surrounded the land policy question all the stock eulogies to the family farmer were repeated again and again. Listen to Representative George W. Julian, one of the leading spokesmen for the Homestead bill:

The life of a farmer is peculiarly favorable to virtue; and both individuals and communities are generally happy in proportion as they are virtuous. His manners are simple, and his nature unsophisticated. If not oppressed by other interests, he generally possesses an abundance without the drawback of luxury. His life does not impose excessive toil, and yet it discourages idleness. The farmer lives in rustic plenty, remote from the contagion of popular vices, and enjoys, in their greatest fruition, the blessings of health and contentment... The tillage of the soil is the primeval employment of man. Of all arts, it is the most useful and necessary. It has justly been styled the nursing father of the State. 78

<sup>75</sup>Hofstadter, Age of Reform, pp. 28-29.

<sup>76</sup>Smith, pp. 190-200.

<sup>77</sup>paul W. Gates, <u>The Farmer's Age: Agriculture, 1815-1860</u> (New York: Holt, Rinehart & Winston, 1960), p. 51.

<sup>78</sup>Congressional Globe, 31st Cong., 2nd Sess., January 29, 1851, Appendix, p. 137, quoted in Smith, p. 197.

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Indirectly, at least, the demand that the land be disposed in favor of the family farmer was strengthened by two other factors which affected the land policy debates particularly during the period of the 1840's and 1850's. One of the arguments for free land used by agrarians and certain nonagrarians, such as labor union leaders and urban social reformers, was the safety-valve theory. This theory argued that by opening the vacant lands of the West to prospective family farmers <sup>79</sup> labor would be drawn from the cities and thus act to keep down social conflict and economic distress in the East. <sup>80</sup>

One of the foremost promoters of the safety-valve theory of the period was Horace Greeley. His famous epigram "Go West, young man, go forth into the Country" dates from the panic of 1937. Greatly disturbed

<sup>79</sup>It had long been believed by many that the vacant lands of the West would attract large numbers of settlers only if they were made available to the independent family farmers rather than, say, being disposed of in large tracts to be subdivided on a tenant or sharecropper basis. See Eisinger, William and Mary Quarterly, 3rd Series, IV, 52.

<sup>80</sup>Historians have long been fascinated with the safety-valve theory. Beginning with the general attack on the Turner frontier thesis in the 1930's, several historians marshalled evidence to show that the theory, which was so widely believed in the nineteenth century, never had validity. By the middle of the 1940's it had supposedly been totally discredited; see, e.g., Fred A. Shannon, "A Post Mortem on the Labor-Safety-Valve Theory, "Agricultural History, XIV (January, 1945), 31-38. But recently two economists have renewed the controversy, arguing that the frontier did in fact act as a safety-valve. See Norman J. Simler, "The Safety-Valve Doctrine Re-Evaluated," ibid., XXXII (October, 1958), 250-57, and Ellen von Nardroff, "The American Frontier as a Safety-Valve--The Life. Death, Reincarnation, and Justification of a Theory," ibid., XXXVI (July. 1962), 123-142. Also for a good review of the history of the argument see Gene M. Gressley, "The Turner Thesis--A Problem in Historiography," <u>ibid.</u>, XXXII (October, 1958), esp. 233-36. A recent reply to von Nardroff is found in Henry M. Littlefield, "Has the Safety Valve Come Back to Life?" <u>ibid</u>., XXXVIII (January, 1964), pp. 47-49.

<sup>81</sup>Marvin Robbins, "Horace Greeley: Land Reform and Unemployment, 1837-1862," Agricultural History, VII (January, 1933), 18.

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by the plight of the large numbers of unemployed in New York, he became convinced that if they would but go West and take up land they could find economic security. Greeley also had strong beliefs about the virtues of farming and farmers. As a result he used the pages of his New York Daily Tribune vigorously and incessantly in support of more liberal land policies.

Another factor which tended to strengthen the demand for a home-stead bill was the free-soil movement. As the issue of slavery began to loom larger and larger the free-soil movement and free-land movements increasingly dovetailed and reinforced each other. 83

It should be pointed out that the safety-valve theory and the slavery issue were also used by those opposed to more liberal land policies. One of the reasons the Eastern industrialists opposed such policies was due to their fear that this would, by draining labor from the cities, force wage rates up. By the late 1840's the Southerners had turned against liberal land policies because they saw the growth of the family-farm agriculture in the North and West a threat to the extension of their own plantation-slave system. But the effective opposition of the Eastern industrialists and the Southern slave owners was temporary. Thus the long-run effect of the safety-valve theory and the free-soil movement was that of broadening the base of support for more liberal land policies and--because those who advanced these arguments had to at least pay

<sup>82</sup>For discussion of Greeley's agrarian ideas see <u>ibid</u>. Also see Earle D. Ross, "Horace Greeley and the West," <u>Mississippi Valley Historical Review</u>, XX (June, 1933), 63-74, and "Horace Greeley and the Beginnings of the New Agriculture," <u>Agricultural History</u>, VII (January, 1933), 3-17; Roland VanZandt, "Horace Greeley: Agrarian Exponent of American Idealism," <u>Rural Sociology</u> XIII (December, 1948), 411-19; Robbins, <u>Our Landed Heritage</u>, pp. 80-100.

<sup>83</sup>Smith, p. 162.

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homage to the family farmer -- the family farm creed as well. The independent and virtuous farmer, of course, had always been the darling of the agrarians and fellow travelers. But the upper class conservatives of the East had never felt much empathy for the figure. In fact, for the farmer on the western fringes there was outright hostility. The frontier farmer was viewed as a religious slacker, a social inferior and more often than not a social misfit, and worst of all, a rowdy, political radical. In short, he was seen as the very antithesis of proper and stable Northeastern conservative, and, if not controlled politically, a threat to the basic foundations of the social and political order. At the turn of the century Timothy Dwight, Congregational clergyman, long time president of Yale College, described frontier farmers as "too idle: too talkative; too passionate; too prodigal; and too shiftless; to acquire either property or character, " complaining that they were "impatient of the restraints of law, religion, and morality" and generally opposed to taxes "by which Rulers, Ministers, and Schoolmasters, are supported." 84

Their efforts to block the acquisition of the continental interior and to prevent the trend toward ever more liberal land settlement policies were unsuccessful and the West was filled with that "radical" settler, the frontier farmer. Eventually the conservatives of the East altered their attitude. The change began to develop slowly in the 1830's. Confidence grew that the political institutions and social mores of the East could be transplanted in the West, and increasing numbers of Easterners were

<sup>84</sup>Quoted in Rush Welter, "The Frontier West as Image of American Society: Conservative Attitudes before the Civil War," <u>Mississippi Valley Historical Review</u>, XLVI (March, 1960), 593. Welter gives an excellent account of the Eastern conservative toward the frontier. On this point also see Smith, esp. pp. 246-90.

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caught up with the infectious idea of progress and expansion which the West so dramatically represented. The social prejudices and political fears of the Western farmer began to fade and the conservatives began to see and appreciate the farmer in some of the ways that the agrarians had always depicted him, particularly in his property-mindedness and his middle class characteristics.

By the 1860's and 1870's the homesteader had become, as Holcombe notes, "the veritable symbol of true Americanism.... This pioneer regarded as an individual, was the average man. Regarded as the unit of class, he stood for the supremacy of the middle class."

In the writings of Frederick Jackson Turner the nineteenth century's popular beliefs about the significance of the West are elevated to the level of historiography. When he stated in his famous paper, "The Significance of the Frontier in American History," that "the existence of an area of free land, its continuous recession, and the advance of American settlement westward, explain American development" and when he later re-affirmed that:

American democracy was born of no theorist's dream; it was not carried in the <u>Sarah Constant</u> to Virginia, nor in the Mayflower to Plymouth. It came out of the American forest, and it gained new strength each time it touched a new frontier.

<sup>85</sup>For discussions of how the Eastern conservatives adjusted to the spirit and reality of the West see, <u>ibid</u>. Also see Arthur N. Holcombe, <u>The Middle Classes in American Politics</u> (Cambridge, Harvard University Press, 1940), pp. 182-84, and Robbins, <u>Our Landed Heritage</u>, pp. 108, 177.

<sup>86</sup>The Middle Class in American Politics, pp. 192-93.

<sup>87</sup>The Frontier in American History, p. 1.

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Not the Constitution, but free land and an abundance of natural resources open to a fit people, made the democratic type of society in America. 88

he surprised many historians, but few citizens for he was expressing ideas that already were in the air."

The Turner thesis dominated American historiography for the first four decades of the twentieth century and helped serve to remind Americans that this country was made by the farmer and his associates who settled the West.

<sup>88&</sup>lt;u>Ibid</u>., p. 293.

<sup>89</sup>James C. Malin, "Space and History: Reflections on the Closed-Space Doctrine of Turner and Mackinder and the Challenge of Those Ideas by the Air Age," Agricultural History, XVII (April, 1944), 67. For a fuller discussion of this point see Smith, pp. 291-305. Smith states that "Jefferson's agrarian ideal proves to be virtually identical with the frontier democracy that Turner believed he had discovered in the West." p. 298.

<sup>90</sup>For discussion of the contemporary status of the Turner thesis see: Gressley, Agricultural History, XXXII, 227-249, and The Turner Thesis Concerning the Role of the Frontier in American History, ed. George Rogers Taylor ("Problems in American Civilization" revised edition; Boston: D. C. Heath, 1956).

### CHAPTER III

#### NINETEENTH CENTURY AGRARIAN POLICIES

"We propose the Public Lands of the States and of the United States shall be free to actual settlers, and to actual settlers only...."1

## Agrarianism vs. Industrialism

The Jeffersonian dream of a society dominated by family farmers, complimented by independent mechanics, and a small-scale industry, and the minimal institutions of commerce and finance needed to support an advanced and progressive agricultural economy, was doomed to failure even before it was fully crystallized. America was born into the main stream of already powerful currents which were carrying the Western world inexorably toward industrialization and urbanization. That American industrialism got such an early start and on such solid foundations, that it grew with a thoroughgoing vigor hardly matched even in England is due to a multitude of factors, some of which we will briefly note.

Undoubtedly, Jefferson, as Parrington notes, "failed to measure the thrust of economic determinism that drives every people

l"Equal Rights to Land," The Working Men's Advocate (New York), March 16, 1844, full text reprinted in Fred A. Shannon, American Farmers Movements (Princeton: D. Van Nostrand Company, Inc., an Anvil Original, 1957), pp. 132-134.

to go through with industrial revolution once it is begun."<sup>2</sup> But even if Jefferson and his followers had better gauged the gathering force of industrialism, the likelihood that it could have been effectively contained is remote.

Agrarianism assumed the reins of the new government after it had been moulded by two Federalist administrations working within the frame-work of a friendly constitution, and aided by the genius of Alexander Hamilton, who conceived and shepherded into enactment the public policies which laid the foundations on which the new industrialism and its hand-maidens, finance and commerce, were to thrive. Thus from the very onset agrarianism was forced into a defensive posture. It is this defensive posture plus a strong laissez faire orientation which accounts for a great deal of the essentially negative character of pre-Civil War agrarianism; resist the encroachment of State's rights by the federal government, separate government from finance, cut spending, lower taxes, abandon the national banking system, keep hands off--laissez faire, laisse passer.

<sup>2</sup>Main Currents in American Thought, I, 354.

Washington had a strong agricultural orientation and in 1788 he wrote Jefferson, "I perfectly agree with you that...the introduction of anything which will divert our attention from agriculture must be extremely prejudiced if not ruinous to us." But as Herbert Ayar suggests: "Jefferson's agrarianism was bound up with theories of equality, and the rights of man; Washington's agrarianism was more that of a feudal landlord, or the owner of a Roman Latifundium." The People's Choice, pp. 23, 28.

<sup>&</sup>lt;sup>4</sup>Richard Hofstadter, "Parrington and the Jefferson Tradition," <u>Journal of the History of Ideas</u>, II (October, 1941), 400, and Earle D. Ross, "Agricultural Backgrounds and Attitudes of American Presidents," <u>Social Forces</u>, XII (October 1934), 40.

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But even this essentially negative program could conceivably be translated into more positive results had the character of Jefferson been different. In the conduct of his office Jefferson was a political pragmatist not a doctrinaire, revolutionary agrarian. When he became President he did not set about to dismantle the hated Hamiltonian programs. Writing to Du Pont de Nemours in 1802 he explained:

We can pay off his debt in 15 years but we can never get rid of his financial system. It mortifies me to be strengthened by principles which I deem radically vicious, but this vice is entailed on us by a just err. What is practicable must often control what is pure theory, and the habits of the governed determine in great degree what is practicable.<sup>5</sup>

The end result of Jefferson's disinclination to dismantle the Hamiltonian program, as Herbert Agar bitterly notes, was "that democratic, egalitarian principles suitable to the rural world of Jefferson's dream were grafted on to a greedy Hamiltonian capitalism..."

Jefferson had believed that America by exporting raw materials and importing the finished products from Europe could do without industry. But the Napoleonic Wars and the struggle between France and England for world supremacy destroyed that hope. No longer could America depend on commercial trade for manufactured necessities. Thus even Jefferson came to concede that "we must now place the manufacturer by the side of the agriculturalist." It was for Jefferson a reluctant

<sup>&</sup>lt;sup>5</sup>January 18, 1802, quoted in Griswold, <u>Farming and Democracy</u>, p. 32. See pp. 31-35 of Griswold for a fuller discussion of this point.

<sup>&</sup>lt;sup>6</sup>The People's Choice, p. 55.

<sup>7</sup>Letter to Benjamin Austin, January 9, 1916, The Writings of Thomas Jefferson, VI, ed., H. A. Washington, (Washington: Taylor & Maury, 1854). 522.

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concession. It was a concession forced by the train of world events over which we had no control:

But who in 1785 could foresee the rapid depravity which was to render the close of that century the disgrace of the history of man? Who could have imagined that the two most distinguished in the rank of nations, for science and civilization, would have suddenly descended from the honorable eminence, and setting at defiance all those moral laws established by the Author of nature between nation and nation, as between man and man, would cover earth and sea with robberies and piracies, merely because strong enough to do it with temporal impunity; and under this disbandment of nations from social order, we should have been despoiled of a thousand ships, and have thousands of our citizens reduced to Algerine slavery.

This concession to the manufacturing interests was not only a forced one, but a limited and temporary one. By 1819, with the threat of foreign domination removed, he again vigorously attacked the protectionist policy that four years ago he had seemed to endorse. The farthest he would go was to approve a balanced, self-sufficient economy in which he expected agriculture to occupy the most important position.

By the time Andrew Jackson became president he could destroy the hated National Bank, but he could not dismantle the blossoming

Batiste Say, March 2, 1815, <u>Ibid.</u>, pp. 430-431.

<sup>9</sup>Peterson, The Jefferson Image in the American Mind, p. 24-26. Also see, Dorfman, The Economic Mind in American Civilization, I, 436-446, and Political Science Quarterly, LV, 98-121.

<sup>10</sup>Griswold, p. 35.

factories nor depopulate the growing cities. In fact the Jacksonian economic legislation with its laisse faire dogma and war on economic privilege unintentionally, by unleashing the forces of free competition at a time when protection was no longer necessary, "promoted the very ends it was intended to defeat." Capitalistic industrialism was assured a benevolent climate and unlimited growth. Indeed, a stroke of ultimate historical irony occurred when after the Civil War the laisse faire and property rights emphasis of Jeffersonian—Jacksonian agrarianism "was linked with Spencerian laissez faire philosophy and the Supreme Court invoked the Declaration of Independence to put property rights beyond the reach of the people's sovereignty." The Jeffersonian heritage entered into capitalistic ideology. 12

In discussing Jefferson's concession to domestic manufacturing, Merrill Peterson notes the dilemma with which Jefferson and, indeed, America was confronted: "Whether he meant to embrace the spirit and substance of an industrial society or merely the household-handicraft-mill manufacturing complex of advanced agricultural societies was the question at the heart of his, and America's dilemma." This struggle between the "agrarian spirit on the one hand and the cosmopolitan spirit on the other 14 represents an enduring inner conflict in the

<sup>11</sup>Schlesinger, The Age of Jackson, p. 338.

<sup>12</sup>Peterson, p. 81.

<sup>13</sup>Ibid. p. 25.

<sup>14</sup>John H. Bunzel, "The General Ideology of American Small Business," Political Science Quarterly, LXX (March, 1955), 90.

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American mind. But in a very real sense this conflict never resulted in a face-to-face, show-down fight. A good part of the explanation for this is to be found in the reality of the West. Because of its existence America found it possible to follow both destinies at the same time. Thus while the industrial empire was growing in the East, the agrarians could concentrate on enacting land statutes through which they could build a family farm, agricultural empire in the West.

# Triumph of Agrarian Land Policy 15

Jeffersonian-Jacksonian agrarianism failed to restrict the spirit and reality of industrialization and urbanization. But if agrarianism is viewed from its more limited goal--that of assuring that the economic and social structure of American agriculture would be based on the family farm--then it must be judged a considerable

<sup>15</sup>For the following discussion of land policies we have relied heavily on the following works: Benjamin Horace Hibbard, A History of the Public Land Policies (New York: The Macmillan Co., 1924); Roy M. Robbins, Our Landed Heritage: The Public Domain, 1776-1936 (Lincoln: University of Nebraska Press, 1962); Raynor G. Wellington, The Political and Sectional Influences of the Public Lands, 1828-1842 (Riverside Press, 1914); Amelia Clewley Ford, Colonial Precedents of Our National Land System as it Existed in 1800 (Bulletin of the University of Wisconsin, No. 352, "History Series," Vol. II, No. 2, July 1910); Percy Wells Bidwell and John I. Falconer, History of Agriculture in the Northern United States, 1620-1860 (Washington: The Carnegie Institution of Washington, 1925), passim; Shosuke Sato, "History of the Land Question in the United States," <u>Municipal Government and Land Tenure</u>, IV (Johns Hopkins University Studies in Historical and Political Science, 1886); George M. Stephenson, The Political History of the Public Lands. 1840-1862 (Boston: Richard G. Badger, 1917); Marion Clawson, Uncle Sam's Acres (New York: Dodd, Mead & Co., 1951), Chapters II and III; Everett E. Edwards, "American Agriculture--The First 300 Years," Farmers in a Changing World, The Yearbook of Agriculture, 1940 (Washington, U. S. Govt. Printing Office, 1940), pp. 171-276; Paul W. Gates, The Farmer's Age: Agriculture, 1815-1860 (New York: Holt, Rinehart, and Winston, 1960), pp. 51-98; Fred A. Shannon, The Farmer's Last Frontier; Agriculture, 1860-1897 (New York: Rinehart and Company, Inc., 1945), pp. 51-75.

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success. The agrarian spirit, with its anti-aristocratic dogma and its pro-family farm theme, kindled the land hunger passions and then provided the rationale and the political muscle needed to translate the Everyman dream of an 80-acre or quarter-section freehold into reality.

The Revolution provided a strategic opportunity for the blossoming of agrarianism as a respectable political force. Between the outbreak of hostilities in 1775 and the inauguration of Washington, agrarians dominated many of the state legislatures. They issued paper money at unprecedented rates, extended suffrage, disestablished the Church in four states, and frightened the conservatives half out of their wits:

Their creed is, that the property of the United States has been protected from the confiscation of Britain by the joint exertions of all, and therefore ought to be the common property of all.... This provision has alarmed every man of principle and property in New England. 16

Capitalizing on their new found strength, the agrarians quickly acted to strike down all the remaining vestiges of feudalism which constituted a threat to a freehold, family farm agriculture. Following Jefferson's lead in Virginia, all but two States had abolished entail by 1786 and all had eliminated primogeniture by 1791.

<sup>16</sup>General Knox in a letter to George Washington, October, 1786, quoted in Agar, People's Choice, p. xix.

<sup>17</sup>Entail was the practice by which title to land was settled permanently on a person and his heirs and could not be sold. Primogeniture was the exclusive right of inheritance of the first-born.

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Quitrents 18 were outlawed by all the States. 19 These measures weakened the legal underpinnings of the aristocratic manorial system of the Middle States. Thus the overall position of the family farm, which was already dominant throughout much of the settled regions, was greatly strengthened.

These were highly significant actions. But of much greater importance was the question of the <u>future growth</u> of the family farm system. As the reality of the vastness of the interior beyond the Alleghenies began to be recognized, the agrarians saw an unequaled opportunity to create an empire of family farmers. The family farm creed became a keystone in the strategy of westward expansion of which the opening of the Northwest territory to freehold settlement and Jefferson's purchase of the Louisiana Territory were the initial and most important steps. The "financial and commercial Federalists on the seaboard opposed the purchase (of the Louisiana Territory) on the

<sup>18</sup>Quitrents were an annual fee levied by the large estate owners on the small farmers who had purchased land from them, the payment of the levy being one of the conditions of the sale. They were levied throughout the middle and southern colonies, but were most common in New York and Pennsylvania, where the manorial system was most firmly rooted.

<sup>19</sup> Although they were early declared to be illegal, a form of quitrents persisted for some time in the Hudson Valley where the manorial system was most firmly entrenched. Alexander Hamilton contributed to maintenance of the system in New York by helping his brother-in-law, Stephen van Rensseleer III, perfect a legal contract that temporarily got around the State's anti-quitrent laws. For a masterful account of the landholders' efforts to preserve the system and the eventual triumph of the small farmers in destroying it, see Henry Christman, Tin Horns and Calico: An Episode in the Emergence of American Democracy (New York: Henry Holt and Company, Inc., 1945).

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ground that it would soon enable the agricultural interests of the South and West to dominate the country." But in this battle the agrarians were triumphant.

As to the disposal of the public domain, once acquired, agrarianism again ultimately triumphed. The land laws were not, of course, wholly inspired and written by agrarians. But taken in total they reflect the triumph the agrarian goal of settlement of the public domain by family farmers.

The agrarians wanted easy entry to the public lands and their transferral by fee-simple ownership in family-sized tracts at nominal cost, or better yet, free gratis. Jefferson in 1776, reflecting the agrarian stand, argued that the public lands should be offered free of charge and in small tracts. Indeed by selling the land to the settlers "you will disgust them, and cause an avulsion for them from the common union." And, indeed, the principle of free land--either in the form of outright gifts in both large and small tracts, or through unenforced quitrents--was firmly grounded in colonial history. But agrarian dreams and colonial precedent were not enough.

For the most part, the great land debates did not center around a direct contest between small-scale versus large-scale agriculture in its various forms. The agrarians, however, were confronted with a

<sup>20</sup>Charles A. Beard, The Economic Basis of Politics and Related Writings, compiled by William Beard (New York: Vintage Books, Random House, 1957), p. 182.

<sup>21</sup>Letter to Edward Pendleton, August 13, 1776, Papers V, 492.

22Ford, Colonial Precedents..., p. 95.

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powerful opposition which stood for a conservative land policy; a policy which restricted the westward expansion of agriculture in general and which could promote a nonfamily farm agriculture, if not by specific design then by default. The pressures for a conservative land policy rested on the desperate need of revenue for the Treasury, the needs of a nascent industrialism, and the demands of powerful estate owners of the Middle States for measures to protect the value of their vast holdings, and the general fear among Eastern conservatives of the radicalism of the frontier farmer.

Jefferson and his followers wanted the debt retired as soon as possible. They abhored the cost of servicing it and saw it as a tool that Federalism could use to strengthen the ties between government and business. Reluctant to raise taxes and firmly committed to a low tariff policy, no immediate and concentrated campaign was launched to institute a free-land policy. Rather efforts were concentrated toward reducing the sale price, reducing the size of tracts to be sold, and the securing of preemption legislation.

The first major law dealing with the disposal of the public domain was the Ordinance of 1785, which opened up the Northwest territory for settlement. The Ordinance adopted the very important principle of allodial tenure; that is, land was to pass in fee simple from government to first purchaser. But aside from this it was as much Federalist as agrarian in its details. The land was to be sold in lots of 640 acres to the highest bidder with a minimum price of \$1.00 an acre and the purchaser to pay the cost of surveying. The first land law enacted by the new federal government was the Land Act

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of 1796. Again, this law had only limited appeal for the small farmer. The land was to be sold in lots of 5,760 and 640 acres at a minimum price of \$2.00 an acre.

In the Harrison Land Act of 1800 the minimum sized tract was reduced to 320 acres. And although the price was maintained at the minimum level of \$2.00 per acre, a credit plan was introduced which required a down payment of only one fourth the purchase price, the rest to be paid over a four year period. The Land Act of 1804 reduced the size of the tract to 160 acres and the price to \$1.64 an acre while retaining the credit provisions of the Act of 1800. Thus with \$65 for a down payment an individual could get enough land to start farming. In 1820, due to difficulties encountered in the credit program, all credit provisions were abolished. However, the minimum sized tract was reduced to 80 acres and the minimum price to \$1.25 an acre. In

The agrarian's long standing demand for the right of preemption<sup>23</sup> legislation was partially fulfilled in the temporary and limited preemption acts of 1830, 1838 and 1840, and completely fulfilled in the Preemption Act of 1841. The Graduation Act of 1854 provided for a reduction in the minimum price in proportion to the length of time it had been on the market, the lowest graduated price being twelve and one-half cents an acre.

<sup>&</sup>lt;sup>23</sup>The right of preemption is the legal right to settle on public land without prior purchase with the guarantee that when the government is ready to offer the land for sale the preemptor has the exclusive right to buy the land at the minimum price. In effect, the preemption laws legalized the fairly widespread practice of "squatting." Under the provisions of the 1841 act the maximum amount of land that the settler could preempt was set at 160 acres.

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A concerted drive for completely free land got under way in the 1840's. As free land became identified with free soil the South was able to temporarily delay the enactment of a homestead bill. However, with the endorsement of the Republican party and Lincoln's election in 1860, the agrarian dream of free land became a reality in the Homestead Act of 1862.

By 1862 the homestead idea had almost universal support outside the South. Labor saw it as a corrective of low wages, anti-slavery forces supported it, and the Republican Farty saw in it the seeds of an electoral triumph. As a result, once the Homestead Act was consumated, it was roundly eulogized. Horace Greeley's tribute is not atypical:

We may congratulate the country on the consummation of one of the most beneficient and vital reforms ever attempted in any age or clime—a reform calculated to diminish sensibly the number of paupers and idlers and increase the proportion of working, independent, self-subsisting farmers in land evermore. Its blessings will be felt more and more widely for the next twenty years... The clouds that have darkened our National prospects are breaking away, and the sunshine of Peace, Prosperity and Progress will ere long irradiate the land. Let us rejoice in and gather strength from the prospect. 24

The land policies of the nineteenth century are not the only measure of the common man's insatiable hunger for land, clothed in and mightily reinforced by the appealing ideals of the family farm creed.

The power of the land hunger and the persuasiveness of the family farm creed are also seen in the conquest, both in imagination and in reality.

New York Daily Tribune, May 7, 1862, quoted in Roy Marvin Robbins, "Horace Greeley: Land Reform and Unemployment, 1837-1862," Agricultural History, VII (January, 1933), 41.

of the Great Plaibs. When the Homestead Act was passed the line of settlement stood roughly at the 96th meridian in Eastern Kansas and Nebraska. To the west lay a vast treeless and semi-arid prairie 400 to 500 miles in width stretching north and south along the eastern base of the Rocky Mountains. 25

Traditionally this area had been viewed as a desert. This image dates from the travels of Coronado who transversed the region in his search for the fabled city of Quivira. Zebulon M. Pike, returning from his famous expedition in 1810, thought that the region would become in "time as celebrated as the sandy deserts of Africa." Most certainly it was here that the western expansion of the American people would be arrested and they would "leave the prairies incapable of cultivation to the wandering and uncivilized aborigines of the country." This view was confirmed by the Stephen H. Long expedition of 1819-1820:

In regard to this extensive section of country, I do not hesitate in giving the opinion, that it is almost wholly unfit for cultivation, and of course uninhabitable by a people depending upon agriculture for their subsistence.<sup>28</sup>

<sup>25</sup>The Great Plains most generously defined applies to most of the region from the Mississippi River west to the Pacific coastal area. The heart of the Great Plains, often called the High Plains, is the strip from the 96th or 98th meridian west to the Rocky Mountains. In this region you have a conjunction of those characteristics—level, treeless topography, and sub-humid climate—most normally associated with the popular image of the Great Plains. For an outstanding description of this region and its history, and for an interpretation of how it affected the people who settled it, see Walter Prescott Webb's classic, The Great Plains. This work was first published in 1931. We use the "Grosset's Universal Library" edition; New York; Grosset & Dunlap, n.d.

<sup>26</sup>Elliott Coves, The Expeditions of Zebulon Montgomery Pike, II, 523, 525, quoted in Webb, pp. 155.

<sup>27&</sup>lt;u>Ibid</u>., p. 156.

<sup>28</sup> Early Western Travels, Vol. XVII, p. 147 (Arthur H. Clark Co.), quoted in ibid., p. 156.

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With the upsurge of migration to the Pacific Coast in the 1830's the tales of hardships suffered by the travelers added to the popular image of area as an inhospitable desert. This was also the official view. From at least 1820 to as late as 1858 most government maps labeled the region as the "Great American Desert."

The image of this area as a desert prevailed throughout most of the first half of the nineteenth century. But the fee-simple empire of the agrarian dream was not to be limited by the 20-inch rainfall line. The image of the area began to change in the 1840's. By the 1870's, as settlers moved up the valleys of the Platt and Kansas rivers, the image of the area in the American mind had been transformed from that of a desert to a veritable garden. 29

Prompted by "scientific" reports of such men as Ferdinand
Hayden, of the federal government's Geological and Geographical Survey
of the Territories, it came to be widely accepted as fact that "rain
followed the plow"; that as the farmer applied his sweat and plow to
breaking the buffalo grass sod, the heavens would respond. Charles
Dana Wilber, an amateur scientist and speculative town builder, explained it this way:

••• in this miracle of progress, the plow was the avant courier—the unerring prophet—the procuring cause. Not by any magic or enchantment, not by incantations or offerings, but, instead, in the sweat of his face, toiling with his hands, man can persuade the heavens to yield their treasures of dew and rain upon the land he has chosen for his dwelling place.

<sup>29</sup>See Smith, <u>Virgin Land</u>, pp. 201-213, for an excellent account of this mental transformation.

<sup>30</sup>Charles Dana Wilber, The Great Valleys and Prairies of Nebraska and the Northwest (Omaha, Nebraska, 1881), p. 69, quoted in ibid., p. 211.

If the heavens did not in fact respond, then deep-bored wells and wind mills and various irrigation schemes would solve the water problem--hopefully. 31 What had formerly been seen as region suitable only for nomadic horsemen was now seen as a home for the happy and prosperous farmer. Samuel Aughey, Professor of Natural Sciences at the newly created University of Nebraska, saw the future of the Nebraska prairies in typical agrarian terms:

What then may we legitimately expect of the people in Nebraska in the future? We have a right to expect that our school system will reach the highest possible stage of advancement -- that the great mass of the people will become remarkable for their intellectual brightness and quickness. Along with this natural development and synchronizing with it, there will be developed a healthy, vigorous and beautiful race of men and women. Art culture will then receive the attention which it deserved. Music. painting, and sculpture will be cherished and cultivated for their own sake. The marvelous richness of our soils will give a true and lasting basis for prosperity and wealth. For be it remembered that agriculture in all its branches, endures the tests of time better than any other industry. It is also the best school of virtue for a nation. Happy the children that are trained to industry on a farm. More men and women of high character and endowments come from the farm than from any other station. It is nearest to the heart of nature and nature's God. 32

The Great Plains is not a desert. But neither is it a garden as many a broken homesteader could testify, and as the Dust Bowl of the 1930's so forceably demonstrated. Had cooler heads prevailed, much of the Great Plains probably would not have been opened to the small farmer, but reserved for great cattle ranches and hacienda farms.

<sup>31</sup>For a detailed account of both the fanciful and practical efforts to solve the water problem, see Webb, pp. 319-375.

p. 155, quoted in Smith, pp. 212-213. Italics mine.

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But the power of the dream was too great. The Great Plains was opened to the 160-acre homesteader. And although he suffered greatly in its inhospitable climate, he gradually adopted, out of the pressure of necessity, the dry-land farming practices that made a family farm agriculture in the region not only a possibility but a reality.

### Progressive Farming

In his address at Monticello on the 201st anniversary of Jefferson's birth, Secretary of Agriculture Claude R. Wickard did not stop with crediting Jefferson as the "father of the idea of the family-sized farm":

Jefferson attained international fame as an agricultural scientist. To Jefferson, the science of agriculture was not only a matter of never-ending interest, but it was a means of making farm people more efficient and independent... Because of his accomplishments in scientific agriculture and his development of procedures for exchanging scientific information, we may regard him as the founder of agricultural research and our modern agricultural extension service. Jefferson was a firm believer in the establishment of higher educational institutions for the application of the sciences to agriculture.... Thus it can be said that he was the founder of the land-grant college idea. 33

Again Wickard was not too far wrong. Jefferson was indeed greatly interested in improving the efficiency and productivity of farming, a goal to which, through his own inventive and scientific mind, he was able to make several significant contributions. 34

<sup>33</sup>Aqricultural History, XIX (July, 1945), 179-180. Italics mine.

34For Jefferson as a practicing farmer see: Thomas Jefferson's

Farm Book with Commentary and Relevant Extracts from Other Writings, ed.,

Edwin Morris Betts (Princeton: Princeton University Press, 1953); Henry

A. Wallace, "Thomas Jefferson's Farm Book: A Review Essay," Agricultural

History, XXVIII (October, 1954), 133-38; August C. Miller, "Jefferson
as an Agriculturalist," ibid., XVI (January, 1942), 65-78; and Everett E.

Edwards, Washington, Jefferson, Lincoln and Agriculture, Bureau of Agricultural

Economics, U. S. Department of Agriculture (November, 1937).

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In this respect Jefferson and other early agrarian leaders were very much a part of the Age of Reason; they firmly believed in reason and progress. They believed that the practice of farming not only could but should be made more efficient and productive. Thus the agrarian spirit in America has always exhibited two strains, one stressing the virtues of farming as a way of life, one stressing the "idea of progress and scientific improvement" of agriculture as a productive endeavor. 35

From the early years of the Republic, agricultural societies, agricultural fairs, and agricultural journals hammered home the theme of improvement in farming practices. Throughout the nineteenth century, "editors, educators, politicians and self appointed farm spokesmen never tired of reminding each other and the public that improvement was the motto of the age, that agricultural progress was both necessary and inevitable. 37

This commanding dream of progress also fit well with the effort to promote a family farm agriculture. If the individual farmer was given the means and the know-how for improving his production he would not only be better off economically, but would be better fortified against would-be competitors.

<sup>35</sup>Paul H. Johnstone, "Old Ideals Versus New Ideas in Farm Life," Farmers in a Changing World, The Yearbook of Agriculture, 1940, U. S. Department of Agriculture, (Washington: U. S. Government Printing Office, 1940), p. 116.

<sup>36</sup>See <u>ibid</u>., esp. pp. 112-116, 124-128, 132-134, and Demaree, The American Agricultural Press, esp. pp. 23-231.

<sup>37</sup>Vernon Carstenson, "The Genesis of an Agricultural Experiment Station," Agricultural History, XXXIV (January, 1960), 14.

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This concern over the improvement of the technology of farming is manifested in three major pieces of national legislation in the nineteenth century: the creation of United States Department of Agriculture in 1862, the creation of the Land-Grant College system by the Morrill Act of 1862, and the creation of the agricultural experiment stations as auxillaries to the Land-Grant schools by the Hatch Act of 1887. By these measures nineteenth century America committed itself not simply to the goal of a family farm agriculture, but to a family farm agriculture constantly improving in productiveness.

<sup>&</sup>lt;sup>38</sup>For a selected survey of the history and development of scientific and educational institutions see, in addition to relevant references cited above, the following: T. Swann Harding, Two Blades of Grass: A History of Scientific Development in the U. S. Department of Agriculture, (Norman: University of Oklahoma Press, 1947); Arthur P. Chew, The Response of Government to Agriculture, (Washington: U. S. Government Printing Office, 1937); A. C. True, A History of Agricultural Education in the United States; 1785-1925, U. S. Department of Agriculture, Misc. Publication No. 36, (Washington: U. S. Government Printing Office, 1929); H. C. Knoblauch et al., State Agricultural Experiment Stations; A History of Research Policy and Procedure, Miscellaneous Publications No. 904, U. S. Department of Agriculture (Washington: U. S. Government Printing Office, 1962); Earle D. Ross, Democracy's College: The Land Grant Movement in the Formative Stage, (Ames: The Iowa State College Press, 1942), and John Y. Simon, "The Politics of the Morrill Act," Agricultural History, XXXVII (March, 1963), 103-111.

#### CHAPTER IV

FROM POPULISM TO THE COUNTRY LIFE MOVEMENT

"We were founded as a nation of farmers, and in spite of the great growth of our industrial life it still remains true that our whole system rests on the farm...."

Theodore Roosevelt1

# Populism<sup>2</sup>

In 1890 L. L. Polk, president of the National Farmers' Alliance, surveyed the world around him and in a rhetorical flourish described the condition and the mood of the farmers he represented:

From all sections of this magnificent country comes the universal wail of hard times and distress. The farmer sows in faith, he toils in hope, but reaps in disappointment and despair....

We protest....3

Midwestern and Southern farmers had been protesting as Greenbackers, as Grangers, and as Alliancemen since around 1870. But during

lFrom his "Introduction" to the Report of the Commission on Country Life (New York: Sturgis & Walton Company, 1911), p. 10.

We have relied heavily on the following analyses of the Populist Movement: John D. Hicks, The Populist Revolt (Lincoln: University of Nebraska Press, a Bison Book, 1961; first published, 1931); Richard Hofstadter, The Age of Reform (Vintage Books, Random House, 1960; first published, 1955); Carl C. Taylor, The Farmers' Movement: 1620-1920 (New York: American Book Company, 1953); Grant McConnell, The Decline of Agrarian Democracy (Berkeley & Los Angeles: University of California Press, 1953). For a new re-interpretation of such manifestations as nativism, intolerance, and religious fundamentalism which Hofstader attributed to the populists, see Walter T. K. Nugent, The Tolerant Populists (Chicago: The University of Chicago Press, 1963).

<sup>3</sup>L. L. Polk, Agricultural Depression: Its Causes--The Remedy (Raleigh: Edwards and Broughton, 1890), p. 24.

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the last ten years of the nineteenth century, spurred by another down turn in prices, they took their protest to the polls under the banner of their own political party. Fueled by two-bit corn and bundles of fore-closure papers the fire of Populism raged across the prairies of the Midwest and over the hills of the South for a decade before it began to flicker out against the well organized legions of James McKinley and Mark Hanna, and finally was all but quenched by rising prices in the first decade of the new century.

low grain prices, "usurous" interest charges, and high freight rates sustained it. Overproduction, high-risk farming, and long distances to markets may have been the immediate causes of their economic plight, but the Populists had a different answer. They were the victims of "a vast conspiracy against mankind that was taking possession of the world." A conspiracy which if "not met and overthrown at once forebodes terrible social convulsion, the destruction of civilization, or the establishment of an absolute despotism."

That the "conspiracy" was already in a position of power there could be no doubt. Thus when they met in their first national convention, the Populists proclaimed that they met "in the midst of a nation brought to the verge of moral, political and national ruin. Corruption dominates the ballot box, the legislatures, the Congress, and touches even the ermine of the bench."

<sup>&</sup>lt;sup>4</sup>From the 1892 <u>Platform</u> of the People's Party, in Hicks, Appendix F, p. 440.

<sup>&</sup>lt;sup>5</sup>Ibid., p. 439.

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While they had kept their noses to the plowshare in their herculean effort to build an agricultural empire in the West, capitalistic industrialism had grown at such a rate that it now threatened to "sacrifice (their) homes, lives, and children on the altar of mammon. Thus the "conspiracy" which the farmers set themselves against was composed of the "capitalists, corporations, national banks, rings and trusts," who through such measures as "watered stocks, the demonetization of silver...a reduced supply of currency...combines, and rings... and a hireling standing army...to shoot down urban workmen" were destroying "liberty" and reducing the country to two "great classes—tramps and millionaires."

For the Populists, then, this was no simple protest against economic hard times. It was nothing less than a protest against the whole urban-industrial trend of post-Civil War America. It was, in fact, as the major historian of the Populist movement has stated, "the last phase of a long and perhaps a losing struggle--the struggle to save agricultural America from the devouring jaws of industrial America."

The demands of the Populists can be reduced to two broad objectives: to restore farm prosperity, and to restore popular government—to wrest government from the grasping hands of the "plutocrats" and return it to the sure and safe hands of the "plain people."

<sup>6&</sup>lt;u>Ibid.</u>, p. 441.

<sup>7&</sup>lt;u>Ibid., pp. 440-441.</u>

<sup>8&</sup>lt;u>Ibid</u>., p. 237.

<sup>9&</sup>lt;u>Ibid.</u>, p. 441.

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To achieve farm prosperity they called for the free and unlimited coinage of silver, which would restore the prices of farm commodities to their proper levels; a subtreasury plan and banking reforms, which would provide farmers with easier and cheaper credit; government control of transportation, which would surely mean lower freight rates; prohibitions on the alien ownership of land and the reclamation by the government of "excessive" land holdings of the railroads and other corporations, which would help prevent the concentration of ownership and make more land available to actual settlers; a graduated income tax which would serve the dual purpose of relieving the farmer of his heavy property tax burden and taking from the robber barons some of their ill-gotten gains.

To restore popular government they called for the popular election of Senators, a single term limitation on the Presidency, the Australian ballot, and State laws of initiative and referendum. The realization of these political reforms, it was believed, would guarantee majority rule and "restore the government of the republic to the hands of the 'plain people', with whom it originated." True democracy would thus be assured. For the Populists, democracy had a special meaning; it meant government of and by the farmers (supported by the mechanics and rural merchants), for all the people.

Whereas, the farmers of the United States are most in number of any order of citizens, and with the other productive classes have freely given of their blood to found and maintain this nation; therefore be it Resolved, that....!

<sup>10</sup> Ibid., p. 441.

<sup>11</sup>From the Platform of the Northern Alliance, 1889, in ibid., p. 428.

It was no accident that the revolting farmers called their party The Peoples' Party of America.

The Populists sought not simply to restore agrarian prosperity, but agrarian democracy. Forward looking in terms of means, but backward looking in terms of ends, the Populists longed for the agrarian "Eden of the republican American of the early years of the nineteenth century in which there were few millionaires and, as they saw it, no beggars, when the laborer had excellent prospects and the farmer had abundance, when statesmen still responded to the mood of the people and there was no such thing as the money power." They believed, as all agrarians before them had believed, that the "health of the state was proportionate to the degree to which it was dominated by the agricultural class." Thus William Jennings Bryan, the last of the Jeffersonian agrarians, 14 proclaimed the following as self evident truth:

Burn down your cities and leave our farms, and your cities will spring up again as if by magic; but destroy our farms and the grass will grow in the streets of every city in the country. 15

#### The Watershed

The Populists' concern for the future position of agriculture in the nation's social, economic and political life was well founded.

<sup>12</sup>Hofstadter, The Age of Reform, p. 62.

<sup>13</sup> Ibid., p. 62.

<sup>14</sup>Peterson, The Jefferson Image in the American Mind, p. 260.

15From his "Cross of Gold" speech delivered at the Democratic National Convention in 1896. Reprinted in Richard Hofstadter, ed., Great Issues in American History: A Documentary Record, II (New York: Vintage Books, Inc., 1960), p. 172.

The census of 1890, for example, contained two particularly significant pieces of information. The first was the declaration, made famous by Frederick Jackson Turner, that for all practical purposes, the free-land frontier no longer existed. Second, it was reported that in 1889 the value of manufactured goods surpassed the value of all agricultural products for the first time in American history. 16

Population trends of the period were also revealing. When the agrarian revolt got under way around 1870 the census showed that 74 percent of the American population was classified as rural. In 1880 the ratio had dropped slightly, down to 72 percent. However, in 1890 the census showed that only 65 percent of the population was rural. At the end of the first decade of the twentieth century a majority of the people still lived in rural areas, but sometime during the First World War the scales of population distribution shifted and in 1920 the census recorded the fact that 51 percent of the population was now classified as urban. 17

<sup>16</sup>In 1899, 1904, 1908, 1909, and 1910 the value of agricultural goods again surpassed that of manufacturing; U. S. Bureau of the Census, Historical Statistics of the United States; 1789-1945, Washington, D. C., 1949, p. 14. Despite these exceptions, the period around the turn of the century marked a dramatic turning point in the structure of the American economy.

<sup>17</sup>Historical Statistics, p. 25. The 1920 census was the first to distinguish between rural-farm and rural-nonfarm. A reading of the literature of the period suggests that most observers tended to simply equate "rural" with "farm." Such an equation did not result in too much of a distortion as farmers constituted the great bulk of the rural population. Today the situation is nearly reversed. The actual number of persons living on farms in 1920 constituted 30 percent of the total population. It is estimated that 37 percent of the American people lived on farms in 1900, and a full 60 percent as late as 1860. For detailed estimates of farm population during the nineteenth century see P. K. Whelpton, "Occupational Groups in the United States," Journal of the American Statistical Association, XXI (September, 1926), pp. 335-43.

The reality of these facts, so prosaically recorded, doomed the Populist hope of restoring agrarian supremacy to failure. Agriculture was inexorably being relegated to a minority status. By the turn of the century many agrarians were beginning to recognize that it was too late to turn back the urban-industrial clock.

However bitter these facts, they were made more palatable by rising prices and growing profits which set in around 1899. In vivid contrast to Polk's dire description of the farmers' economic plight in 1890, the Secretary of Agriculture, James Wilson, exulted in 1910 that "nothing short of omniscience can grasp the value of farm products" produced that year. Moreover, the value of farm products had been rising steadily and rapidly since 1899, from an index value of 100 in 1899 to 189.2 in 1910. Thus during the past eleven years farmers had advanced in "prosperity, in wealth and in economic independence," and even, thought the exuberant Secretary, in "intelligence and knowledge."

The early nineteenth century version of the family farm creed posited that America was the product of a "new" man--the family farmer. It clearly implied that the nation would remain virtuous and democratic only so long as the class of family farmers dominated the social and political system. But as the old century was dying and as the new century was being born, American society was shifting from its traditional farm-small-town base to a city-industrial base. Did this

<sup>18&</sup>quot;Report of the Secretary, Yearbook of the U. S. Department of Agriculture, 1910. U. S. Department of Agriculture (Washington: U. S. Government Printing Office, 1910), pp. 9, 10.

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mean, then, that the nation was now destined to inevitable moral decay and political tyranny? Some thought so. Most, of course, despite prior notions, could not really accept such a judgment.

In addition, throughout most of the nineteenth century the family farm creed had pictured the farmer as extracting a simple but wholesome abundance from the rich land, beholden to no other man for the necessities of life. But if nothing else, the Agrarian Revolt branded into the American mind the image of the "suffering farmer"—an image of the farmer in economic distress so severe that he was often barely able to feed and clothe his family, an image of the farmer needing and asking for help.

Moreover, increasingly large numbers of Americans no longer had any connection with the farm, and a few writers, such as Hamlin Garland, were beginning to remind those who had moved to the city that despite the tricks of memory, their youthful days had not been entirely blissful, but more often than not they had been days of bone-tiring work and stifling social and cultural isolation.

What, then, did all this mean for the status of the family farm creed and the image of the family farmer in the American mind? It meant change. As Americans began to come to grips with the twentieth century they had to cull out many of their nineteenth century beliefs. The family farm creed was inevitably affected. But while it was changed it was by no means destroyed. In fact, in a certain sense—in the sense of the creed exerting influence on twentieth century agricultural policy—it was strengthened.

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In demarking these changes it is useful to first take note of the Progressive Movement, which provided the rational and vote-power for the social and political reforms of the first two decades of the twentieth century. Progressivism drew considerable strength from the old strongholds of Populism. It came to support, and to enact most of the reforms first championed by the Populists. In its belief in the supreme importance of the values of "individualism and equality," in its steadfast adherence to free enterprise, and in its implicit "trust of popular majority," it had an ideologically similarity to Populism. But there was a significant difference. The Progressive Movement, particularly in its Eastern manifestation, was urban led and largely urban based, thus generating differences in style and also differences in goals.

The work of the Muckrakers, which so vividly documented the social and political evils of urbanism and industrialism, confirmed the Populists' inherent suspicion and distrust of the city. The old-line agrarians had believed that the demoralizing evils of the city were an inevitable concomittant of its artificiality and crass materialism. The Progressives waxed indignant at the sight of these evils but were not willing to accept their inevitability. They believed that reform was possible. They believed that many of the traditions of nineteenth century rural America could be transplanted

<sup>19</sup>George E. Mowry, <u>The Progressive Movement</u>, 1900-1920, ("Service Center for Teachers of History," Publication No. 10, Washington: American Historical Association, 1958), p. 2.

<sup>20</sup>Russell B. Nye, <u>Midwestern Progressive Politics: A Historical Study of its Origin and Development, 1870-1958</u> (East Lansing, Michigan State University Press, 1959), p. 186.

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to twentieth century urban America. In their steadfast faith in popular government the Progressives were similar to the Populists, but again there was also a difference. For the Populists of the 1890's the 'majority' meant farmers, small town merchants and mechanics. For the Progressives, 'majority' meant the middle class in general, particularly the middle class of the city.

The defeat of Populism, the inescapable realities of the social and economic changes which were re-making the face of America, and the ideology of Progressivism acted to eliminate one of the basic tenets of the Jeffersonian version of the family farm creed—the belief that the nation could remain virtuous and democratic only so long as the farmer class dominated. Many, of course, had never believed it, and in reality the erosion of this belief had been under way for several decades. During the 1930's there would be those who would revive the argument and point to the chaos around them as proof of its validity. But, for all practical purposes, by the beginning of World War I the old argument that an agrarian democracy was the only legitimate, the only sure and safe democracy, had been pretty well discarded.

A significant change to be sure. But the loss was basically that of an infirm limb made increasingly useless by the fundamental economic and social conditions of the past fifty years. As to the body of beliefs about the general virtues of farm life and the qualities of the farmer citizen, they were hardly affected. Progressivism, after all, although trying to come to grips with some of the problems of urbanism and industrialism, did not launch a frontal assault on agrarianism or plead with Americans to forget their rural heritage.

The standard which they used in their campaign to correct the evils of urban-industrial America were the traditional values of nineteenth century, farm-small-town society. The Progressives were not anxious to see rural America relegated to a mere memory, for rural America was seen as a source-spring of middle-class virtues and it was on the stability of an enlightened middle class that the Progressives pinned their hopes.

## Roosevelt and the Country Life Movement

There was, in fact, great concern among "many political leaders" of the early part of the twentieth century over the status of the farm community. One such leader was Theodore Roosevelt. One historian has said that "the farmer was Roosevelt's last hero as he was Jefferson's first." Even taking into account that Roosevelt was a person of many and changing parts, it is too much to classify as a Jeffersonian agrarian a man who thought "the worship of Jefferson a discredit to my country," and who characterized William Jennings Bryan as a "born demagogue," and who believed the election of 1896 to be the "greatest crisis in our national fate, save only the Civil War."

<sup>21</sup>George Harmon Knoles, <u>The New United States: A History Since 1896</u> (New York: Henry Holt and Company, 1959), p. 55.

<sup>22</sup>Clayton S. Ellsworth, "Theodore Roosevelt's Country Life Commission," Agricultural History, XXXIV (October, 1960), p. 156.

<sup>23</sup>Quoted in Peterson, <u>The Jefferson Image in the American Mind</u>, p. 335.

<sup>24</sup>Quoted in Earle D. Ross, "Roosevelt and Agriculture," <u>The Mississippi Valley Historical Review</u>, XIV (December, 1927), p. 305.

To be sure, Roosevelt later recanted some of his most vitriolic attacks on the Populists and developed a close friendship with Tom Watson, the leading Southern Populist.

Roosevelt could never feel very comfortable with the Populistic spirit. It was too wild and erratic, too radical. But this does not depreciate Ellsworth's assessment. The record clearly indicates that by his second term Roosevelt had become deeply concerned with the position of the farmer in American society. <sup>26</sup>

Roosevelt did not share the populistic agrarian innate dislike and distrust of the city. However, he apparently shared the conventional view that the farmers had played a prominent role in the making of the nation. And he and many Progressive leaders, believed that the materialistic crassness and moral laxity which they believed had come to characterize so much of urban society was in large part due to the failure to successfully adopt to new environment the cultural characteristics of the farm and small-town communities. 27

<sup>&</sup>lt;sup>25</sup>As to why almost all the urban Progressives had been vigorous critics of Populism during the 1890's, but later came to accept almost all the reforms first championed by the Populists see: Nye, pp. 182-86, 205, 258; Hofstadter, passim, esp. pp. 131-173, and Samuel P. Hays, Conservation and the Gospel of Efficiency: The Progressive Conservation Movement, 1890-1920 (Cambridge: Harvard University Press, 1959), pp. 266-266-271.

<sup>26</sup>In addition to Ellsworth see Ross, <u>The Mississippi Valley Historical Review</u>, XIV, 287-310; Hays, pp. 266-271, and Sir Horace Plunkett, <u>The Rural Life Problem of the United States</u> (New York: The Macmillan Co., 1911), pp. 28-30.

<sup>&</sup>lt;sup>27</sup>Hays, pp. 142-45.

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If not led astray by "demagogues" such as Bryan, Roosevelt saw in the American farmer a great reservoir of those "moral qualities of honesty, integrity, frugality, and loyalty" which he feared were not being adequately realized in the cities. 28 For him the American farmer still retained "to a preeminent degree the qualities which we like to think of as distinctly American in considering our early history." Country people still live "more nearly under conditions which obtained when the 'embattled farmers' of '76 made this country a nation than is true of any others of our people." Much as he drew personal strength from his excursions into the out-of-doors, Roosevelt believed that the nation drew strength from the country:

No nation has ever achieved permanent greatness unless this greatness was based on the well-being of the great farmer class, the men who live on the soil; for it is upon their welfare, material and moral that the welfare of the rest of the nation ultimately rests. 30

## Therefore:

No growth of cities, no growth of wealth, can make up for any loss in either the number or the character of the farming population.... We cannot afford to lose that preeminently typical American, the farmer who owns his medium-sized farm....31

<sup>28</sup>Quoted in ibid., p. 268.

<sup>29</sup>Presidential Addresses, I, 305-306, VI, 1373, quoted in Ross, The Mississippi Valley Historical Review, XIV, p. 305.

<sup>30</sup> In letter appointing the Commission on Country Life, Report..., p. 44.

<sup>31</sup> The Works of Theodore Roosevelt, National Edition, XV (Charles Scribner's Sons, 1926), 441.

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Thus nothing

is more important to this country than the perpetuation of our system of medium sized farms worked by their owners. We do not want to see our farmers sink to the conditions of the peasants of the old world, barely able to live on their small holdings, nor do we want to see their places taken by wealthy men owning enormous estates which they work purely by tenants and hired servants. 32

If the character of the nation was still closely tied to the country, then it was imperative that social and economic conditions be such that would allow the farmer class to achieve its full potential. Despite the fact that farmers were seemingly better off economically than at any time in the recent past, there was increasing concern that not all was well on the farm. As one observer reported, "there is a consensus of opinion that there is something wrong with the country. Articles discussing the subject are myriad." This concern was sparked by a growing awareness of an increasing rate of farm tenancy and the rising tempo of the farm to city migration. There were doubts as to whether farm families were economically able to enjoy the "amazing proliferation" of such products as the "telephone, auto, household conveniences, fashionable clothing and ingeniously processed goods" which were increasingly available to city residents. 34

<sup>32</sup>Wallace's Farmer, October 11, 1907, p. 1145.

<sup>33</sup>John M. Gillette, "Conditions and Needs of Country Life," The Annals of the American Academy of Political and Social Science, XL (March, 1912), p. 3.

<sup>34</sup>James H. Shideler, Farm Crisis: 1919-1923 (Berkeley: University of California Press, 1957), p. 6.

At the urging of such men as Tom Watson. Sir Horace Plunkett and Gifford Pinchot. 35 President Roosevelt appointed, on August 10. 1908, the Commission on Country Life, whose purpose was to "report... upon the present condition of country life." The report of the commission and the activities of those responsible for it attracted considerable attention. As one commentator observed, the activities of the commission "aroused universal interest in country life. The press was quick to give wide publicity...State conferences on country life matter drawing together rural people, were called at agricultural colleges, state universities and normal schools in nearly every section of the United States. Farmers' organizations, religious bodies, and business clubs were centers for the discussion of this new subject. From 1909 to 1914 city dailies, national magazines, and country weeklies devoted constantly increasing space to country life progress. The agitation of conference, pulpit, and press during the five years succeeding the report of the Commission left a distinct trace in American thought." The activities of the Commission spawned the professional discipline of rural sociology, whose creators believed

<sup>35</sup>Ellsworth, pp. 155-59.

<sup>36</sup> Report ..., p. 45.

<sup>37</sup>Charles Josiah Galpin and E. J. Hoag, "The Social Side of Farm Life," Chapter XXIX, in Henry C. Taylor, Agricultural Economics (New York: Macmillan & Co., 1919), p. 383. Also see Galpin, "A Review of the Country Life Movement in the United States," Rural America, XIV (February, 1936), 9-14.

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that "rurality was a superior way of life." Theodore Roosevelt came to view the appointment of the Commission as one of his most important acts as President.

The composition of the Commission is significant. The initial membership consisted of Liberty Hyde Bailey, Henry Wallace, Kenyon L. Butterfield, Gifford Pinchot, and Walter H. Page. Bailey, the chairman, was Dean of the College of Agriculture of New York State College, an educational administrator and horticulturist of international reputation. Wallace was a Presbyterian minister and editor of the highly respected and 'respectable' Wallace's Farmer. Butterfield was president of the Massachusetts College of Agriculture, and later president of Michigan State College. Pinchot was the well-born Chief United States Forester and member of Roosevelt's "tennis" cabinet. Page was editor of The World's Work. All were devoted to the country and the farmer and in turn were widely respected by the agricultural community. These were not populistic crusaders but basically social and political conservatives and because of this they carried considerable weight with the urban middle class leadership. 40

Agricultural Policies of the United States in Relation to a Mechanized World," Agricultural History, XVII (October, 1943), 179. On origins of rural sociology also see: Charles Josiah Galpin, "The Development of the Science of Philosophy of American Rural Society," Agricultural History, XII (July, 1938); Kenyon L. Butterfield, "Rural Sociology as a College Discipline," The Annals of the American Academy of Political and Social Science, XL (March, 1912), 12-18, and Charles R. Hoffer, "The Development of Rural Sociology," Rural Sociology, XXVI (March, 1961).

<sup>39</sup>Plunkett, The Rural Life Problem..., pp. 28-29.

<sup>40</sup>Ellsworth, p. 155.

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Men such as Bailey, Butterfield, and Wallace held the old agrarian view that the city was a "parasite, running out its roots into the country and draining it of its substance." But unlike the nineteenth century agrarians they did not think that national survival depended upon the numerical dominance of the farmer class. They recognized that there "had been a complete and fundamental change in our whole economic system." These changes had irrevocably relegated the farmer class to numerical minority. But while they did not consider it necessary or wise to launch a back-to-the-farm movement to redress the numerical imbalance, they were firmly convinced that the quality of national life was closely tied to the existence of a healthy, vigorous and growing farmer community.

National health depended upon stability, but the city was the home of boat-rocking extremes: the extremes of the "so-called laboring class..." and the extremes of the "syndicated and corporate and monopolized interests;" the extremes of "poverty, reeking crime, unutterable filth, and moral sewage;" thus "we do not know whether the race can permanently endure urban life."

<sup>41</sup>Liberty Hyde Bailey, The Country-Life Movement in the United States (New York: The Macmillan Co., 1911), p. 20.

<sup>42</sup>Report..., p. 37.

<sup>43</sup>Bailey, The Country-Life Movement ..., pp. 31-43.

<sup>44</sup>The country-life people specifically disassociated themselves from the back-to-the-land campaign which a few groups were pushing at that time. See Galpin and Hoag, p. 384, and Bailey, The Country-Life Movement..., p. 2.

<sup>45</sup>Bailey, The Country-Life Movement..., p. 16.

<sup>46</sup>Kenyon L. Butterfield, Chapters in Rural Progress (Chicago: The University of Chicago Press, 1907), p. 5.

<sup>47</sup>Liberty Hyde Bailey, The Holy Earth (New York: Charles Scribner & Sons. 1915), p. 36.

But as to the farmer "we know" that he has been "the mother of the race. We know that the exigencies and frugality of life in these backgrounds beget men and women to be <u>serious</u> and <u>steady</u> and to know the value of every coin that they earn." Furthermore, "agriculture is the foundation of the political, economic, and social structure.... If agriculture cannot be democratic, then there can be no democracy."

Democracy is dependent upon a "serious" and "steady" citizen and also upon an enlightened citizen. "But intelligence alone is not enough for the citizen of democracy; he must have experience as well, and the experience of the townsmen is essentially imperfect. He has generally wider theoretical knowledge than the rustic...but the rustic's practical knowledge...is wider. Therefore, it is upon a healthy

rural civilization that rests ultimately our ability to continue to feed and clothe the hungry nation; to supply the city and metropolis with fresh blood, clear bodies and clear brains that can endure the strain of modern urban life, and to preserve a race of men in the open country that, in the future as in the past, will be the stay and strength of the nation in time of war, and the <u>quiding</u> and <u>controlling spirit</u> in time of peace.

The key question to which the members of the Country Life

Commission and others of the country life movement addressed themselves was whether or not the economic and social conditions of the

country were such that the "rural civilization" was realizing its full

potential.

<sup>48</sup> Ibid., pp. 36, 149. Italics mine.

<sup>49</sup>Plunkett, The Rural Life Problem..., p. 49.

<sup>50</sup>Report.... p. 31. Italics mine.

The report of the commission scored land speculation with the resulting concentration of ownership and the promotion of tenancy. 51 However, no evidence was presented to indicate that the family farm structure of agriculture was being seriously threatened. But, as to economic and social conditions of the family farm community the commission reported that there was much to be desired. Acknowledging that farmers were better off economically than they had been for many years, the report stated that "agriculture is not commercially as profitable as it is entitled to be for the labor and energy that the farmer expends and the risks that he assumes." The economic status of agriculture must be measured by "its possibilities rather than by comparison with previous conditions. 52 In addition, the commission reported "that social conditions in the open country are far short of their possibilities."53 In the areas of education, health, recreation many rural communities were wanting. Thus the full potential of these Communities was not being realized.

These undesirable conditions were judged to be the "result of the unequal development of our contemporary civilization." <sup>54</sup> Urbanization and industrialization had wrought "complete and fundamental" changes in the economic and social system. Other groups had adjusted

<sup>51</sup> Report ..., pp. 62-64.

<sup>&</sup>lt;sup>52</sup><u>Ibid</u>., p. 18.

<sup>&</sup>lt;sup>53</sup>Ibid., p. 18.

<sup>54&</sup>lt;u>Ibid.</u>, p. 37.

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to these changes. But in agriculture the adjustment had been tardy. Thus an imbalance between country and city had developed. 55 On the economic side the single farmer found that he was almost helpless against the organized interests of business and labor. "In the general readjustment of modern life due to the great changes in manufactures and commerce, inequalities and discriminations have arisen, and naturally the separate man suffers most." On the social side the advances by the cities in the areas of education, health, recreation and various cultural opportunities were enticing too many of the best of the farm youth into the great urban centers. 57

To redress this dangerous imbalance the country-life people did not suggest that farmers aim in the direction of erecting barriers to further urban-industrial growth. Rather they recommended a strategy and a program that, in effect, would bring the country into equality with the city in such things as income, education and medical services. Once this equality was restored "a new permanent rural civilization" would be secured. And from this rural civilization would arise "countrymen with statesmanship...and we may look for governors of states and perhaps more than one President of the United States to

<sup>55</sup>This theme of an imbalance between country and city and the necessity of redressing it is the central theme not only of the Report of Country Life Commission, but of almost all the analyses of the farm problem of the period.

<sup>56</sup> Report..., p. 19. Also see pp. 40, 131.

<sup>&</sup>lt;sup>57</sup>Ibid., p. 38-40.

<sup>58</sup>Ibid. pp. 30-31.

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come out of it."<sup>59</sup> Thus while the country-life people accepted the reality of the farmer's minority status they obviously hoped and anticipated that the farmer class would continue to be the dominating influence—the guiding and controlling spirit—in American social and political life.

To achieve this equality for agriculture the Commission listed a series of recommendations which anticipated almost all the farm legislation for the next twenty years. They recommended a national system of extension education, parcel post, postal savings, improved farmer credit, vocational education in agriculture, better rural highways, and legislation to help promote farmer cooperatives. Great emphasis was placed on farmer cooperatives for they believed that the farmer himself had to organize in order to secure an effective bargaining power relative to organized interests to which he had to sell and from which he had to buy. Also of great importance was education. It was through education that the farmer would acquire the facts on which he could improve his economic position and through which he could re-vitalize his social life.

A few more comments are necessary to complete the early twentieth century version of the family farm creed. The independence of the farmer has always been considered one of his prime virtues. In the formative years when Americans were extremely conscious of the feudal systems of land tenure it was the fee-simple ownership of land that was the hallmark of the farmer's independence.

<sup>&</sup>lt;sup>59</sup>Bailey, The Country-Life Movement..., p. 5.

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During the early years the farmer's independence was also considered to derive from another source, from his relative selfsufficiency. His ability to produce many of his basic necessities strengthened his independence from others. American farmers, of course, were never self-sufficient in any complete sense. They never lived in a paradise in which they were not in need of money with which to buy household items, farming equipment, land, and to pay taxes. The Virginia-Maryland tobacco growers' revolt in the 1600's, Shay's Rebellion in the 1780's, and the Whiskey Rebellion in the 1790's are dramatic testimony to the fact that farmers were never completely immune from the price and money economy. In his Notes on Virginia Jefferson had stated that farmers, fortunately, were largely immune from the "casualties and caprice of customers." But Jefferson did not believe that American farmers were or should be wholly selfsufficient. His vision of American agriculture was not that of a subsistence agriculture. His interest in progressive agriculture and his efforts to secure foreign markets for American farm produce are demonstration of this.

But on the other hand, the contrast between the farmer of, say, 1800 and 1900 is clear. The former, while never wholly self-sufficient, wasn't nearly as sensitive to the money and market economy as the latter. His welfare was not as deeply touched by the conditions of his sales and purchases. Thus this semi-self-sufficiency strengthened the image of the farmer's independence and his isolation from the "demoralizing" effect of materialistic acquisitiveness. Much of the

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wirtue of farming was attributed to the fact that it was primarily a
way of life and only incidentally a way of business.

The transition from the state of semi-self-sufficiency to a commercialized agriculture was pretty well completed by the turn of the century. The Agrarian Revolt testifies to the farmers' awareness of how completely their welfare was tied to the money and market economy. Although occasional references are made in the twentieth century to the independence that the farmer derives from his ability to produce his own food, for all practical purposes the independence of the farmer is seen as being derived simply from the fact that as a property owner he is his own boss, and thus "not taking orders from or being obligated to ask for even the slightest change of hours or services as a matter of personal favor."

Recognizing the commercialized nature of twentieth century agriculture, increasing emphasis was placed on farming as a way of business. The country-life people, for example, while cautioning against too much emphasis being placed on "money hunger" at the expense of the non-remunerative aspects of farm life, acknowledged that "the business of agriculture must be made to yield a reasonable return" if the full potential of rural America was to be realized. 62

<sup>60</sup>Taylor, The Farmers' Movement..., p. 10.

<sup>61</sup>Eugene Davenport, E. R. Easton and L. L. Bernard, "The Fundamental Values of Farm Life," Chapter II, Farm Income and Farm Life, ed. Dwight Sanderson (Chicago: The University of Chicago Press, 1927), p. 23.

<sup>62</sup>Report..., pp. 147, 24.

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By the early part of the twentieth century the tenet that farming must first be a way of business that is profitable before the benefits of farming as a way of life can be realized was rather fully accepted.

There is one aspect of the emerging family farm creed of the early twentieth century that is probably given at least more pointed reference than in the nineteenth century. This has to do with the farm family itself. The solidarity, wholesomeness and fecundity of the farm family had been stressed in the nineteenth century, to be sure. But with the rapid growth of the city the contrast between the farm family and the urban family became sharper. By the turn of the century there was a growing awareness of the increasing differential between farm and city in such indicators as divorce rates, abandoned homes, time spent together as a family unit, and the number of children per family. Also there was a concern for the effect upon the character of children brought up in congested cities lacking in both opportunities for play and work and isolated by concrete and glass from the beautifying and supposedly instructive qualities of nature.

It was argued that the "farmer lives closer in touch with his family than does almost any other businessman." No "place in the world equals the farm home for the rearing of children and for the opportunity of giving them the association with natural growing things ...and a place to play." No "place in the world is so good for the training of both boy and girl in habits of work and responsibility."

The farm family is a "closely compact institution" which fosters the values of "discipline and responsibility." Marriage "survives longer"

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It was also widely believed that because of the lower birth rates in the city the nation would have to rely primarily on the farm family for continued population growth. The Dean of the School of Agriculture of the University of California argued that "eventually society will probably, for its own protection, reserve the use of all agricultural lands" for only those persons who intend to "raise thereon a successful family." 64

As we noted above, the relative weight of agriculture in the overall economy was rapidly being diminished. However, this apparently had little effect on the traditional belief that agriculture was the fundamental industry and that all other sectors of the economy were vitally tied to it. "It is generally recognized that the prosperity of this great fundamental industry is...essential to the success and prosperity of all other industries." In 1922 Eugene Meyer, Jr., managing director of the War Finance Corporation and later governor of the Federal Reserve Board, stated:

The fact that agriculture is the keystone of the American economic and business structure has been more advertised during the past five years...than at any time in the history

<sup>63</sup>Davenport, Easton and Bernard, in <u>Farm Income...</u>, pp. 23-34. Davenport was Dean of Agriculture at the University of Illinois, Easton was editor of the <u>American Agriculturalist</u>, Bernard was a sociologist from the University of Chicago.

<sup>64</sup>Thomas Forsyth Hunt, Permanent Agriculture and Social Welfare, Senate Doc. No. 239, 64th Cong., 1st Sess., 1916, p. 6.

<sup>65</sup>E. A. Goldenweiser and Leon E. Truesdell, <u>Farm Tenancy in the United States</u>, U. S. Bureau of Census, Census Monographs IV (Washington: U. S. Government Printing Office, 1920), p. 9.

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of the country.... The farmer is the most essential cog in the driving wheel of the American business machine...agriculture furnishes the basis and the substance of American prosperity.

## Summary

During the twilight years of the nineteenth century and the morning years of the twentieth century the family farm creed underwent several modifications. First, the old Jeffersonian tenet that the nation could remain virtuous and democratic only so long as the farmer class was dominant was laid to rest. But even if farmers were now a minority it was argued that they still played a necessary and fundamental role in preserving the health of the nation. The economic vitality of the nation still depended on the prosperity of agriculture, the basic industry. But more importantly the farmer class was of fundamental importance in a social and political sense. The property-owning, family farmer was the major source spring of such vital characteristics as independence, honesty, simplicity, integrity, loyalty, frugality, stability, fecundity, etcetera. The city rested on the foundation stones of the country.

Whatever remained of the image of the farmer as a selfsufficient producer was discarded early in the twentieth century.

Recognizing the wholly commercialized nature of agriculture, it was

now a firmly established principle that before the distinctive potential

of farming as a way of life could be realized, farming as a way of busi
ness first had to be profitable. Also as demographers raised doubts

about the ability of cities to reproduce themselves and as sociologists

<sup>66</sup>Quoted in Joseph S. Davis, On Agricultural Policy (Stanford: Stanford University Press, 1939), p. 24. Italics mine.

documented the malaise of many urban families there was increased reference to and emphasis on such farm family characteristics as fecundity and solidarity.

Without question the image of the family farmer of the early twentieth century did not stand as tall in the public mind as his eighteenth and nineteenth century counterpart. Then he possessed the heroic stature of a nation builder. With the frontier closed and the ascendency of city and factory the farmer could no longer play such a heroic role. But the farmer's new role was only somewhat less imposing. For many, the farmer who had built the nation was now seen as the main hope for preserving it.

Although different in several respects, the family farm creed as it was articulated in the early twentieth century was still strongly fundamentalistic; the social, economic and political health of the nation was still thought to be closely tied to the well-being of the family farm community. Many agrarians in the post-World War II period still hold to a version of the family farm creed basically the same as that which we have articulated in this chapter. However, as we will note in the following chapter, the size and receptivity of the nonfarm public willing to accept this fundamentalistic version had been sharply reduced by the end of the 1930's.

### CHAPTER V

### TWO DECADES OF DEPRESSION

"The American dream of the family-size farm, owned by the family which operates it, has become more and more remote...when fully half the total farm population no longer can feel secure, when millions of our people have lost their roots in the soil, action to provide security is imperative, and will generally be approved."

Franklin D. Roosevelt

## Depression and the Family Farm

In 1926 Henry A. Wallace, later to be the New Deal's Secretary of Agriculture and a dominating influence in agricultural policy during the 1930's, expressed his concern over population trends which already showed a potentially dangerous imbalance between farm and city. Worse yet, in his view, it was conceivable that at some time in the distant a full three quarters of the people might live in cities. He doubted that this would actually ever come about but the very possibility was unsettling for he did not think a nation could "long endure" such conditions. He took little comfort from the fact that "the inborn qualities of the city child are probably fully as good as the inherent qualities of the farm child" or that "the ability of the city child to do clerical labor is superior to that of the farm child." For it was

President's Committee on Farm Tenancy, February 16, 1937, printed in Farm Tenancy (Washington: U. S. Government Printing Office, 1937), pp. 25, 26.

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as he respected the environment of the farm, he feared that of the city: "Can the great masses of people crowded together in cities as Chicago and New York be trusted to make the decisions, which they must make, in a civilization of this sort?" Obviously he did not think so. Shortly after becoming Secretary of Agriculture, he said: "When former civilizations have fallen there is a strong reason for believing that they fell because they could not achieve the necessary balance between city and country." The notion of a proper balance involved more than a statistical population ratio, it involved the entire economic, political and social structure and it was the core of his "agricultural philosophy."

Mr. Wallace was echoing the concern that had been articulated by the originators of the country-life movement, and which troubled agrarian sympathizers throughout the first half of the twentieth century.

During the two twenty-odd years between the world wars a dramatic new dimension was added to this concern-agricultural depression. The post-World War I break in farm prices was sharp and catastrophic, and American farmers suffered depression conditions as severe as any in their history. While the nonfarm economy bounced back to a booming prosperity, the recovery in agriculture was partial and selective. And then just as things were beginning to look up the

<sup>2&</sup>quot;Standards of Economic Efficiency in Agriculture and Their Compatibility with Social Welfare," Farm Income and Farm Life, ed., Dwight Sanderson (Chicago: University of Chicago Press, 1927), p. 121.

<sup>3</sup>Quoted in Arthur M. Schlesinger, Jr., The Age of Roosevelt, II (Boston: Houghton Mifflin Co., 1959), p. 35.

<sup>4&</sup>lt;u>Ibid</u>., p. 35.

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Great Depression struck, and nowhere was the blow more severe than in agriculture.

The depressed condition which settled over agriculture during the 1920's and 1930's sparked a revival of agrarian political activity which had atrophied somewhat during the Golden Age of farm prosperity in the first two decades of the century. The adverse economic conditions and the agrarian protest forced the public to take notice, in the words of President Harding, of the state of this "oldest and most elemental of industries" to which "every other activity is intimately and largely dependent upon. That non-farmer, Bernard M.

Baruch, reminded the readers of the Atlantic Monthly that

agriculture is the greatest and fundamentally most important of our American industries. The cities are but the branches of the tree of national life, the roots of which go deeply into the land. We all flourish or decline with the farmer... Hence, to embitter and impoverish the farmer is to dry up and contaminate the vital sources of the nation.

Of the agrarian protest, Baruch counseled that basically all the farmers were asking was "that they be placed on an equal footing with buyers of their products and with other industries" and that they were "right in demanding this." Many of Baruch's colleagues were not so sanguine. The more militant forms of Western agrarian insurgency struck fear into the hearts of many Eastern conservatives who saw in

<sup>5</sup>See Chapter VI.

<sup>6</sup>Report of the National Agricultural Conference (Washington: U. S. Government Printing Office, 1922), p. 7.

<sup>7&</sup>quot;Some Aspects of the Farmers Problems," July, 1921, pp. 111-112.

<sup>8&</sup>lt;u>Ibid.</u>, p. 112.

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such movements the growth of "Bolshevism, Red doctrines and Socialism."

Even the launching of the relatively conservative Farm Bloc sent some editors of the metropolitan press into a "perfect panic" over what they judged to be a "revolutionary movement reaching into the seat of government and menacing the heart of the nation."

But as the agrarian protest persisted and as evidence of economic distress continued to accumulate, the Eastern "establishment" was forced to give agriculture greater attention. And although such things as the farmer-backed McNary-Haugen price fixing scheme were rejected as too radical, there was a general and sympathetic recognition that the farmers needed help. Big business took a particular interest and some of the most thorough economic studies of agriculture during the 1920's were produced by businessmen groups. Running through these studies and in editorial comment of much of the business press was the theme that business prosperity could not be maintained unless farmers were prosperous. Thus businessmen had a "direct self-interest" in the restoration of agricultural prosperity. 12

<sup>9</sup>Arthur Capper, The Agricultural Bloc (New York: Harcourt, Brace & Co., 1922), pp. 3, 4.

<sup>10</sup>See e.g., The Agricultural Problem in the United States (New York: National Industrial Conference Board, Inc., 1926) and The Condition of Agriculture in the United States and Measures for its Improvement, a Report by the Business Men's Commission on Agriculture (published by the National Industrial Conference Board, Inc., New York, and the Chamber of Commerce of the United States, Washington, D. C., 1927).

llBoth the 1926 and 1927 Industrial Conference Board studies of agriculture accept the economic fundamentalism theme. For an additional sampling of this belief by business, see: Charles D. Bohannan, "Agriculture is the Foundation of Manufacturers and Commerce," Manufacturers Record, August 19, 1932, pp. 33-37, and "Can Business Prospects Continue Much Longer if the Farm Situation Fails to Improve?" Magazine of Wall Street, May 21, 1927, pp. 110-111+.

<sup>12</sup>The Agricultural Problem..., p. 2.

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<sup>11</sup>Both the 1926 and 1927 Industrial Conference Board studies of agriculture accept the economic fundamentalism theme. For an additional sampling of this belief by business, see: Charles D. Behannan, "Agriculture is the Foundation of Manufacturers and Commerce, "Manufacturers fleered, August 19, 1982, pp. 53-57; and "Can Business Prospects Continue Much Longer if the Farm Situation Fails to Improve?" Manazine of Wall Street, May 21, 1927, pp. 110-111+.

But more than a belief in agricultural economic fundamentalism was involved. As the prestigious National Industrial Conference Board put it:

Farming is more than an industry. The significance of agriculture in the life of the nation is far deeper than this. It touches something vital and fundamental in the national existence. It involves the national security, the racial character, the economic welfare and the social progress of our people.... The farm in the past has been the main source of our free and self-reliant national type and a radical change in this respect may have an important influence upon American society in the future. 13

The Businessmen's Commission on Agriculture stated that farmers in "the course of their pursuit of a living and a private profit are the custodians of the basis of the national life." Thus, far-sighted national agricultural policies were necessary to "provide for the national security, promote a well-rounded prosperity, and secure social and political stability." 14

This is not to say that the big business community accepted the family farm creed lock-stock-and-barrel. But certainly their literature of that period did little to challenge the creed and in fact it echoed many of its basic tenets. The farmer's celebrated individualism fit well, in theory at least, with the business community's own set of values. Most important was the fact that the farmer was a property owner. From the time of Hamilton and Adams businessmen have admired nothing quite so much as the stability and character of the propertied,

<sup>13</sup> Ibid., pp. v, 3-4.

<sup>14</sup>The Condition of Agriculture..., p. 20.

<sup>15</sup>John Philip Gleason, "The Attitude of the Business Community Toward Agriculture During the McNary-Haugen Period," Agricultural History, XXXII (April, 1958), pp. 127-38.

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<sup>13</sup> Ibid., pp. v, 3-4.

laThe Condition of Agriculture..., p. 20.

<sup>15</sup>John Philip Glesson, "The Attitude of the Business Community. Toward Agriculture During the McNary-Haugen Period," <u>Agricultural History</u>, XXXII (Agril, 1958), pp. 127-38.

and feared nothing quite so much as the radicalism of the propertyless. At a time when an ever larger proportion of the population was without property, businessmen were not anxious to see a widespread dissolution of family owned farms nor their economic impoverishment. For it was under such conditions that farmers would most likely be led astray by self-seeking radicals and begin to act like "wild jackasses" rather than the conservative and responsible individualist, which their calling, if adequately rewarded, was supposed to make them. 17

### Family Farm Threatened

The economic ills plaguing the agricultural sector took on added significance as it came to be recognized that the institution of the family farm was in jeopardy. Increasingly after the middle 1920's and through most of the 1930's there was a growing consciousness that the traditional family farm structure was threatened. These prospects were viewed by most—both within and outside the agricultural political community—with considerable alarm.

Prompted by the depressed conditions of the agricultural economy in contrast to the industrial prosperity, there was growing concern that American farmers were sinking into something called peasantry. As the agricultural depression persisted the references to an American peasantry increased. The trend toward increased tenantry was probably included in

<sup>16</sup>Dale Kramer, The Wild Jackasses (New York: Hastings House, 1956), p. 1. Kramer is not referring to this specific period, but to the general tendency of conservative Americans to view revolting farmers in this vein.

<sup>17</sup>The National Industrial Conference Board study of 1926, for example, emphasizes the connection between economic distress and radical action by the otherwise conservative and individualistic farmer, pp. 4-5.

this vision of peasantry, but the term as used by many was more encompassing. Basically it meant that through prolonged poverty the farmer, whether tenant or owner-operator, would become so demoralized and servile that he would no longer manifest the unique characteristics on which the nation was supposedly so dependent.

President Coolidge suggested that if "we permit our farming population to fall to the level of a mere agricultural peasantry, they will carry down with them the general social and economic level." Frank O. Lowden, one-time reform-governor of Illinois reflected with unease on the prospects:

History discloses but two types of farmers—what we may call the peasant type and the yeoman type.... Up to the present time our farmers have been composed largely of the yeoman type—independent self-respecting, demanding education for their children and social equality with all other classes. In the past, the farms have largely furnished leadership for industry, for commerce, for the learned professions, and for government in the United States...shall we permit our farm population gradually to descend to the lowly status of peasant, content if they but wring a meager living from the soil? 19

The popular historian, William E. Dodd, after surveying the shoddy rural landscape of "empty and delapidated houses and shabby fences and eroding fields", regretfully concluded in 1928 that the farmer was already well "on the way to peasantry". Again in 1930

<sup>18</sup>Quoted in Marcy Campbell, <u>Rural Life at the Crossroads</u> (Boston: The Athenaum Press, 1927), p. 20.

<sup>19&</sup>quot;Do We Want Peasants or Yeomen?" Wallace's Farmer, November 2, 1929, p. 6.

<sup>20&</sup>quot;Shall Our Farmers Become Peasants?" The Century Magazine, CXVI (May, 1928), p. 43.

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he argued that the farmer had been "reduced to the verge of peasantry." Somewhat in the same vein the historian, Louis M. Hacker, argued in 1933 that the American economy had reached the stage where the tensions between monopoly capitalism and commercial agriculture were irreconcilable. To save industrial capitalism there was a pressing need for low foodstuff and raw material prices. To save agriculture these prices had to be high. A choice had to be made. "And because there can be no question of the inevitable nature of the choice, American commercial agriculture is doomed." President Roosevelt "and his well wishers" cannot save the farmer. He has become "a peasant bound to the soil." Clairvoyance is not "required to foretell that the future of the American farmer is the characteristic one of all peasants for whom, in our system of society, there is no hope."

One of the alternatives pointed to by Dodd was that "great wheat and cotton growers" might organize "great farm corporations" and thus be able to control markets and make their peace with monopoly capitalism. It was in just such a possibility that many saw another dangerous threat to the family farm. There was a great deal of discussion during the 1920's and particularly during the 1930's "concerning the passing of the family farm and the coming of the corporation." The term, corporation, was often used loosely to symbolize any form of

<sup>21&</sup>quot;The Long Trail to Farm Relief, New York Times Magazine, August 31, 1930, p. 20.

<sup>22&</sup>lt;u>The Farmer is Doomed</u> (John Day Company, Inc., 1933), pp. 31, 28, 31.

<sup>23</sup>New York Times Magazine, pp. 20-21.

<sup>24</sup>Lois Bernard Schmidt, "Whether Agrarian Economy in the United States," Social Forces, XV (December, 1936), 196.

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large-scale unit regardless of whether it was legally incorporated.

Other terms such as "factory farms" were used to designate this threat to the family farm.

Despite "the hue and cry with regard to corporation and large-scale farming" this type of unit did not increase significantly. But even the appearance of a few such units as the 95,000-acre Campbell wheat farm in Montana was enough to cause considerable alarm. The state legislatures in Kansas and North Dakota enacted laws outlawing farm corporations and several other Midwestern states seriously considered legislation. 26

Thus the alarm was not so much a product of the <u>actual</u> increase in the number of corporate, or larger than family farm units, as a reaction to what many saw as the <u>potential</u> for growth of this type of unit. The depressed conditions made quite plausible the belief that American agriculture might be on the verge of a wholesale reorganization. The high levels of farm-mortgage debt and farm foreclosures was threatening thousands of small owner-operators. From 1929 to 1933 the rate of forced sales of farms because of foreclosure of mortgages, bankruptcies and delinquent taxes, increased by 177 percent, from 19.5 to 54.1 per 1,000 farms. Our ing the five-year period between 1930

<sup>25</sup>Wilson Gee, American Farm Policy (New York: W. W. Norton & Co., 1934), p. 137.

<sup>26</sup>When the anti-corporation law was passed in Kansas in 1931, there were 20 incorporated units in the state. Business Week, May 27, 1931, pp. 20-22.

<sup>27</sup>U. S. Bureau of the Census, <u>Historical Statistics of the United States</u>; 1789-1945, Washington, D. C., 1949, p. 95.

and 1934 three quarters of a million farms changed ownership through foreclosure and bankruptcy sales. <sup>28</sup> Even as late as 1938 in such hard hit states as North Dakota, 70 percent of all farms were listed as tax-delinquent and 75 percent were mortgaged. <sup>29</sup>

With thousands of farmers losing their farms and thousands more teetering on the brink of bankruptcy, the status of the owner-operator farmer was indeed precarious. Thus the threat of large-scale farming was not simply a figment of the imagination. As it turned out, however, the depression brought on a reorganization not so much in the direction of giant enterprises consolidated from bank-rupt family farms but in the direction of tenancy. The rise of tenancy had been a concern since the turn of the century. The Commission on Country Life and other studies documented the trend in great detail. However, despite considerable concern, these studies saw no permanent threat to the owner-operator ideal. But by the middle 1930's the story was different.

<sup>28</sup> Farm Tenancy, p. 44.

<sup>&</sup>lt;sup>29</sup>Theodore Saloutos and John D. Hicks, <u>Agricultural Discontent</u> in the Middle West; 1900-1939 (Madison: University of Wisconsin Press, 1951), p. 513.

<sup>30</sup>See, e.g., Benjamin H. Hibbard, "Farm Tenancy in the United States," The Annals of the American Academy of Political and Social Science, XL (March, 1912), 29-39; W. J. Spillman and E. A. Goderweiser, "Farm Tenantry in the United States," U. S. Department of Agriculture Yearbook, 1916 (Washington: U. S. Government Printing Office, 1916), pp. 321-46; William Bennet Bizzel, Farm Tenantry in the United States (Experiment Station, Agricultural and Mechanical College of Texas, College Station, Texas, 1921), and E. A. Golderweiser and Leon E. Truesdell, Farm Tenancy in the United States, U. S. Bureau of Census, Census Monographs, IV (Washington: U. S. Government Printing Office, 1924).

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A special committee appointed by President Roosevelt in 1936 to study the tenancy problem turned in what to many were truly alarming figures. The committee reported that not only was tenancy at an all time high, but increasing rapidly. Of the nation's 6,812,350 farmers, 2,865,155, or 42 percent, were found to be tenants. Another 10 percent of the farmers were only part owners. Thus less than half of the nation's farmers held title to all the land they operated. Moreover, because of heavy debt load the security of these full owners was highly tenuous. The committee reported that in many states "it is estimated that the equity of operating farmers in their lands is little more than one fifth." The committee concluded that the present trend in tenancy was a problem of major magnitude. Unless massive efforts were taken to correct it the majority of American farmers seemed destined to permanent tenancy.

#### Reaction to the Threat

In the face of these threats the conviction was widely expressed that the traditional family farm structure of agriculture should be preserved if at all possible. A few prominent businessmen such as Robert S. Brookings, founder of the Brookings Institution, and Henry Ford argued that agriculture should become corporatized and industrialized. 33 But as our discussion of the attitudes of big business above indicates,

<sup>31</sup> Farm Tenancy, p. 20.

<sup>32&</sup>lt;u>Ibid.</u>, p. 3.

<sup>33</sup>John D. Black, Agricultural Reform in the United States (New York: McGraw-Hill Book Company, Inc., 1929), pp. 369-70.

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this view was not widely held. The editor of <u>Business Week</u> preferred the "road of permanent subsidy" rather than the prospect of continued poverty in agriculture and the rise of a permanent "tenant class":

That is, we may tax the city dweller to maintain a decent standard of living on the farm. There can be no economic defense of subsidizing uneconomic production. It is social and political; there we may find strong justification. It might well seem important to us to preserve in our country the one large class of property owners, the greatest body of entrepreneurs, the one stable and rooted element.... It is hard to visualize an America of the future should the stream dry up that feeds us leaders in every walk of life.<sup>34</sup>

Herbert Heaton informed an English professional audience that "all American townsmen will agree that, no matter what the cost may be, the American farmer must not be allowed to sink to the level of a 'peasant'."

The editor of the New Republic looked with dismay at the prospects of "factory farms" because:

There are characteristics of our traditional country life at its best which contribute what looks like an indispensable element to the national culture. The independent farmer with a small domain of his own, with a chance to exercise his ingenuity, patience and industry in the never ending game with nature, with a wholesome environment and a job that demands a judicious combination of brain and muscle, enjoys a way of life that, whatever may be its economic hardships, still retains precious values which have been lost to the majority of employees of large scale industry. It is the disappearance of this well rounded exercise of the faculties which makes so much of our machine culture shallow and fibrile. unsatisfactory to its participants, and fruitless of enduring achievement. Perhaps independence on the land is doomed by the machine age, as with the old-fashioned handicraft in industry, but somehow, one looks with horror on the possibility

<sup>34&</sup>quot;Three Farm Roads." February 15, 1933, p. 32.

<sup>35&</sup>quot;The American Farmer, Political Quarterly, V (October, 1934)

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of a great factory for farms, operated in a routine fashion by mere wage-earners, who are dependent for their sustenance--as, indeed the entire population would be--on the intelligence and favor of absentee land monopolists.<sup>36</sup>

President Roosevelt's committee on farm tenancy—a prestigious group of editors, college presidents, church leaders, governors, farm organization leaders, and Department of Agriculture officials—put it this way:

Sturdy rural institutions beget self-reliance and independence of judgment. Sickly rural institutions beget dependency and incapacity to bear the responsibilities of citizenship. Over wide areas the vitality of American rural life is daily being sapped by systems of land tenure that waste human and natural resources alike.

Vigorous and sustained action is required for restoring the impaired resources on whose conservation continuance of the democratic process in this country to no small extent depends.<sup>37</sup>

The depressed conditions in agriculture and the possible threat to the security of the traditional family farm structure had two other noteworthy results. As we noted in Chapter II the general meaning of the term, family farm, dates to the eighteenth century. However, it was not until the 1920's and 1930's that the term came into general usage. Since the abolition of such feudal practices as primogeniture, entail, and quitrents and the enactment of land policies aimed at disposing the vast public domain in small and inexpensive tracts, the dominance of the family unit had been fairly well secured.

<sup>36&</sup>quot;Shall We Have Factory Farms, August 31, 1927, p. 32.

<sup>37</sup> Farm Tenancy, p. 20.

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So dominant was this type of unit, in fact, that throughout most of the nineteenth century Americans, with the exception of the ante-bellum South, simply equated agriculture with a family farm agriculture, farmers with family farmers. This simple equation continued to be held by most on into the early years of the twentieth century. Thus the observation by the German, Sigmund Von Frauendorfer, that "everybody who uses the term 'farmer' thinks almost automatically of the operator of a family farm" was basically correct. 38

However, at about the time Frauendorfer recorded his observations, the trend was developing to add to the noun, farmer, the adjective, family. Apparently by the middle to latter 1930's it had become a standard term in the vocabulary of agriculture. The adoption of the term was undoubtedly a reaction of the growing awareness that the continued dominance of this traditional institution was no longer assured, that there were alternatives to it. The adjective, family, was used to more clearly distinguish that unit from its possible competitors.

The perceived threat to the family farm had another related effect. Whether or not the family farm could adjust to its changing environment would depend primarily on the programs developed by the federal government. From the early days of the Republic the promotion and preservation of the family had been the over-arching goal of American agricultural policy. Generally speaking, because of the simple equation noted above, this goal had been only implicitly identified. But now

<sup>38&</sup>quot;American Farmers and European Peasantry," <u>Journal of Farm Economics</u>, XI (October, 1929), 634.

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conditions had rendered the equation obsolete. Because of this there was an increasingly apparent tendency during the latter 1930's and early 1940's to explicitly identify the family farm goal.

The Bankhead-Jones Farm Tenancy Act of 1937 established an extensive government loan program for the purpose of aiding "persons to acquire, repair or improve family-size farms." The Farm Security Administration which administered extensive farm rehabilitation programs had "one central purpose--fostering property ownership by family-type farmers and thereby preserving and strengthening the traditionally American family-type of farm operation," according to its chief, C. B. Baldwin. In 1939 the administrators of the Agricultural Adjustment programs noted that "the agricultural adjustment acts" had done a great deal to "protect small farmers from the competition of large-scale farm operation."

A special committee appointed by Secretary of Agriculture,

Claude R. Wickard, to assess the goals and programs of the U. S. Department of Agriculture reported that:

<sup>39</sup>Griswold takes note of this tendency toward more explicit identification in his book, <u>Farming and Democracy</u>, p. 143. However, he does not explain why the trend occurred.

<sup>40</sup>Reprinted in Paul V. Maris, "this land is mine": From Tenancy to Family Farm Ownership, U. S. Department of Agriculture, Agricultural Monograph No. 8 (Washington: U. S. Government Printing Office, 1950) Appendix B, p. 360.

<sup>41</sup>Quoted in Griswold, Farming and Democracy, p. 165.

<sup>42</sup>Agricultural Adjustment: 1938-39; A Report on the Activities Carried on by the Agricultural Adjustment Administration, U. S. Department of Agriculture (Washington: U. S. Government Printing Office, 1939). p. 4.

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The U. S. Department of Agriculture believes that the welfare of agriculture and of the Nation will be promoted by an agricultural land tenure pattern characterized by efficient family-size owner-operated farms, and one of the continuing major objectives of the Department will be the establishment and maintenance of such farms as the predominating operating farm unit in the United States.

The Department will attempt to prevent large farms from becoming so large as to drive out family farming, and it will at the same time, do what it can to help make small farms large enough to provide each farm family with a reasonably adequate minimum level of living.<sup>43</sup>

Subsequently, the Department took a whole series of actions aimed at assuring that the Department's many programs were administered with this acknowledged goal in mind. These actions, reported Mordecai Ezekiel, would "strengthen the position of the family-sized farm, maintain a larger number of farm families in independent position with moderate incomes and help resist the pressures toward the development of employer and wage-earning classes in farming." 44

An interbureau committee of the Department of Agriculture studying the effects of technology on the farm, recommended a series of programs to "encourage and maintain the family-size farm." Although it did not elaborate, the committee suggested that larger than family-size units that were not being used "effectively" might be subdivided into family-size units. Another interbureau committee, looking ahead to the end of the War, stated "that the scales of public policy

<sup>43</sup>Quoted in Mordecai Ezekiel, "The Shift in Agricultural Policies Toward Human Welfare," <u>Journal of Farm Economics</u>, XXIV (May, 1942), 471.

<sup>44&</sup>lt;u>Ibid.</u>, p. 473.

<sup>45</sup>Technology on the Farm, U. S. Department of Agriculture (Washington: U. S. Government Printing Office, 1940), pp. 88-93.

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• • • • • •  should be tipped in favor of family farms."<sup>46</sup> In 1941 the Agricultural Extension Service subcommittee of the Association of Land-Grant Colleges and Universities, after noting that the Extension service had always had "the objective to maintain and preserve the family farm" and that as the growth of "large-scale operations" was now threatening the "American way of life," urged that the Extension service rededicate itself to a program "To Maintain and Preserve for America, the Family Farm."<sup>47</sup>

### Back to the Land

It was during the depth of the Great Depression that the status of the family farm seemed most precarious. But the Depression affected not simply the agricultural community, but every economic and social sector of the nation. The whole capitalistic system, it seemed, had been brought to its knees. And the great cities became scenes of unparalleled economic distress and social chaos. One of the more immediate effects of the Great Depression was the revival in the minds of many of all the old doubts and fears of urban-industrial society. In the most extreme cases this led to a conviction that America's only hope lay in the abandonment of the city and a return to the land.

For agrarians the great crash was seen simply as the result of the folly which had allowed far too great an imbalance to develop

<sup>46</sup>What Post-War Policies for Agriculture? Report of the U. S. Department of Agriculture Interbureau and Regional Committee on Post-War Programs, Bureau of Agricultural Economics (Washington: U. S. Government Printing Office, January, 1944), p. 6.

<sup>47</sup>Association of Land-Grant Colleges and Universities, <u>Proceedings of the 55th Annual Convention</u>, Chicago, Illinois, November 10-12, 1941, p. 198.

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between city and country, and the Great Depression acted to renew their faith in the family farm creed. But also many outside the agrarian circle turned toward the country out of disillusionment with the city. The artist, Grant Wood, saw not only the end of the city's domination of literature and the arts, but the re-affirmation to rural values and rural life:

The Great Depression has taught us many things, and not the least of them is self-reliance. It has thrown down the Tower of Babel erected in the years of false prosperity; it has sent men and women back to the land; it has caused us to rediscover some of the old frontier virtues.<sup>48</sup>

In a similar vein the historian Charles A. Beard noted that during the 1920's considerable "countenance was given to the idea that agriculture was destined to drop in pecuniary and cultural importance and that urban industry was bound to rise indefinitely, if not forever." But with the failure of domestic and foreign markets to absorb expanded industrial production, "the idea of endless urbanization fades." Thus "the course of events has forced a reconsideration of the place of agriculture in the United States...it is likely that the <a href="landward trend">landward</a> trend in American thought and practice will take on increasingly the character of an unavoidable necessity." "49

The Great Depression did in fact send "men and women back to the land" in both a literal and literary sense. During the early part of the decade, the de-population of the countryside, which had first

<sup>48&</sup>quot;Revolt Against the City," <u>Rural America</u>, XV (February, 1937) 4. Italics mine.

<sup>49&</sup>quot;Preface" to M. L. Wilson, <u>Democracy Has Roots</u> (New York: Carrick & Evans, Inc., 1939), pp. 9-10. Italics mine.

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become noticeable during the twenties, was reversed. Thousands of unemployed or disillusioned city people returned to the farms from whence they had come, took up abandoned farms, or established subsistence plots around the fringes of the great cities. One observer saw in this the "greatest retreat in all of the war-time or peacetime history of the United States.... People...are bolting from our cities in a veritable land-rush." The city-to-farm migration wasn't that extensive, but taken in conjunction with a reduced rate of farm to city migration, total farm population did increase. The 1935 agricultural census showed the largest farm population ever, a 5 percent increase over 1930.

Many observers saw in this trend, if properly controlled, a solution--even the solution--to the economic and social woes of the time. In 1933 Willard Tilden Davis described the extent of the back-to-the-land proposals:

Among the divers proposals for remedying our ills none bobs up more persistently than the back-to-the-land theory. For the last three years in particular our magazines have pictured the utopian results of settling idle men on the fat, fair and abundant lands of our country. It becomes almost a cult.<sup>51</sup>

William Randolph Hearst's <u>New York American</u> urged in a standing headline each morning, "Get Back to the Land." Bernard Macfadden's <u>New York Graphic</u> and <u>Liberty Magazine</u> incessantly preached the back-tothe-land theme. 52

<sup>50</sup>Donald Wilhelm, "American Return to the Soil," Review of Reviews, May, 1933, p. 31.

<sup>51&</sup>quot;How Far Back to the Land?" New Republic, August 9, 1933, p. 336.

<sup>52</sup>Russell Lord and Paul H. Johnstone, eds., A Place on Earth: A Critical Appraisal of Subsistence Homesteads, U. S. Department of Agriculture, Bureau of Agricultural Economics (Washington: U. S. Government Printing Office, 1942), p. 12.

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On the popular literature front, the widespread tendency initiated by such writers as Hamlin Garland and Joseph Kirkland to depict the farm as a place to escape from began to die out. Increasingly after 1929 the farm became "something to escape to rather than from." By the middle of the forties the parade of how-grim-is-life-down-on-the-farm books had been reduced to a few pickets." How-to-do-it books promising security and happiness to the city dweller who would but buy a small farm were a phenomenal success during the middle thirties. 53

Those who supported the back-to-the land movement ranged from city planners, who saw it as a way of shortening already extended breadlines, to neo-Thoreauists. Franklin Roosevelt was "somewhat infected by it," and "even such hard-boiled characters like Hugh Johnson, Harry Hopkins, and Bernard Baruch viewed variations of the idea with approval." 54

Some saw in it simply a way of tackling the unemployment problem. A great number, however, saw much more than this; they saw an opportunity to return to the sound and safe values of rural life. This theme was argued by such groups as the National Catholic Rural Life Conference, the rural-life sections of many Protestant denominations,

<sup>53</sup>Clayton S. Ellsworth, "Ceres and the American Man of Letters, since 1929," Agricultural History, XXIV (October, 1954), pp. 177, 181.

<sup>54</sup>Schlesinger, Age of Roosevelt, II, 367, 364.

<sup>55</sup>For a sampling of church views see, Rev. John LaFarge ("The Catholic Point of View") and Mark A. Dawbar ("The Protestant Point of View"), "Religion and Agriculture," Rural America, XVI (September, 1938). The most comprehensive statement of the position of the Catholic Church is to be found in Manifesto on Rural Life, National Catholic Rural Life Conference (Milwaukee: The Bruce Publishing Company, 1939).

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the Ralph Borsodi Homestead Movement, the Southern Regionalism school of Howard Odum at the University of North Carolina, the English Distributists school of Hilaire Belloc, and a group called the Southern Agrarians. All these groups advocated a retreat from the rootless materialism of the city and a return to the stability, independence, and simple virtues of the country.

Probably the most distinguished of the back-to-the-landers, and a group which developed a rather comprehensive rationale for the movement, was the group known as the Southern Agrarians. Formation of the group dates to the publication in 1930 of I'll Take My Stand 57 written by "Twelve Southerners," many of them associated with Vander-bilt University in Nashville. Several like John Crowe Ranson, Allen Tate, Robert Penn Warren, and Donald Davidson were, and still are, prominent and influential men in American letters.

Specifically they sought to defend "a Southern way of life against what may be called the American or prevailing way." But because of the way they defined the two ways of life it was, properly speaking, a defense of "Agrarian versus Industrial" society. 58

<sup>56</sup>Merril D. Peterson, <u>The Jefferson Image in the American Mind</u> (New York: Oxford University Press, 1960), p. 364; Lord and Johnstone, pp. 14, 17.

<sup>57(</sup>New York: Harper & Brothers). Our references are to Harper's Torchbook edition published in 1962. The original "Twelve" were: John Crowe Ransom, Donald Davidson, Frank Lawrence Quisley, John Gould Fletcher, Lyle H. Lenier, Allen Tate, Herman Clarence Nixon, Andrew Nelson Lytle, Robert Penn Warren, John Donald Wade, Henry Blue Kline, Stark Young, and Virginia Rock.

<sup>58&</sup>quot;A Statement of Principles," Ibid., p. xix.

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Attracted by the siren-call of industrialism (or progress), man, argued the Southern Agrarians, had become addicted to seeking material gain. So frantic and frenzied had become the struggle for the material possessions of modernism that man ignored his own spiritual welfare and moral obligation to society. His aesthetic impulse had been lost and his religion abandoned.

The answer to the theory of industrialism was the "theory of agrarianism." Agrarianism postulated that "the culture of the soil is the best and most sensitive of vocations, and therefore it should have the economic preference and enlist the maximum number of workers." Moreover, the agrarian economy envisioned by the group was of a special type: "Agrarianism means old-fashioned farming; or the combination of a subsistence farming of the first place with a money farming in the second place." This emphasis on subsistence farming (self-sufficient farming) was common to most of the other back-to-the-land supporters as well.

The gap between the programs advocated by the back-to-the-land supporters and the programs actually enacted by the federal government was notable. In 1933 a Subsistence Homestead Division was established. The law establishing the program called for the creation of subsistence homestead communities which would aid in "the redistribution of the overbalance of population in industrial centers."

<sup>59</sup> Ibid., p. xxix.

<sup>60</sup>John Crowe Ransom, "Happy Farmer," The American Review, I (October, 1933), 528.

<sup>61</sup>Quoted in Lord and Johnstone, p. 38.

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M. L. Wilson, the Division's first director, saw in the homestead program the possibility of "laying the basis for a new type of civilization in America." But with only the \$25 million which Congress initially allotted the Homestead Division, no "new civilization" was going to be built. By the end of the first year, 25 resettlement communities had been established. By 1937, 122 projects were either under construction or completed.

The law called for the resettlement of the economically destitute from the cities. As actually administered, however, the program was aimed primarily at resettling landless farmers. In 1935 the programs of the Homestead Division were joined with the Rural Rehabilitation Division under a new agency, the Resettlement Administration. In 1937 this agency was absorbed by the Farm Security Administration, an agency with considerable financial and technical resources. By this time the entire emphasis was on resettling and rehabilitating the rural poor—former farm owners, tenants, sharecroppers, etc.—not the urban poor. Also, by the end of the decade the idea of subsistence farming had been replaced by the goal of trying to establish the farming operations of the resettled farmers on a commercial basis.

Thus in terms of tangible results the various back-to-the-land programs of the federal government did not bring about any significant out-migration from the cities. The back-to-the-land movement, however, did tend to add strength to the more limited goal of re-establishing

<sup>62</sup>Quoted in Schlesinger, p. 364.

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landless farmers on farms of their own. And for this program financial and Congressional support was not lacking.

The back-to-the-land movement of the 1930's is significant in that it again demonstrated the persistent and widespread tendency in American thought to look to the country as a source of strength, stability, and virtue. But the gap between the programs advocated by the back-to-the-landers and the actions taken is even more significant. As critics of modern urban-industrial society, the Southern Agrarians and allied groups had something worthwhile to say. Because they criticized contemporary society by long respected standards they had a sizeable audience. But in their proposed solutions—either in the extreme form which called for a wholesale movement back to the land, or in their more limited proposal of self-sufficiency for those already on the land—they did not have a viable or acceptable program to offer that audience. The Southern Agrarians had proclaimed that:

If a community, or a section, or a race, or an age, is groaning under industrialism, and well aware that it is an evil dispensation, it must find the way to throw it off. To think that this cannot be done is pusillanimous. And if the whole community, section, race, or age thinks it cannot be done, then it has simply lost its political genius and doomed itself to impotence. 64

But while a great number of Americans could agree with many of the charges against urban-industrial society only the most disillusioned

<sup>63</sup>The Southern Agrarians later made an effort to become better versed in "economics and sociology" and their proposals became more practical; see, e.g., W. J. Cash, The Mind of the South (New York: Vintage Books, 1960; first published by Alfred A. Knopf, Inc., 1941), p. 393.

<sup>641&#</sup>x27;11 Take My Stand, p. xxx.

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could agree that the cities should or could be depopulated and the country decommercialized. Ultimately the Southern Agrarians came to recognize this also. As John Crowe Ransom later said of that period, "modern man cannot long play innocent without feeling very foolish."

What most could agree with, however, was the proposition that the security of those already on the land should be protected so as to assure an economically and socially viable family-farm community.

Ultimately the back-to-the-land movement, in all its various manifestations, helped to dramatize this need. And it is in this that the chief practical contribution of the movement is to be seen.

### Summary

The economic conditions during the decades between the two world wars helped to give many of the tenents of the family farm creed increased currency. For a time during the height of the Great Depression there were many of those in the city who out did the agrarians in a litany of pure Jeffersonian praise of the farm. But the depression had another more lasting effect. While the chaos of the 1930's caused some to temporarily look toward the country, the ultimate effect of the Great Depression was to finally force the recognition that America of the twentieth century was something quite different than America of the nineteenth century. As one historian notes, "Americans at long

<sup>65</sup> Newsweek. January 27, 1964, p. 80.

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last began seriously to recognize that urbanization and mechanization had brought a new America into being."66

As the meaning of the "new America" came to be appreciated it was inevitable that more and more people would come to recognize that the general welfare of the nation depended primarily upon the vitality of the city, not the country as the family farm creed has so long proclaimed. Many Americans, particularly those directly involved in the agricultural policy making process, continued to hold to the fundamentalistic version of the family farm creed. But, without doubt, the size and receptivity of the audience for this version was being sharply reduced. It is not insignificant that President Roosevelt in his letter appointing the Committee on Farm Tenancy, although identifying the tenancy problem as a grave "challenge to national action" did not go on to say, as his cousin, Theodore, had said earlier, that the one great lesson "taught by history is that the permanent greatness of any state must ultimately depend more upon the character of the country population than upon anything else." 68

However, F. D. R. did say that policies to preserve the family farm structure would be "generally approved." Thus while the currents of change eroded away at the fundamentalistic belief that the family farm was the backbone of the nation, it in no sense brought with it a demand for a reorganization of agriculture. In fact, in reaction to

<sup>66</sup> Knoles. The New United States, p. 394.

<sup>67</sup>Farm Tenancy, p. 25.

<sup>68</sup>Report of the Country Life Commission, p. 43.

<sup>69</sup>Farm Tenancy, p. 26.

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the perceived threat to the security of the family farm, the traditional dedication to the over-arching policy goal of promoting and preserving that institution renewed—a renewal that was approved by most of the urban political community. To Urban America had not become indifferent to the plight of the family farmer, as D. W. Brogan noted:

The decline of the agricultural interest is, to the American, horridly unnatural.... Against the relegation of agriculture to a comparatively minor place in the national life, not only farmers, but millions of Americans with no direct economic interest involved, will fight bitterly; for the United States, which the farms made, is not ungrateful. John Bull is no more a literal representation of the average Englishman than Marianne is of the average Frenchwoman, but Uncle Sam, the shrewd farmer reading his paper in the country-store, represents a not very distant past and is still to many minds the typical American; for even though there are fewer and fewer of him, he is not a pattern laid up in heaven or in the dead past, but one dominant only yesterday. 71

<sup>70</sup>For example, on the specific problem of tenancy, 1936 Gallup Poll reported that 83 percent of the people favored government programs that would enable tenants to buy farms. Hadley Cantril, ed., Public Opinion: 1935-1946 (Princeton: Princeton University Press, 1951), p. 5.

<sup>71&</sup>quot;The Rise and Decline of the American Agricultural Interest,"

The Economic History Review, V (April, 1935), 22-23. Italics mine.

#### CHAPTER VI

## AGRICULTURAL POLITICS AND POLICIES, 1900-1945

"We Demand Equality for Agriculture"

## The New Agrarian Strategy and Program

Throughout most of the last three decades of the nineteenth century American farmers had suffered from low prices. Around 1900 farm prices began to rise, climaxed by the historic highs of World War I. Despite the fact that rising costs of production kept farm incomes somewhat below nonfarm incomes during most of this period, American farmers enjoyed one of their highest levels of prosperity in this so-called Golden Age of American agriculture.

In the summer of 1919 farm prices reached their all-time high and then began a dizzying downward spiral. By the spring of 1921 "American agriculture found itself in a more unfavorable position than it had experienced at any time in the memory of men then living, or possibly at any time since the nation's beginning." By the middle of 1921 the nonfarm economy had turned the corner and was headed toward almost a decade of unprecedented prosperity. But for agriculture no such immediate recovery was forthcoming. American farmers were to

<sup>1</sup>The headline above an editorial in the Bureau Farmer, January, 1930, p. 4.

<sup>2</sup>Murray R. Benedict, Farm Policies of the United States: 1790-1950 (New York: The Twentieth Century Fund, 1953), p. 172.

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suffer only occasionally relieved economic hardship for the next two decades.

Compared to the fervor of agrarian protest during the last thirty years of the nineteenth century it sometimes seems that farmers virtually retired from the political arena during the first two decades of the twentieth century. The fact that four major farm organizations came into being during that period belies such a blanket judgment. But there is no questioning the fact that there was something of a lull in agrarian political action during the morning years of the twentieth century. But this was dramatically changed by the postwar crash. As Bernard Baruch noted in 1921, the "whole rural world is in a ferment of unrest, and there is an unparalleled volume and intensity of determined, if not angry, protest; and an ominous swarming of occupational conferences, interest groupings, political movements, and propaganda." So dramatic was the increase in farmer lobbying activity in Congress that the House Committee on Banking and Currency launched an investigation to catalogue and describe the organizational structure of the new crop of national organizations.5

With the exception of the very considerable unity achieved under the banner of McNary-Haugenism during the last half of the twenties

<sup>3</sup>The American Society of Equity, The National Farmers Union, The Nonpartisan League, and the American Farm Bureau Federation.

<sup>&</sup>lt;sup>4</sup>Atlantic Monthly, July, 1921, p. 111.

<sup>&</sup>lt;sup>5</sup>James H. Shideler, <u>Farm Crisis</u>: 1919-1923 (Berkeley: University of California Press. 1957). p. 152.

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there was great disagreement among the numerous and clamorous farm organizations as to specifically what should be done to relieve the farmers' economic distress. But if they could not agree on specifically what should be done about their problems they could agree that, in good part, the difficulties that farmers suffered "arose from the subjugation of agriculture to the hegemony of the industrial state."

They also agreed as to what would be the consequences for the nation if the economic ills of farmers weren't cured.

Most agreed with the editor of Wallace's Farmer in his belief that cities were the "cancers of civilization" and that the "slower the growth of such cities as Chicago and New York, the longer lived will be the United States." Most agreed with Senator Arthur Capper's declaration that "national prosperity is dependent primarily upon agricultural prosperity and that unless those who live upon the farms prosper the Nation cannot have a continued growth and development," and his belief that the "American farm is the nursery of a genuine freeborn citizenship which is the strength of the Republic." Many believed with George N. Peek that "Red doctrine thrives in industrialism, but fails in a community of land owners." And they united under the declaration by the Minnesota Council of Agriculture: "The people of the United States are facing today the greatest issue in American history since the Civil War, the emancipation of agriculture."

<sup>6</sup>Saloutos and Hicks, Agricultural Discontent..., p. 540.

<sup>7</sup>Wallace's Farmer, July 9, 1926, p. 7.

<sup>8</sup>The Agricultural Bloc, pp. 3, 4.

<sup>9</sup>Equality for Agriculture (Moline, Illinois, Moline Plow Company, 1922), p. 8.

<sup>10</sup>Minnesota Farm Bureau News, August 1, 1926, quoted in Saloutos and Hicks, p. 395.

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How was the emancipation to be achieved? The industrial, financial and commercial interests with their controlled markets and controlled government had been scored by the revolting farmers during the last part of the nineteenth century as the root cause of the farmers' distress and the nation's malady. In an effort to secure a solution to their's and the nation's problems they created a new political party through which they could directly challenge the enemy. Through the Populist Party they sought to wrest government from the hands of the industrial "conspiracy" and to return it to the "people."

A fairly sizeable contingent of the revolting farmers of the 1920's, represented by the more liberal elements of such organizations as the Farmers' Union, the American Society of Equity and the Nonpartisan League, urged the revival of the third-party strategy. Scoring some successes in State and congressional elections in 1922 under various farmer and farmer-labor banners, many looked forward with considerable hope to the Robert LaFollette campaign for the Presidency on the Progressive ticket in 1924. Although LaFollette collected the largest third-party vote in history he failed to amass the large farmer majorities that he had expected and which were absolutely necessary for any kind of success. 11

Another segment of the revolting farmers was spearheaded by the newly born and relatively conservative American Farm Bureau Federation.

From its inception the Farm Bureau rejected the extremes of agrarian radicalism. Emphasizing nonpartisan pressure group activity and working

<sup>11</sup>Ibid., pp. 342-371.

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with the Farm Bloc in Congress the Farm Bureau enjoyed considerable success in promoting farmer-legislation in the early part of the decade. The impressive showing of the Farm Bureau made the failure of the third-party strategy more pointed and the LaFollette defeat in 1924 marked the end of this type of political action.

The same background forces which brought about a change in agrarian political strategy also were responsible for a change in their political program. Historically the agrarian political program had reflected a strong laissez-faire orientation. From the time of the Revolution the agrarian ideology stood for weak and decentralized government, and the demands that were placed on government were basically negative in character. Even the two great and enduring demands—liberal monetary policies and liberal land policies—had this negative tone; block the development of a national banking system, remove the restraints to land settlement.

During the last quarter of the nineteenth century hard pressed farmers began to back away from the gospel of undiluted laissez faire. But their political program--which looked like red radicalism to the Eastern conservatives--was still essentially negative in character. They called for increased government powers, but those powers were to be exercised to either tightly control or to break up the monopolies and trusts which made a mockery of the individualistic society and competitive economy that they had so long cherished. Revolting farmers had sought to correct the economic difficulties that plagued them by trying to reduce the powers of organized industrialism.

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To a very considerable extent this was the goal of the more militant of the revolting farmers in the 1920's. But increasingly since the turn of the century farmers and their spokesmen had been coming to recognize the futility of this approach. By the middle 1920's, for all practical purposes, farmers had abandoned the goal of seeking to restore conditions of competition under which they had believed the farmers interests would be protected. They now aimed at developing their own restrictive devices. 12 They "turned from the reduction of opposing market power to the building of their own."13 They sought to secure the same governmental protections, market techniques, and organizational structures on which the economic power of industry, finance and commerce rested. If tariffs benefited industry at the expense of the farmer then instead of trying to abolish them the tariffs should be designed so as to protect the farmer as well. Farmers had long railed at industry's controlled prices. Now, instead of trying to restore competitive pricing in industry, they sought to achieve controlled pricing in agriculture, either through cooperative effort or if that failed, through direct government intervention in the market place. If business profited from better marketing methods then agriculture should employ the similar techniques. If the risks of business could be covered by insurance, then the hazards of agriculture should also be protected. 14

<sup>12&</sup>lt;u>Ibid.</u>, 562.

<sup>13</sup>John K. Galbraith, American Capitalism: The Concept of Counter-Vailing Power (revised edition, Boston: Houghton Mifflin Company, 1956), p. 159.

<sup>14</sup>Saloutos and Hicks, p. 562.

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These differences between the agrarian political programs before and after 1900 can be described in another way. With the exception of the Populist program most of the agrarian policy demands of the eighteenth and nineteenth century were aimed at promoting the growth of family farm agriculture. Or to put it in the ideological context of the times, the agrarians sought policies which would create those conditions that would allow for the unrestricted growth of family farm agriculture. Acquiring the public domain and opening it to easy settlement was the central issue. To assure the westward expansion of agriculture, internal improvements such as roads, canals, and rail-roads were also needed. To encourage productive growth, beyond sheer physical expansion, improved technology was needed; thus the research and educational activities of the Department of Agriculture and the Land-Grant Colleges.

Growth in the sense of continued improvement in productive efficiency still remains an important theme in twentieth century agriculture, but the theme of growth in the sense of physical expansion died with the closing of the frontier. Thus the accent has been changed. Whereas eighteenth and nineteenth century agrarian programs were aimed at promoting, the twentieth century programs have been aimed at preserving family farm agriculture.

The Populists, recognizing that physical growth of agriculture was over, set out to control industrial capitalism in an effort to protect the position of agriculture. Twentieth century agrarians chose a different route. They have sought, through government programs and cooperative organization, to acquire economic powers equal to those of

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the organized industrialism. Thus if one had to summarize the central theme of agrarianism in the first half of the twentieth century in one phrase, that phrase would have to be, equality for agriculture. There was no single answer as to what constituted "equality for agriculture," but without question the search for that blissful nirvana was the unifying theme of the divers programs advanced.

Although equality for agriculture apparently did not become a widely used popular slogan until the 1920's, the general theme was established during the first and second decades. The country-life people contributed to it by incessantly hammering home the idea that an imbalance between country and city had developed. They urged a series of programs that would strengthen the country and help to maintain a proper balance between the two great sectors. The very name of the American Society of Equity which was created in 1902 implied equality. Its goal was to help put farming "on a safe profitable basis," with benefits for the farmers "equaling those realized in other business undertakings."

The original platform of The Farmers Educational and Cooperative Union (National Farmers Union) pledged the organization, which was also founded in 1902, to endeavors to "secure equity" for farmers and to "bring farming up to the standard of other industries and business enterprises."

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<sup>15</sup> The Plan of the American Society of Equity, American Society of Equity (Indianapolis, n. d.), p. 1, quoted in Saloutos and Hicks, p. 114. Italics mine.

<sup>16</sup>Charles S. Barrett, <u>The Mission. History and Times of the Farmers' Union</u> (Nashville, 1909), pp. 103-7, quoted in <u>ibid</u>., p. 220.

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The persistence of the agricultural depression during the 1920's in juxtaposition to the soon revived and booming prosperity in business and industry further served to dramatically impress upon farm leaders the enormity of the inequities between the two sectors. Thus by the middle of the 1920's the equality-for-agriculture slogan had become agriculture's great rallying cry. It rang from the lips of every revolting farmer, for equality was the medicine that would cure all of agriculture's ills: "we can avoid all dangers by restoring agriculture to equality of opportunity, return, and protection, with industry." 17

From the turn of the century to World War II American farmers traveled many roads in their search for equality. A discussion of the programs that they proposed and those that were enacted into public policy must recognize three time periods. The first is from 1900 to 1919. Farmers were better off economically and less active politically during this period than during the years immediately before and after. However, some highly significant legislation was enacted during the period.

The second period begins with the break in farm prices shortly after the close of the First World War, extends through the crash of '29 and ends with the inauguration of Franklin D. Roosevelt. This was a period of intense and often conflicting agrarian political activity. And it was during this period that the new agrarian political strategy and program, that had begun to emerge after 1900, became crystallized. The 1920's saw the birth of the idea of parity pricing and the first.

<sup>17</sup>Peek, Equality.... p. 8. Italics mine.

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but unseccessful, effort to translate the idea into public policy via the McNary-Haugen price-fixing plan.

The third period is that of the New Deal years and extending through the first few months following the attack on Pearl Harbor.

This was a period of untold economic suffering for farmers, but also one of unparalleled legislative accomplishments—nowhere did the New Deal break more new ground than in the area of agricultural policy.

Of all the New Deal legislation none was more highly prized than that which created the system of parity price supports, for it was in parity pricing that farmers and their spokesmen had come to see as the single most important vehicle for achieving equality for American family farm agriculture. It was this program, most fully developed in the Agricultural Adjustment Act of 1938, which post-World War II policy makers inherited and it is around this inherited program that the great political debates and struggles of the two decades following V-J Day have centered.

#### The First Two Decades

Organized farmer political activity during the first two decades of the century was primarily concerned with self-help programs and local legislation. The Grange had reverted back to its original emphasis on do-it-yourself educational and social activities. The newly created Farmers Union and the American Society of Equity were concerned with trying to develop farmer cooperatives, but at this stage not appealing for national legislation to encourage the movement. The

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Nonpartisan League actively and successfully sought, at least in North Dakota, farmer-legislation, but this was limited to the state level.

Despite this fact, important pieces of federal legislation were enacted. The final revisions to Homestead Laws were completed. But more significant, reflecting the changed conditions of the twentieth century, were a series of laws aimed at promoting the economic and social welfare of the farmer.

Most of the ideas for this new legislation came not from farmers and their organizational leaders, but from certain social and political leaders, not directly involved in agriculture, but deeply concerned with maintaining a viable and stable community of family farmers. The country-life movement, which had been catapulted into national attention by Theodore Roosevelt's appointment of the Country Life Commission in 1908, was a seminal source of ideas and helped to generate general support for translating those ideas into policies.

Legislation intended to place the farmer on a more equal social and economic footing included the establishment of parcel post in 1912, the Rural Post Roads Act in 1916, the beginnings of what eventually came to be a vast federally-backed farm credit system in the Federal Farm Loan Act and the United States Warehouse Act of 1916, and the first attempt to regulate institutions handling agricultural products in the Cotton Futurers Act of 1914.

<sup>18</sup>The Kincaid Act of 1904, the Forest Homestead Act of 1906, the Enlarged Homestead Act of 1909, and the Three-year Homestead Act of 1919.

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Probably the most significant piece of legislation of the period was the Smith-Lever Act of 1941 which created the system of agricultural extension education. This Act must rank along with the Morrill Act as one of this country's most important and far-reaching pieces of social legislation. The Extension Service, which it created, soon became "far and away the largest single adult education enterprise in the United States." 19

Although it was intended to promote the welfare of farmers, there was little support for it at the time among practicing farmers who ridiculed the notion that a college educated 'expert' could tell them anything about farming. Nor was it vigorously supported by the farm organizations. <sup>20</sup>

Somewhat in the same vein was the Smith-Hughes Vocational Act of 1917, which supplied federal aid to schools providing vocational agricultural education. This program had much stronger support from farmers than the Smith-Lever Act, for farmers had long felt that the high schools had tended to educate their youth away from the farm.

These two acts were logical applications of that long and important tradition in American agricultural policy, the promotion of progressive farming. This interest in progressive farming was heightened during the early years of the twentieth century as it was seen as an important means to strengthening the economic and social status of the

<sup>19</sup>Russell Lord, The Agrarian Revival (New York: George Grady Press, 1939), p. 7.

<sup>&</sup>lt;sup>20</sup>Benedict, p. 153, and Saloutos and Hicks, pp. 127-29.

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family farm community. Interest in scientific research and farmer education was also increased by fears on the part of many policy makers that with the physical expansion of agriculture brought to a standstill, population might soon begin to outstrip farm production. These two concerns are reflected not only in the enactment of the extension and vecational education programs but also in the rapid expansion of the U. S. Department of Agriculture. Personnel strength of the Department increased from 2,444 in 1897 to 13,858 in 1912 and 20,742 by 1926. The Department's budget was 30 times larger in 1920 than in 1890.

During this period the efforts to strengthen progressive agriculture took on a new dimension. The Department of Agriculture, augmented by the beginnings of the professional discipline of agricultural economics in the Land-Grant Colleges, began to do work in the economics of agriculture. This approach aimed at assisting the farmer in management of his enterprise and in the marketing of his products. Under the leadership of D. F. Houston, Woodrow Wilson's Secretary of Agriculture, the farm management and marketing divisions were created in the Department, and the whole economics-of-agriculture approach was greatly accelerated under the secretaryship of Henry C. Wallace during the early 1920's. In 1922 the Department's various efforts in this

<sup>&</sup>lt;sup>21</sup>Shideler, p. 4, and Saloutos and Hicks, pp. 27-28.

<sup>22</sup>Wayne D. Rasmussen and Gladys L. Baker, "The Department is Built," After a Hundred Years, The Yearbook of Agriculture, 1962 (Washington: U. S. Government Printing Office, 1962), pp. 9-12.

<sup>23</sup>Shideler, 7, 125-130, and James C. Malin, "Mobility and History: Reflections on the Agricultural Policies of the United States in Relation to a Mechanized World," Agricultural History, XVII (October, 1943), esp. pp. 180-184.

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area were centralized under a new agency, the Bureau of Agricultural Economics. Through the Purnell Act of 1925, Congress allocated considerable funds for economic research in state agricultural experiment stations.

#### The Twenties

The post-World War I break in farm prices was of the sharpest in agricultural history. The all-commodity price index (1909-1910 equals 100) fell from 211 in 1920 to 124 in 1921. Cash receipts from all farm products dropped from \$14.6 billion in 1919 to \$8.1 billion in 1921. Adding salt to the raw wounds of the farmers' distress, was the fact that the prices on the items that the farmer bought remained high and stable. The purchasing power of the farmers' dollar, thus, fell from an index value of 105 in 1919 to 69 in 1921 (1909-1914 equals 100). With prices low and costs remaining high, net income to farm operators plummeted from \$9.8 billion in 1919 to \$3.8 billion in 1921. With sharply lower net incomes, many farmers found they could not meet payments on debts incurred in their wartime expansion efforts. Between 1919 and 1923 farm bankruptcy rate increased by almost 700 percent.

With farm leaders widely split over specifically what was needed to restore agricultural prosperity, demands for action were many and

<sup>&</sup>lt;sup>24</sup>Historical Statistics of the United States: 1789-1945, p. 99.

<sup>25</sup>The Condition of Agriculture in the United States..., p. 45.

<sup>&</sup>lt;sup>26</sup>Historical Statistics, p. 99.

<sup>27</sup>The Agricultural Problem in the United States, p. 63.

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diverse. However at least four lines of emphasis were discernible.

Mesmerized by the visions of such men as Aaron Sapiro, many farmers and farm leaders saw in cooperative organization the solution to most of their woes. The more optimistic thought that farmers could acquire sufficient monopolistic market power to control prices. Others aimed at the more limited goal of bringing about more orderly marketing and reducing marketing costs. Although primarily a do-it-yourself type of program, certain government legislation was needed to strengthen the movement. Several laws were passed by Congress ranging from the Capper-Volstead Act of 1922 (the Magna Carta of the cooperative movement) to the Agricultural Marketing Act of 1929. The years between 1920 and 1929 represent the heyday of cooperative development in the United States.

Another line of attack was to procure more adequate, federally-backed credit for farmers and several important pieces of legislation were enacted between 1920 and 1923. The third line of attack was that of securing greater regulation over industries handling and processing agricultural goods. The Packers' and Stockyards Act and the Futures Trading Act of 1921 were the major legislative results of these demands.

The number of farmer-orientated laws enacted during the first four years of the 1920's testify to the effectiveness of farmer political action--particularly that of the Farm Bureau, clearly the most effective

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farmer pressure group of the period, and the Farm Bloc 28 in Congress, which the Bureau helped to create and through which it worked. But this legislative program also testifies to the lack of imagination on the part of farmers and their representatives both in and out of Congress. The relief demands put forward by the regular farm leaders represented an uncoordinated collection of "insufficient reform programs" most of which had been floating around for 15 or 20 years. 29

By 1923, although prices had recovered somewhat, agriculture was still in bad shape, but farm leaders, with most of their original demands already enacted, seemed to be at a loss as to what further measures should be taken. This ideological vacuum was soon filled by the development of a plan to guarantee "fair exchange" (parity) prices for agricultural commodities. 30

<sup>28</sup>The Farm Bloc was a semi-formal, bipartisan group of farm-State Senators and Representatives. It was organized in the early summer spring of 1921 when it became apparent that the Harding Administration was not going to come up with a program satisfactory to the major farm organizations and Midwestern and Southern Congressmen. When the "regular" Republicans tried to adjourn Congress on July 5, 1921 the Farm Bloc was able to block the move and hold Congress in session long enough to pass the Packers and Stockyards Act, the Futures Traders Act, and two amendments to the Farm Loan Act. The first organizational meeting of the Farm Bloc was held in the office of Gray Silver, the Farm Bureau's lobbyist, and the Bureau worked closely with the Bloc throughout its existence. By the end of 1923, most of the legislation demanded by the Bloc had been enacted and the Bloc, as a formal organization, had pretty well disappeared. A loose and informal non-partisan coalition of farm-State Congressmen continued to function throughout the 1920's and 1930's. For more detailed accounts of the Farm Bloc see Senator Arthur Capper's, The Agricultural Bloc; Wesley McCune, The Farm Bloc (Garden City, New York: Doubleday, Doran and Co., Inc., 1943); Gilbert C. Fite, George N. Peek and the Fight for Farm Parity (Norman: University of Oklahoma Press. 1954) passim; Shideler, passim, and Saloutos and Hicks, pp. 321-41.

<sup>29</sup>Shideler, pp. 154, 287.

<sup>30</sup>The term parity does not become widely used until the 1930's, but "fair exchange" and "parity" involve essentially the same concept.

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Increasingly since 1920 farmers had become impressed by the disparity between the prices of the goods they sold and the prices of the goods they had to buy. As Department of Agriculture economists began to publish price index and purchasing power figures, interest in price ratio was heightened. If a more equal ratio could be achieved then surely the farmers' economic distress would be greatly lessened. But how could this be achieved? It had been hoped that farmer cooperatives would be able to cut marketing costs and possibly to raise prices, thus narrowing the gap. Tighter controls over servicing industries had been seen as a way to reduce the level of prices paid out. Such activities were helping but not nearly as much as had initially been hoped for. Something else was needed.

In 1922 George N. Peek, president of Moline Plow Company, came up with a solution that he thought would secure true Equality for Agriculture. The form the next two decades Peek was to devote most of his energies to the farm problem. His interest in agriculture stemmed not simply from the fact that "you can't sell plows to busted farmers."

Peek was "an agrarian at heart," who believed that the "essence of our political genius flows from a land-owning agricultural community."

Peek's solution was to have the government intervene in the market to assure a "fair exchange" between the prices the farmer received and the prices he had to pay out. The "fair exchange value is the

<sup>31</sup>Shideler, pp. 197-201.

<sup>32</sup>This was the title of Peek's publication in which he, in collaboration with Hugh S. Johnson, outlined his scheme for securing "fair exchange" prices for farmers.

<sup>33</sup>Fite, George N. Peek..., p. 43.

<sup>34</sup>Peek, Equality..., p. 8.

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worth of a thing in terms of those things for which it is exchanged. Therefore, some ratio between the price of wheat, for instance, and the general price index, gives a price for wheat at any particular time which expresses its worth in terms of those things for which it is exchanged." That is, by tieing the price of wheat to some general price index a bushel of wheat would have the same purchasing power over time.

Because Peek was also an economic nationalist, he tied the idea of parity pricing to the tariff, to "make the tariff effective." As considerable quantities of the major American agricultural products were exported their prices were significantly influenced by the world market. But world market prices during the 1920's were not adequate to cover the American farmers' cost of production. Peek argued that the major reason for these high costs of production was the fact that the domestic producers of the goods the farmer had to buy were protected by the tariff wall. Thus tariffs on agricultural products should be set to reflect the difference in domestic and foreign costs of production, and then the government, operating behind the tariff wall, could intervene in the market to raise domestic farm prices above the world market levels.

This would be accomplished by the creation of a government corporation which would buy up large quantities of agricultural commodities. The commodities so purchased by the government—which would represent the surplus beyond effective domestic demand—would then be

<sup>35&</sup>lt;u>Ibid.</u>, p. 16.

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sold on the world market for whatever price could be obtained. The difference between the price that the government had to pay for the commodities and the price that it received for them on the world market would be made up by an "equalization fee" assessed against the producers themselves. Since the export surplus was only part of the total production of most commodities, the equalization fee would be small relative to the price gains.

Partly because of the simplicity of the idea, partly because of the eloquence and dedication of the plan's creator, and partly because no one else had a better scheme, most of the farm organizations began to back the plan by 1924 and 1925. The scheme was first introduced in Congress in 1924 via the McNary-Haugen bill, and throughout the rest of the decade a majority of the farm organizations rallied around the flag of McNary-Haugenism.

Majority support in Congress had been mustered by 1927. But once through Congress McNary-Haugenism ran afoul of the steadfast opposition of President Coolidge. Coolidge vetoed McNary-Haugen bills in 1927 and in 1928. But the idea of government intervention to maintain price levels had been deeply burned into the farmer's mind and would not easily be forgotten.

Public policies are a response to a perceived problem. Belief as to the causes of the program and beliefs as to how these causes can and should be treated determine the shape of the resultant policies. How was the agricultural problem of the 1920's diagnosed? The earliest attempts to explain the crash in farm prices stressed that it was a temporary problem that would be solved by the natural workings of the

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economic cycle.<sup>36</sup> Particularly when business began to recover in 1921 it was expected that agricultural recovery would soon follow. Most professional economists voiced this "temporary" view throughout most of the decade.<sup>37</sup> The Republican Administrations also continued to predict that agriculture's return to "normalcy" was just around the corner.

There was a price recovery from the lows of 1921. But at no time was there a genuine recovery of farm prosperity. The underlying

<sup>36</sup>The first major analysis of the crash of farm prices developed this view. The study was the product of joint endeavor by the Senate and House Agricultural committees: U. S. Congress, House, The Agricultural Crisis and its Causes, Report of the Joint Commission of Agricultural Inquiry, Report No. 408, 67th Cong., 1st Sess., October 15, 1921.

<sup>&</sup>lt;sup>37</sup>For example, see the January, 1925 issue (Vol. CXVII) of the Annals of the American Academy of Political and Social Science, which was devoted entirely to the farm problem. The overall tone of the professional articles is highly optimistic. Greatly playing up the price revival of 1924, they generally concluded that full prosperity for agriculture was almost at hand. It is interesting to compare this issue with the March, 1929 (Vol. CXLII) issue of Annals, which also was devoted to the farm problem, with many of the same contributors that appeared in the 1925 issue. By 1929 the earlier optimism was largely gone. John D. Black in his book. Agricultural Reform in the United States described the attitudes of the economists this way: "The thought that comes to one most forcibly after reviewing these efforts at farm relief is the belatedness of some of them. The Association of Land Grant Colleges should have set a committee at work in 1921 in place of 1927. The same is true for the United States Chamber of Commerce. The fact is that these people expected agriculture fully to recover in a few years. They did not appreciate the enormity of the catastrophe or the permanence of some of the changes." p. 74.

<sup>38</sup>The all-commodity price index for farm products dropped from 215 in 1919 to 124 in 1921. A recovery to 156 had been made by 1925. However, it dropped to 146 in 1926 and to 142 in 1927. In 1929 it stood at 149. (Base: 1910-1914 = 100.) <u>Historical Statistics</u>, p. 99.

<sup>&</sup>lt;sup>39</sup>For example, the number of bankruptcy cases filed by farmers increased by large percentages in every consecutive year from 1920 to 1925, after which they dropped slightly. Even so there were about four times as many cases in 1929 as in 1921. Also, the value of farms per acre decreased in every consecutive year from 1920 through 1929, thus counteracting, to a large extent, the sporadic increases in farm income. Ibid., pp. 111, 95.

problem was that farmers were producing too much. Between 1914 and 1919, farmers had greatly expanded their output to meet wartime demand. With that demand drastically reduced they were caught with a surplus of commodities that could be sold only at prices too low to adequately cover costs of production. Agricultural production was relatively stable throughout the 1920's at a level about 15 percent above that of 1919-1921. Total production was not substantially reduced because 6 million producers operating independently could not, on their own, make the production decisions that would have resulted in a substantial cut back.

These facts (the fact of the overproduction and the fact of the farmers' inability to cut back the production) were not widely appreciated. The Joint Commission of Agricultural Inquiry, for example, declared flatly that the break in farm prices was not a result of overproduction. The National Industrial Conference Board study of 1927 recognized overproduction as a factor but ranked it well down on their list of important causes. By the latter part of the decade the surplus problem had become a prominent "theme of agricultural discussion," but as late as 1932, a special committee of the Land-Grant College Association discounted increased agricultural production as a cause of the farmers'

<sup>40</sup>Benedict, p. 277.

<sup>41</sup> The Agricultural Crisis and its Causes, pp. 84-88.

<sup>42</sup>The Condition of Agriculture..., pp. 137-138.

<sup>43</sup>Bernhard Ostrolenk, <u>The Surplus Farmer</u> (New York and London: Harper & Brothers Publishers, 1932), p. xiii. Compare, for example, the contributions by W. J. Spillman--one of the top economists of the period--in the 1925 <u>Annals</u> and the 1929 <u>Annals</u> (see footnote 37 above). In 1925 he stated that, with the exception of wheat, the major commodities

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price problems. 44

There were, of course, those who did recognize that farmers were producing too much for their own good. A committee of the National Agricultural Conference expressed the view that the farmer was producing more than he could expect to sell for "prices that will maintain a reasonable standard of living." Secretary of Agriculture, Henry C. Wallace, in 1922, criticized those who "contend that there is no such thing as overproduction." But even where a surplus problem was identified it was not fully appreciated. Wallace, for example, reflecting the views of the economic and demographic experts of his own staff, <sup>47</sup> judged the overproduction to be strictly temporary and argued that in the near future the "problem will be to <u>increase</u> food production."

Several of the farm organization leaders agreed that there was a temporary surplus problem. The scattered efforts to organize producer

were in "balance." In 1929, however, he states: "It is now possible to state the problem more clearly than at that time...we are producing a surplus of each of the five major crops--cotton, corn, wheat, oats, and hay." p. 210.

<sup>44</sup>Association of Land-Grant Colleges and Universities, Report on the Agricultural Situation, by the Special Committee, submitted at the 46th annual convention, Washington, November 14-16, 1932, p. 6.

<sup>45</sup>U. S. Congress, House, Report of the National Agricultural Conference, Document No. 195, 67th Cong., 2nd Sess., March, 1922, pp. 137-38.

<sup>46&</sup>quot;Report of the Secretary," <u>Yearbook of Agriculture 1922</u>, U. S. Department of Agriculture (Washington: U. S. Government Printing Office, 1922), p. 4.

<sup>47</sup>Shideler, p. 293.

<sup>48&</sup>quot;A National Agricultural Program," Annals, CXVII (January, 1925), p. 127.

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co-ops for the purpose of limiting production, and McNary-Haugenism which started with at least an implicit assumption of surplus production are testimony to this. But their proposed solutions reflect the general lack of understanding as to how to cope with it. The cooperative enthusiasts had to learn through disappointing trial and error that production could not be controlled through voluntary action. The McNary-Haugenites were more realistic in the sense that they recognized the need for government intervention if a stable price level were to be achieved. But their scheme was faulted in that they saw the world market as a bottomless pit in which to dump the domestic surplus thus making domestic production control unnecessary.

In all, as one historian notes, farmer demands of the 1920's reflected the hazy analysis by the "experts" of the causes of the farm problem. "Absence of data upon which to base policies and the lack of preliminary thinking on the causes of the farm problem" did not prevent farmers from demanding relief; however, because of the inadequacy of the diagnosis these demands were, on the whole, impetuous and short-sighted panaceas directed more at symptoms than at causes. 49

One observer in criticizing the Harding and Coolidge Administrations charged that they hadn't the "faintest conception" of what had happened, that the "earthquake in the basic structure of commodity prices was to them unknown." But as the foregoing suggests, Harding and

<sup>&</sup>lt;sup>49</sup>Shideler, p. 294.

<sup>50</sup>A. B. Genung, <u>The Agricultural Depression Following World War I and its Political Consequences: An Account of the Deflation Episode</u>, 1921-1934 (Ithaca. New York: Northeast Farm Foundation, 1954), p. 11.

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Coolidge were not alone in their misunderstanding. Given the state of technical knowledge about the farm problem their opposition to more direct government intervention was not, as some critics have since argued, the result of blind obstinance bred of uncompromising adherence to economic orthodoxy.

In 1921 President Harding had stressed that "in the last analysis, legislation can do little more than give the farmer the chance to organize and help himself." "Cooperative action" was also the Coolidge Administration's "chief answer to whatever problem may have arisen in the recent affairs of agriculture." Likewise, President Hoover saw in farmer-cooperative organization the only sound approach to the farm problem. Cooperative action fit well with their belief in "self help" rather than direct government aid. Not unaware that the economic power of business derived in large part from its highly organized structure it was natural for them to expect that the same thing could be done in agriculture, particularly in view of the state of the technical knowledge then existing as to the causes and possible remedies of the farm problem.

This emphasis on cooperative legislation culminated in the Hoover-backed Agricultural Marketing Act of 1929. The Federal Farm Board, created by the Act, had two major functions. First, it was to make federal loans intended to foster a vast complex of farmer-owned

<sup>51</sup>Report of the National Agricultural Conference (Washington: U. S. Government Printing Office, 1922), p. 7.

<sup>&</sup>lt;sup>52</sup>New Republic, December 23, 1925, p. 125.

cooperative marketing associations. Second, if subsidized, through federal loans, a series of stabilization corporations, whose function was to stabilize farm prices through storage and withholding operations. Thus, ironically, the government became involved in efforts, however feeble, at fixing prices and there launched "a federally subsidized farm which up to that time had been unparalleled in relief annals."

With the dramatic decline in farm prices beginning in 1929, the Board was primarily concerned with the stabilization function, but its efforts were ineffectual. The glut on the market was too great to be successfully handled by storage, and withholding measures and the pleas by the Board to farmers to voluntarily reduce their production naturally went unheeded.

#### The New Deal

Shortly after "Black Monday," which ushered in the Great

Depression, farm prices began another downward spiral which was to prove

even greater than the break in prices following World War I. The allcommodity price index fell from 149 in 1929 to 68 in 1932. Prices paid

out by farmers also dropped but not nearly as rapidly or as deeply, thus

the ratio between prices paid and prices received by farmers slid from

89 to 55 (1910-1914 equals 100). Net income to agriculture dropped from

the already depressed level of \$6.7 billion in 1929 to \$2.2 billion in

1932. Farmers found this new down turn intolerable. In January 1933,

Edward A. O'Neal, the president of the Farm Bureau, warned the Senate

<sup>53</sup>Saloutos and Hicks, p. 404.

<sup>&</sup>lt;sup>54</sup>Historical Statistics, p. 99.

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Agricultural Committee: "Unless something is done for the American farmer we will have a revolution in the countryside within less than twelve months." 55

## "Good Lord: This is a Revolution:"56

New Deal such action was forthcoming. The Agricultural Adjustment Act of 1933 was the first major agricultural legislation. As many of the other New Deal programs, it broke new ground. And although it had a legal life of only three years, it gave official birth to a set of ideas and principles which have been, for better or for worse, a dominating influence in American agricultural policy ever since.

The word "adjustment" in the title of the Act is indicative of the views of its authors as to the nature of the farm problem and its remedies. By 1933 the existence of a surplus in farm production could no longer be ignored. Although the necessity of surplus control was now given official sanction none of the framers of the Act saw the surplus problem as a permanent one. They believed that after a short period of "adjustment," agricultural production would be brought into line with demand. This is also evident in the language of the Act itself, which in Section 13 empowered the President, after consulting with

<sup>55</sup>Quoted in Schlesinger, The Age of Roosevelt, II, p. 27.

<sup>56</sup>This remark is attributed to a Russian visitor upon seeing hundreds of U. S. D. A. employees busily producing and mailing out thousands of checks to American farmers in the fall of 1933 as a part of the Agricultural Adjustment Administration's cash-benefit program. Fite, George N. Peek..., p. 254.

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the Secretary of Agriculture, to terminate the price support and production control provisions once it had been determined "that the national economic emergency in relation to agriculture has been ended."

The Triple-A was intended as a gigantic step toward achieving equality for agriculture. It was to achieve this by "re-establishing prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles farmers buy, equivalent to the purchasing power of articles in the base period...August 1909-July 1914."

The Act did not call for an immediate restoration of prices to a level of full (100 percent) parity, but this was the ultimate goal. The attainment of higher parity levels was to be achieved primarily through adjustments in production. As production was brought more in line with effective demand, open-market prices would rise. Several techniques could be used to adjust production. In 1933 the controversial and short-lived, plow-up campaign for cotton and tobacco and the pig-sow slaughter program were used. "Marketing agreements" between producers, processors and distributors were also to be encouraged. The primary emphasis, however, was on the voluntary acreage reduction program. The government was empowered to enter into a contract with individual farmers to reduce their acreage of the surplus commodities. In return for reducing their acreage farmers were to receive cash benefits or

<sup>57</sup>Acreage reduction was made mandatory in the case of cotton and tobacco through the Cotton Control Act and the Tobacco Control Act of 1934.

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rental payments. 58 The payments were financed by an excise tax levied on the first processor of commodities destined for domestic consumption, the amount of the tax to be the difference between the open market price and the parity price. With the anticipated rise in open market prices the tax would be reduced and eventually eliminated.

The technical ideas for the Triple-A came from outside the circle of regular farm leaders, primarily from a small group of bright young economists who were to play a major creative and administrative role in the agricultural programs of the 1930's. This was, in a sense,

<sup>58</sup>These benefit payments were to be made to those cooperating farmers who were engaged in the production of the so-called "basic" commodities. Initially this list included wheat, cotton, corn, hogs, rice, tobacco, milk and its products. These were commodities of sufficient importance that increased prices would have significant effects throughout the agricultural economy. Also they were the ones most in surplus and therefore logical candidates for control. In 1934 the "basic" list was expanded to include cattle, sugar beets, sugar cane, peanuts, rye, flax, barley, and grain sorghums.

<sup>59</sup>In regard to the origin of technical ideas which were incorporated into the AAA and as to the politics surrounding its enactment, we have relied on the following works: Saloutos and Hicks, pp. 452-57: Benedict, 276-401; Schlesinger, pp. 27-84; Edwin G. Nourse, Joseph S. Davis and John D. Black, Three Years of the Agricultural Adjustment Administration (Washington: The Brookings Institution, 1937), esp. pp. 1-114; Dean Albertson, Roosevelt's Farmer (New York and London: Columbia University Press, 1961), pp. 65-104; Grant McConnell, The Decline of Agrarian Democracy (Berkeley & Los Angeles: University of California Press, 1953). pp. 66-83; George N. Peek, Why Quit Our Own (New York: D. Van Nostrand Company, Inc., 1936), pp. 55-91; Gilbert C. Fite, "The United States Department of Agriculture as an Instrument of Public Policy: The McNary-Haugen Episode and the Triple-A," Journal of Farm Economics, XLII (December, 1960), 1084-1093; Bushrod W. Allin, "The U. S. Department of Agriculture as an Instrument of Public Policy," <u>ibid</u>., 1094-1103; Gilbert C. Fite, George N. Peek..., passim; Chester C. Davis, "The Development of Agricultural Policy Since the End of the World War," Farmers in a Changing World, The Yearbook of Agriculture, 1940 (Washington: U. S. Government Printing Office, 1940), pp. 312-26; Christiana McFadyen Campbell, The Farm Bureau and the New Deal (Urbana: University of Illinois Press, 1962); O. M. Kile, The Farm Bureau Through Three Decades (Baltimore: The Waverly Press, 1948), pp. 197-246, and Clifford V. Gregory, "The American Farm Bureau Federation and the AAA," The Annals of the American Academy of Political and Social Science, CIXXIX (May, 1953) 152-58. Most of these sources also deal with the 1936 and 1938 price legislation.

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the Golden Age for agricultural economists insofar as their influence on agricultural policy is concerned.

During most of the 1920's this youthful discipline had generated little more than some price index figures, some outlook charts, and some farm management studies. Their contribution to policy formation was negligible. On the 1930's it was different. They not only had ideas but also the ear of an Administration which, because of its dominant influence in agricultural policy, could translate those ideas into action. On

The techniques for supporting prices can be traced to Peek's "fair exchange" scheme but their more immediate origin was in the "domestic allotment plan." The domestic allotment plan was first formulated in general terms by W. J. Spillman in 1927, and developed in greater detail by John D. Black in 1928 and 1929. Black stated the plan's objective as follows:

<sup>60</sup>Chester C. Davis says of the agricultural economists during the 1920's: "Agricultural colleges and economists were as a whole indifferent to the problem. During the early years their leadership was negative and their attitude scoffing." Farmers in a Changing World, p. 34. Also see Fite, Journal of Farm Economics, XLII, 1085-1091, and Shideler, passim.

<sup>61</sup>Wallace had Roosevelt's strong backing and under his driving leadership the Department of Agriculture was the major creative force in agricultural policy at least through 1937. As Fite states: "Once the new administration was in power, Wallace did not sit around waiting to be called by Congressional committees merely to give advice on measures drawn by legislators or the national farm organizations.... Backed by the President, and drawing support from masses of farmers, the Department had at last become a major determiner and administrator of broad public policy." Journal of Farm Economics, XLII, 1092-1093.

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The essential principle of the domestic allotment plan is paying producers a free-trade price plus the tariff duty for the part of their crop which is consumed in the United States and this price without the tariff duty for the part of it that is exported, this to be arranged by a system of allotments to individual producers of rights to sell the domestic part of the crop in the domestic market. 62

The next major revision to the plan came from M. L. Wilson. Black had developed the scheme whereby every farmer would be alloted a specified acreage representing his share of the domestic market. The farmer would receive price benefits on the yield from this allotment, production from acreage in excess of the allotment would sell at world market prices. Wilson modified this by suggesting that farmers should be given cash benefits as an inducement to take acres in excess of their allotment out of production, or shifting them to non-surplus crops.

The final details of the Triple-A were worked out in a series of meetings called by F. D. R.'s agricultural advisors early in 1933. The major farm organization leaders were involved in these meetings, but apparently their contribution was fairly negligible. This situation prompted George N. Peek to say that this "was not a farmers' measure." The major contribution of the farm organizations came in their efforts to marshal Congressional support for the measure.

<sup>62</sup>Agricultural Reform..., p. 271. For a full description of the plan see pp. 271-301.

<sup>63</sup>The comparatively negligible role of the farm organizations in the drafting of the first AAA is attested to by all the works cited in the footnote above on the "origins of the AAA." The main exception is the Gregory account which gives the farm organizations, particularly the Farm Bureau, a more important role.

<sup>64</sup>Why Quit Our Own, p. 71.

The Triple-A was in many ways a striking success as an emergency measure. The cash benefit payments put desperately needed money into the hands of hard-pressed farmers. The control programs did much to hold production in line with effective demand, helping to generate a partial recovery in farm prices. On January 6, 1936, however, this historic Act met the same fate suffered by some other New Deal programs—death at the hands of the Supreme Court. The Court's decision cut the heart out of the Triple-A by declaring the processing taxes and the acreage-reduction contracts unconstitutional.

Within a scant seven weeks a replacement—the Soil Conservation and Domestic Allotment Act—was signed into law. Building on the growing interest in soil conservation, generated by the widespread fallout from the Dust Bowl, farmers were to be paid for switching from "soil depleting" crops to "soil conserving" crops. As the "soil depleting" crops were the cash crops which were most in surplus this was not simply a conservation program but a production control program as well. The conservation payments, to be financed by the Treasury, would provide farmers with a source of direct aid.

Almost immediately work was begun on a new bill. The result was the Agricultural Adjustment Act of 1938. Farm-state Congressmen and the farm organizations were much more active in shaping the AAA of 1938. The New Republic noted the change in Administration tactics: "Executive officials...in the past...have come to Congress with the bills outlined to the last detail, and have asked for prompt passage without substantial alternatives, as a necessary part of an emergency program. This was called executive usurpation or even dictatorship.

So this time the Department of Agriculture has put the problem up to Congress, merely offering to enlighten the committees with information or suggestions. In general, however, Mr. Wallace's views are known. He wants to create an 'ever-normal granary' an enlarged Commodity Credit Corporation also a la Joseph of the Old Testament." Of the farm organizations, the Farm Bureau played the major role in mustering support for the bill.

Almost all the programs of the 1936 Act were retained. This included, with minor changes, the acreage allotment program which dated to the AAA of 1933. An important new provision was the establishment of marketing quotas which could be used in conjunction with the acreage allotments. The major change of emphasis in the new Act was the enlargement of the functions of the Commodity Credit Corporation (CCC). In its inception in 1933 the CCC was intended as a mechanism for stabilizing seasonal fluctuation in prices. Under the 1938 Act it became the primary mechanism for raising and maintaining farm prices above free market levels.

Although the goal of both the 1933 and 1936 laws had been that of restoring farm prices to a higher parity ratio the government had not been committed to guaranteeing the farmer a specific parity price.

The AAA of 1938, however, committed the government to supporting prices of "basic" commodities on a flexible basis ranging from a minimum of 52 percent to a maximum of 75 percent of parity. Prices were to be

<sup>65&</sup>quot;The Program for Agriculture," December, 1937, p. 89. 66McConnell, p. 78.

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supported at these specified levels through a system of nonrecourse loans to farmers by the  $C\infty$ . Through the nonrecourse loans, farmers who had planted within their acreage allotment coudd, in effect, sell their commodities to the government at any time the open market price was lower than the specified parity price.

The appeal of parity pricing and the ability of the farm organizations and farm-State Congressmen to capitalize on it is clearly reflected in the AAA of 1938 and in the later amendments to it. In 1941 the flexible provision was changed to a rigid support level pegged at 85 percent of parity for all "basic" commodities. The Steagall Amendment, also in 1941, extended the 85 percent support level to a long list of non-basic commodities. And in 1942 the mandatory support level was raised to 90 percent of parity for both the "basic" and the "Steagall" commodities.

#### Credit and Rehabilitation

When Roosevelt came to power, agriculture was on the verge of wholesale bankruptcy. The total outstanding farm-mortgage debt was actually less in 1933 than at any time since 1921<sup>67</sup> but the precipitous decline in prices that had occurred since 1929 made it impossible for thousands of farmers to meet their mortgage payments. Foreclosure sales skyrocketed. In the Midwest, farmers were organizing to physically

<sup>67</sup>Historical Statistics, p. 111.

block these eviction sales. Price supports were not enough. There was a desperate need for credit.

The credit and rehabilitation programs enacted during the New Deal probably did a great deal to preserve the family farm structure of agriculture. The Farm Credit Act of 1933 consolidated all rural credit agencies <sup>69</sup> under the Farm Credit Administration. The FCA through its various operations undertook a massive refinancing of farm mortgages and the extension of new credit under highly favorable terms. By 1940 a full 40 percent of the farm indebtedness was federally backed. This timely injection of credit saved thousands of family farmers.

The FCA was not equipped nor intended to handle the more disastrous cases which the Depression produced in multitude. Highly specialized credit was needed for the dispossessed farmer and the small tenant. Moreover, these individuals needed help in getting relocated. After once being resettled they needed advice and assistance in adopting those farming practices which would put their operations on a sound economic basis. In other words, specialized rehabilitation programs were needed. In responding to these needs the New Deal made some of its greatest innovations.

The rehabilitation program was launched on a small scale by the creation of the Subsistence Homestead Division in 1933. Originally

<sup>&</sup>lt;sup>68</sup>Farmers were most successful in breaking up eviction sales in areas of Wisconsin, Iowa, Minnesota, Nebraska, and South Dakota where the Farmers' Holiday movement was the strongest. Saloutos and Hicks, pp. 435-51.

<sup>69</sup>The Federal Land Banks, the Intermediate Credit Banks, Federal Production Credit Corporation, and the Federal Bank for Cooperatives.

intended to resettle some of the labor surplus of the cities its major contribution was in the resettlement of the rural dispossessed. A Rural Rehabilitation Division was also created in 1933. In 1935 both Divisions were absorbed by the considerably larger Resettlement Administration. In 1937 the Secretary of Agriculture set up the Farm Security Administration, which in addition to absorbing the Resettlement Administration was given the responsibility of administering the Bankhead-Jones Farm Tenancy Act.

In addition to its loan and grant program the FSA, in line with the practices of the earlier rehabilitation programs, carried on an important educational program. The clients were given technical assistance concerning farming practices, aiding in setting up cooperatives, and even provided with medical care in some instances.

These rural rehabilitation programs were largely Administrationinspired programs. And with the exception of the tenant-purchase program as provided by the Bankhead-Jones Act, support for these programs
came from humanitarian and reform groups outside regular farm organization circles. Of the major organizations only the Farmers Union actively
supported the FSA. Indeed, by the early 1940's several of the farm
organizations, led by the Farm Bureau, were mounting a major assault on the
FSA.

Both the Resettlement Administration and the Farm Security Administration had been created by Executive action. Thus part of the attack simply reflected an effort by Congress to re-assert its authority. Fart of it was due to the growing conservativism fed by returning prosperity. Another major factor was that the Farm Bureau came to see

the FSA as a serious threat to its influence over the Department of Agriculture.

Ironically, however, the FSA came in for its most searing criticism because some of its activities raised "a flicker of doubt as to the future of the family farm." The overwhelming efforts of the FSA, of course, were aimed precisely at promoting and preserving the family farm. And in terms of final results, the FSA did much to strengthen the family farm structure at the lower end of the economic scale. But so dedicated was the FSA and its predecessors to preserving the "native values of rural life" that some of its administrators and backers were willing to experiment with various forms of tenure and organization. Some felt that the fee-simple ownership of land by the small operator in a highly mechanized world was possibly more of a liability than an asset. As a consequence a few projects were established which departed from the traditional fee-simple, family farm unit. One such type of project was the cooperative corporation farm. Another experiment was the leasing of government owned land to families on a 99-year basis. These experiments were "intended as a means of combining the advantages of highly mechanized agriculture with those of the small holdings" 72 and to "obviate the difficulties of capital accumulation incidental to fee-simple ownership." But to skeptical

<sup>70</sup>Griswold, Farming and Democracy, p. 166.

<sup>71</sup>McConnell, p. 112.

<sup>72</sup>Benedict, p. 363.

<sup>73</sup>Griswold, p. 169.

congressmen and hostile farm organization leaders this looked like

Red collectivism. After numerous investigations Congress decreed in

1946 that these experiments be abandoned and the full resources of the

FSA be concentrated on increasing "the trend of ownership of family
sized farms."

The FSA was then reorganized as a new agency, minus

its cooperative corporations and 99-year lease projects, and renamed

the Farmers Home Administration.

#### Prelude to the Postwar Period

habilitation programs it was in parity price supports that most farmers and their spokesmen came to see the salvation of agriculture, and it was toward this end that their greatest organized political efforts were directed. As one historian of the period noted, after reviewing the position of the farm organizations on the credit and rehabilitation programs: "The most significant fact, however, was that the important agricultural organizations did not seem greatly concerned with any problem other than that of prices."

<sup>74</sup> Ibid., p. 173

<sup>75</sup>For the life and death of the rural rehabilitation programs, particularly as administered by the FSA, see: Griswold, pp. 160-78; McConnell, pp. 84-126; Albertson, pp. 333-57; Benedict, pp. 324-27, 357-64; Joseph Eaton, Explaining Tomorrow's Agriculture (New York: Harper & Brothers, 1943); Paul V. Maris, "this land is mine" From Tenancy to Family Farm Ownership, Agriculture Monograph No. 8, U. S. Department of Agriculture (Washington: U. S. Government Printing Office, 1950), and Russell Lord and Paul H. Johnstone, A Place on Earth, Bureau of Agricultural Economics, U. S. Department of Agriculture (Washington: U. S. Government Printing Office, 1942).

<sup>76</sup>McConnell, pp. 84-85.

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Parity prices meant equality and equality was synonymous with justice. Parity prices, guaranteed by the government, were the great equalizer between organized business and industry and unorganized, atomized family farm agriculture. Give the farmers a "just" price in the market place and through their own initiative, hard work and perserverance they would survive and prosper.

The passion for parity prices originated in the earthquake that violently disturbed price relationships in the early twenties. It was kindled by the visionary zeal of George N. Peek, and became a unifying force among the farm interests in the latter twenties via McNary-Haugenism. During the thirties Ed O'Neal, president of the powerful American Farm Bureau Federation, became "a leading apostle of parity." When he described the Agricultural Adjustment Act of 1933 as "The Dawn of a New Day in Agriculture" he spoke for most of the agricultural political community.

There are several reasons why farmers and their spokesmen had come to put so much emphasis on prices. First of all, the commercial farmer had always associated his well being, at any given time, not simply with the quantity of goods he produced, but with the prices he received for those goods. But the farmer wasn't simply interested in higher prices per se, but a more 'equitable' ratio between the prices he received and the prices he paid out.

<sup>77</sup>Campbell, p. 188.

 $<sup>^{78} \</sup>text{The title of a radio speech delivered shortly after the AAA was signed into law, Kile, p. 202.$ 

Certainly the idea of parity prices had a compelling logic and a tremendous political appeal. What could be more fair and more just than to achieve and maintain an equality between the prices the farmer received and the prices he paid. This apparently eminent fairness of parity pricing was, thus, a great political asset. Here was something that everybody could be for and few could be against. Another political asset of parity pricing was its simplicity and directness. The achievement of higher parity prices was highly adaptable to organized political efforts. Concentration on this specific issue could yield direct and immediate results that could be realized through more diverse and complicated programs only over a long period of time. In this respect a conversation that Ed O'Neal told of having with Samuel Gompers is revealing:

'Sam, you have had great success in organizing labor to work for its own interests. I am starting out to help farmers as you have helped labor. Haven't you some good advice to give me?' 'I surely have,' said Sam. 'The American Federation of Labor is interested in much more than wages for its members. But it does not stress these other things. We pick out one thing, simple, that everybody can understand, wages, and fight hard to raise them. You must do the same.' 'I suppose then,' O'Neal asked, 'that you would say that higher prices for the farmer is what the Farm 79 Bureau should fight for.' 'I surely would,' said Sam.

All these factors combined to make parity prices the almost all-consuming passion in agricultural political circles. In 1943

John D. Black wrote a book titled Parity, Parity, Parity. 80 In describing how he chose the title Black said that his inspiration came from a poem by Alfred Tennyson:

<sup>79</sup>Quoted in John D. Black "Agriculture in the Nation's Economy," The American Economic Review, XLVI (March, 1956), 42.

<sup>80(</sup>Cambridge: The Harvard University Press, 1942).

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The poem is about an old Northumberland farmer on his deathbed whose mind is still in the grip of the hard struggle he had waged over the years to get together and protect a little 'property.' To his dazed mind, the fading-out cantering hoof beats of his favorite horse seem to say over and over again: 'Proputty, proputty, proputty--that's what I' ears 'em saay.' If today almost any leader of a farm organization, or a congressional spokesman for the same, were to be seized with apoplexy in the midst of his grandest peroration, the beat to which his heartblood would be throbbing through his flooded brain would have some such measure as: 'Parity, parity, parity--that's what the farmers need.'

The elevation of parity as the supreme symbol of equality for agriculture guaranteed that when policy makers once again turned their attention toward agricultural policy in 1947 and 1948 they would not be anxious to dismantle the price supporting structure that had been erected in the 1930's. Therefore, it will be useful to review the main outline of that structure and to briefly identify the major factors that caused the structure to take the shape that it did.

As we noted above, the mechanics of the original AAA were determined primarily by a small group of economists, Henry A. Wallace, and other members of the Roosevelt "brain trust." This group accepted, in principle, the notion of the desirability of restoring a better relationship between prices paid by farmers and prices received by them.

The Triple-A of 1933 sought to achieve higher but unspecified parity prices by "adjusting" production to bring it more in line with effective demand thus pushing open market prices of farm commodities upward. Production was to be reduced primarily through the inducement of cash payments, calculated on a parity formula, to farmers who agreed to reduce their acreage. The relative success of this earlier effort

<sup>81&</sup>lt;u>Ibid</u>., pp. 2-3. Italics mine.

assured the program's popularity. After the 1936 Supreme Court decision, it was quite natural for the policy makers to turn toward the Commodity Credit Corporation as the primary price supporting instrument. Also by this time the overwhelming popularity of parity price supports among farmers, farm organization leaders and farm-state congressmen helped to assure that the AAA of 1938 would commit the government to supporting prices as at pre-specified levels.

By giving to the CCC the responsibility of directly supporting prices, at specified levels a subtle but highly important shift in emphasis had occurred. Formerly the aim had been to bring about those adjustments in production which would result in raising open market prices to higher, but unspecified levels. Now the objective of the production adjustment program was, in effect, to raise open market prices to those specified parity levels at which the CCC was to offer its nonrecourse loans.

Several complicating factors are involved here. The first is the fact that price supports are much more popular, among those directly affected, than production controls. Political support, therefore, is more easily rallied around the former than the latter. In effect what had happened was that the position of the carrot and the stick had been reversed. The effects of this reversal are obvious.

Although this situation inevitably would generate complications these would not be insurmountable if the adjustment program(s) really was successful, over the long-run, in controlling production at a level that would yield open market prices reasonably close to the specified support level. If the control program was unsuccessful then complications in the form of large and expensive CCC stocks would arise. It is.

of course, precisely this general failure of the production control programs that have generated many of the problems facing farmers and agricultural policy makers in the post-World War II period.

The introduction of the acreage reduction program in 1933 is testimony that a sufficient number of policy making participants had finally come to recognize that farmers were producing too much for their own good. But few saw this as a permanent problem. Policy planners looked forward with considerable confidence to the restoration of foreign and domestic demand, and quite unaware of the ultimate significance of the production-increasing technologies which were just beginning to trickle into agriculture, they had good reason to believe that acreage reductions would act to restore a better relationship between supply and demand.

The acreage control program, aided by widespread drought conditions did act to bring about and maintain a more equitable relationship

<sup>&</sup>lt;sup>82</sup>In their review of the first Agricultural Adjustment Administration, Nourse, Davis, and Black have this to say: "Many of those who drafted this bill, who were also chiefly responsible later for giving the Adjustment Act the character which it eventually assumed, conceived production control legislation as marking a permanent change in the federal government's assertion of powers and assumption of activities with reference to agriculture. This view likewise was accepted by many members of both House and Senate. But it seemed tactically wise to emphasize the acuteness of the emergency as a means of overcoming existing opposition to production control and to have the emergency character of the act borne out by drafting it in temporary terms." Three Years of the AAA. p. .19. This is probably true. But the need for permanent control was not based on the assumption that an unrestricted agriculture would, year in and year out, produce a surplus. Rather it was based on the assumption that periodically a surplus problem would arise thus making it desirable to have permanent legislation on the books to deal with the problem whenever it arose. A close reading of the review itself, with the possible exception of some of Black's views. certainly suggests this.

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between supply and demand during the life of the first Triple-A.

Thus even though the controls were generally viewed as being effective in controlling production only over a short-term period the concomittant view that the maladjustment was only temporary gave broad support for their being written into the Agricultural Adjustment Act of 1938.

Aside from the question of the effectiveness of this type of mechanism in dealing with surplus conditions that are large and chronic rather than small and temporary is the matter of the reaction of the individual farmer to those controls. The basic problem is that farmers do not like to be bothered by governmental red tape. Furthermore, they are particularly sensitive about any interference with their freedom of decision making as to the operation of their farm enterprise. But the traditional control programs have involved both red tape and interference in some abundance. The farmer has been caught on the horns of the dilemma. He wants parity prices, but he doesn't want controls applied to him as an individual. Therefore, he will generally demand the former but be inclined to evade the latter if at all possible. Nourse et al., in their review of the first Triple-A, summarize this problem as follows:

While the farmer accepts a rather crude adjustment formulae in the first year, he immediately begins to accumulate irritations over particular terms which hamper his action or operate to his disadvantage as compared with neighboring producers or with other regions. Many farmers also develop considerable finesse at so operating under a control program as to reap maximum advantages with minimum compliance. Experience may

<sup>83</sup>Benedict, p. 313, and Nourse et al., pp. 115-50.

<sup>84&</sup>lt;u>Ibid</u>., p. 150.

permit refinement of the procedures so as to correct major inequities and to reduce the opportunities for evasion, but this may simply change the character or location of the friction rather than removing it. Moreover, modifications of the formulae or the introduction of added safeguards tend to increase the number and complexity of forms to be filled out, data to be supplied and records to be kept. 'Red tape' is anathema to all farmers and, to the large proportion of them whose schooling has been extremely limited, it erects a great barrier to participation. Of

But the precedent had been set. The apparent initial success of the control program plus the view that controls would be needed only during temporary emergencies anyway added strength to that precedent. Thus the post-World War II period inherited from the 1930's a (1) commitment to parity price supports, (2) the use of the Commodity Credit Corporation to achieve those prices, and (3) a production control program based primarily on acreage restrictions.

<sup>85&</sup>lt;u>Ibid.</u>, pp. 148-49.

#### CHAPTER VII

#### THE TRADITION CONTINUED

"The protection of the family system of agriculture has guided all my activity in the development of general agricultural policy." Harold D. Cooley

#### The Immediate Postwar Years

In 1947, three years before becoming president of Yale University,

A. Whitney Griswold wrote a little book "about an idea"--the idea "that
farming as a family enterprise is the 'backbone of democracy'."

The
bulk of the book was directed toward explicating this idea, which he
called the "Jeffersonian ideal," as it had existed in England, France
and the United States, and describing how it had influenced agricultural
policy making, particularly in this country. It is obvious, however,
that his primary purpose was not simply to outline the history of the
Jeffersonian ideal.

Griswold was writing at a time when American policy makers were beginning to address themselves to the writing of new agricultural legislation. He believed that the decisions made during this period would likely have a critical effect on the whole course of postwar policy. He believed that a major change in the direction and content of that

<sup>1</sup>Letter to author, July 20, 1964. Mr. Cooley has chaired the powerful House Committee on Agriculture since 1954.

<sup>2</sup>Farming and Democracy, p. vii: The book was first published by Harcourt, Brace and Company, 1948. It was reissued by Yale University Press in 1952, with a second printing in 1963. References are to the 1963 edition.

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policy was needed, and he hoped to contribute to the general reevaluation which would be a necessary prelude to such a change.

His contribution was to be a clearing of the air, so to speak, about
the notions surrounding the family farm.

He saw the Jeffersonian ideal not simply as a major influence in American public policy, but as a <u>bad</u> influence. Thus his ultimate goal was not simply to describe the Jeffersonian ideal but to debunk its validity. Griswold did not engage in a philosophical analysis of the Jeffersonian ideal. His comparative analysis of England and France and his references to the fact that his country was still a democracy even though the family farmer class was then only a small minority suggests that he did not think such an analysis was necessary. Whatever the original relevance of Jefferson's arguments the march of history had rendered the ideal into a myth. And "if democracy is to survive we must believe in it, not as myth but as reality."

Griswold argued that in the past, farmers and their political spokesmen had used the Jeffersonian ideal to strengthen their demands for "protection against the impact of the industrial revolution on agriculture, preferring to make the best of their own <u>status quo</u> rather than to participate in any other way in the economic progress of the nation as a whole." He feared that they would continue to appeal to the backbone-of-democracy proposition in an effort to maintain a status quo in agriculture and that if they were successful in shaping agricultural

<sup>3&</sup>lt;u>Ibid.</u>, p. 4.

<sup>4&</sup>lt;u>Ibid</u>., p. 8.

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policy toward that end, grave consequences for the American nation and for democracy as a whole would surely follow:

At the moment we are dedicated to a goal that promises equal opportunity to everybody—full production and employment in a free society—the highest possible efficiency in utilizing our economic resources within a political framework that preserves the highest possible degree of individual initiative, self-discipline, and self-improvement. We have declared these latter factors to be commensurate with economic efficiency. If farmers are to realize the full measure of either, it is more than likely that many will have to give up farming for employment in other industries. In the final analysis, much more is at stake in our attainment of that goal than the welfare of our farmers or of any other particular group—as much, conceivably, as the peace of the world and the future of democracy as a political system.<sup>5</sup>

One of the reasons for Griswold's deep concern can be traced to the fact that he considerably misread the contemporary status and meaning of what he called the Jeffersonian ideal, which is the rough equivalent of what we have called the family farm creed. First, although it is certainly the case that American agrarians had sought protection from those forces of industrialism which placed the family farmer at a distinct relative disadvantage, the efforts to block industrial growth died with the Populists. Moreover, with only a few exceptions, proponents of the family farm had never sought to block the advance of economic efficiency in agriculture. In fact, most agrarians had long believed that one of the necessary means for protecting the family farm from its competitors was to assure its continued efficiency. The American family farm creed has never justified a static, peasant agriculture.

Second, Griswold was attacking essentially the pure Jeffersonian, fundamentalistic, version of the family farm creed. Moreover, he believed

<sup>&</sup>lt;sup>5</sup><u>Ibid.</u>, p. viii. Italics mine.

that the proposition that the preservation of American democracy was directly dependent upon the survival of the family farm was growing in currency rather than diminishing: "For the past ten years, this proposition has been receiving steadily increasing attention in the formulation and conduct of our national agricultural policy." 6

As we noted in previous chapters the actual trend was in the other direction. To be sure professions such as the following, by Representative Stephen Pace (Dem., Georgia), indicate that at the time Griswold was writing there were still participants in the agricultural policy making process who held to this fundamentalistic version:

A lot of reasons have been given for the rise and fall of Rome, but my own study convinces me that Rome fell because everybody went to town, and I am afraid the same thing is going to happen here. 7

but in comparing 1947 with 1927 or 1907 one finds fewer such professions even among dedicated defenders of the family farm, and certainly the number of persons outside the immediate agricultural community willing to accept this view had been sharply reduced. Griswold apparently was deceived, in part, by the trend toward more explicit identification of the family farm policy goal which we discussed in Chapter V.

Despite these and other weaknesses the Griswold analysis quite properly pointed to the influence of the family farm creed in American agricultural policy. We have posited that because of the existence of this creed, in its various versions, the promotion and preservation of

<sup>6&</sup>lt;u>Ibid</u>., p. 8.

<sup>7</sup>U. S., Congress, House, Committee on Agriculture, <u>Hearings</u>, <u>Long-Range Agricultural Policy</u>, Part 3, 80th Cong., 1st Sess., 1947, p. 422.

<sup>8</sup>See Appendix A of this study.

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the family farm has been the over-arching goal of American agricultural policy. This was true in 1947; we believe that it is basically true in 1965. We turn now to a discussion of the status of the family farm creed and policy goal which it sustains during the post-world War II period.

Griswold had said that the family farm probably could be saved. but as he asked. "The question is, do we want to?" The vast majority of the participants of the agricultural policy making process would have answered with an emphatic yes! We do not know how many participants read the Griswold analysis, but we do know that a great many read another study about farming which was published at about the same time as Griswold's book. In 1946 the Senate Small Business Committee released a study conducted by the sociologist, Walter Goldschmidt, which compared the social, economic and political characteristics of two California communities -- the towns of Dinuba (7,404 population) and Arvin (6,236) and their surrounding farm areas. 10 Dinuba was in an area of family type farms, and Arvin was in an area dominated by large, industrialized farms. Goldschmidt found that Dinuba ranked considerably above Arvin in all the standard indexes of community life such as standard of living. educational, religious and recreational facilities, civic organizations. independent business enterprises, participation in local government, etcetera.

<sup>9</sup>Farming..., p. 214.

<sup>10</sup>u. S., Congress, Senate, Special Committee to Study Problems of American Small Business, Small Business and Community; Study in Central Valley of California on Effects of Scale of Farm Operations. Committee Print No. 13, 79th Cong., 2nd Sess., 1946. See Goldschmidt's book, As You Sow (New York: Harcourt, Brace, 1947) for a more detailed analysis.

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This study reinforced the beliefs of those who argued that the system of family farming was the most superior and desirable way of organizing agriculture. Because it showed the impact of the two divergent systems of farming on the character of town communities the study was of interest to many participants of public policy making not directly concerned with agriculture. It was of particular interest to those concerned with the status of small business in general.

The Goldschmidt study became, and remains, a much used reference for congressmen and other policy making participants attempting to strengthen their praise of the family farm system and their condemnation of large scale, industrialized farming. We have been impressed with the frequency with which policy makers, particularly congressmen, have referred to this study during the postwar period and therefore believe that it is useful to list here a summary of its major findings

- 1. The small-farm community supported 62 separate business establishments, to but 35 in the large-farm community; this is a ratio in favor of the small-farm community of nearly 2:1.
- 2. The volume of retail trade in the small-farm community during the 12-month period analyzed was \$4,383,000, as against only \$2,535,000 in the large-farm community. Retail trade in the small-farm community was greater by 61 percent.
- 3. The expenditure for household supplies and building equipment was over three times as great in the small-farm community as it was in the large-farm community.
- 4. The small farm supports in the local community a larger number of people per dollar volume of agricultural production than an area devoted to large-scale enterprises, a difference in its favor of about 20 percent.
- 5. Notwithstanding their greater numbers, people in the small-farm community have a better average standard of living than those living in the community of large-scale farms.

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- 6. Over one half the breadwinners in the small-farm community are independently employed businessmen, persons in white collar employments, or farmers; in the large-farm community the proportion is less than one fifth.
- 7. Less than one third of the breadwinners in the small-farm community are agricultural wage laborers (characteristically landless, and with low and insecure income) while the proportion of persons in this position reaches the astonishing figure of nearly two thirds of all persons gainfully employed in the large-farm community.
- 8. Physical facilities for community living--paved streets, sidewalks, garbage disposal, sewage disposal, and other public services--are far greater in the small-farm community; indeed in the industrial farm community some of these facilities are entirely wanting.
- 9. Schools are more plentiful and offer broader services in the small-farm community, which is provided with four elementary schools and one high school; the large-farm community has but a single elementary school.
- 10. The small-farm community is provided with three parks for recreation; the large-farm community has a single playground loaned by a corporation.
- 11. The small-farm town has more than twice the number of organizations for civic improvement and social recreation than its large-farm counterpart.
- 12. Provision for public recreation centers, Boy Scout troops, and similar facilities for enriching the lives of the inhabitants is proportioned in the two communities in the same general way, favoring the small farm community.
- 13. The small-farm community supports two newspapers, each with many times the news space carried in the single paper of the industrialized farm community.
- 14. Churches bear the ratio 2:1 between the communities, with the greater number of churches and churchgoers in the small-farm community.
- 15. Facilities for making decisions on community welfare through local popular elections are available to people in the small-farm community; in the large-farm community such decisions are in the hands of officials of the county.

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The fact that much of California's fruit and vegetable farming had been taken over by large, industrialized units was already well known. The question was whether or not this type of unit was threatening to replace family farming in other areas of American agriculture, a question which the Goldschmidt study did not deal with. During congressional committee hearings on agricultural policy in 1947 several congressmen, in their questioning of witnesses, indicated that they were concerned about whether family farms in the Midwest could successfully compete with large, highly mechanized units. 11 James G. Patton, president of the Farmers Union, pointed with considerable alarm to the general trend of increasing farm size. 12 Secretary of Agriculture Charles F. Brannan, in presenting to Congress the plan that came to bear his name, warned of the "steady increase in the number of large-scale, industrialized type of farming units." 13

However, there seemed to be a general consensus at the time that the type of large-scale units in California were not easily adaptable to most other farming areas. And the general position of the family farm seemed quite secure at that time. War induced prosperity and the operation of the Bankhead-Jones Farm Tenancy Act had acted to reduce the farm tenancy rate from 42 percent in 1935 to 32 percent by 1945. 14

lisee e.g., U. S. Congress, House, <u>Hearings</u>, <u>Long-Range Agricultural Policy</u>, Part 3, 80th Cong., 1st Sess., 1947.

<sup>12&</sup>lt;u>Ibid.</u>, Part 2, pp. 146-48.

<sup>13</sup>U. S., Congress, House, Committee on Agriculture, Hearings, General Farm Program (Testimony of Secretary of Agriculture Brannan), Part 2, 81st Cong., 1st Sess., 1949, p. 143.

<sup>14</sup> Farm Tenancy, p. 20, Historical Statistics of the United States; Colonial Times to 1957, p. 278.

The total farm mortgage debt was at least a third lower in 1945 than in 1935. Farm incomes had been steadily rising throughout the decade and were at all-time highs. 16

Against this generally favorable background most participants apparently did not find the few statistics marshalled by Brannan to be unduly alarming. This undoubtedly was a factor in the rejection of the Brannan Plan; the majority of the participants did not believe that conditions in family farm agriculture warranted the rather dramatic shift in agricultural policy that Brannan proposed.

But although the general position of the family farm seemed quite secure in the immediate postwar years, the memory of the 1920's and 1930's was still vivid. Economic conditions then had forced the realization that there were serious alternatives to the family farm. As we noted, one of the results of this realization was the increased tendency to explicitly affirm the family farm goal. This trend was continued into the early postwar years.

Department of Agriculture study committees exploring the field of postwar agricultural policies argued that whatever new legislation

<sup>15 &</sup>lt;u>Ibid.</u>, p. 270.

<sup>16</sup> Per capita net income of farm persons was \$855 in 1947-49, up about 200 percent from 1935-39. Although per capita income of farm persons was only 60 percent of the net income of nonfarm persons, this was a considerable improvement over 1935-39, when the per capita income of farm persons was only 40 percent of nonfarm persons. U. S. Congress, House, Committee on Agriculture, Food Costs--Farm Prices, Committee Print, 88th Cong., 2nd Sess., 1964, p. 27.

was enacted it should favor the family farm. The House Special Committee on Fostwar Economic Policy and Planning, in its report on agriculture, stated that postwar policies should seek to protect the family farm. 18

President Truman's "Economic Report" to Congress, in 1947, declared that the "long-range agricultural policy of the Government should be aimed at preserving the family-sized farm." The platform adopted by the Republicans in 1948 pledged the party to support legislation which would provide "encouragement of the family-size farm." The Democratic platform pledged the party to efforts "to preserve the family-size farm." Secretary of Agriculture, Charles F. Brannan, declared that the "common denominator" of the far-ranging programs of the Department of Agriculture was that of serving the "American family farmer" and he instituted a review to assure the Department's programs were being administered with this objective in mind. 21

## Dialogue of the Fifties

These pledges to protect the family farm were made against a background in which the position of the family farm seemed relatively

<sup>17</sup>See, e.g., What Post-War Policies for Agriculture, Report of the Interbureau and Regional Committees on Post-War Programs, 1944, p. 5, and Farm Opportunities in the United States, Interbureau Committee on Postwar Agricultural Problems, 1945, p. 110.

<sup>18</sup>U. S., Congress, House, <u>Postwar Agricultural Policies</u>, Tenth Report, 79th Cong., 2nd Sess., 1946.

<sup>19</sup>The Economic Report of the President, January 8m 1947, text in Congressional Quarterly Almanac, III, 1947, p. 155.

<sup>20</sup>Text in <u>ibid</u>., IV, 1948, p. 54.

<sup>21</sup>U. S. Department of Agriculture, Report of the Secretary, 1951, p. 35.

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secure. There was a growing awareness, however, that American agriculture was entering a new period of change as suggested by the increasing rate of migration from the farm and the corresponding increase in farm size. From our surveys of the press and of congressional floor debates and committee hearings we found that the concern over those trends began in the late 1940's, greatly intensified around 1954, and reached a peak between 1956 and 1958. After 1959 and 1960 there was a considerable reduction in the alarmist commentary about the threat to the family farms.

From about 1948 on, representatives of the National Catholic Rural Life Conference spoke with increasing concern about the exodus from the farm. 22 In 1949 Governor Thomas E. Dewey, after citing some statistics on the out-migration of farm youth, told the Syracuse Chamber of Commerce that unless agriculture could be made attractive enough to hold the "able young men on the farm" the family farm was likely to be replaced by a "corporate agriculture." In 1953, J. H. Carmical, an agricultural reporter for the New York Times, matter of factly declared that "the traditional family farm type is disappearing rapidly and is being replaced by large-scale and highly mechanized projects." 24

Carmical's assessment was a gross exaggeration of the actual trends in agriculture, but it was not without some basis in fact.

<sup>22</sup>New York Times, August 31, 1949, p. 25; October 16, 1950, p. 16; August 28, 1951, p. 21; October 22, 1951, p. 20.

<sup>&</sup>lt;sup>23</sup><u>Ibid.</u>, September 8, 1949, p. 36.

<sup>24&</sup>lt;u>Ibid.</u>, November 15, 1953, Part III, p. 1.

From about 1954 the concern over the security of the family farm became more widespread. This intensification was prompted by two sets of conditions. First, an accumulation of evidence (particularly the Agricultural Census of 1954) which clearly showed that the decline in farm population and farm numbers, which had first become noticeable in mid-forties, was not only continuing, but rapidly accelerating. 25 Second, with the end of the Korean conflict a deterioration in the farm price and income situation set in and persisted throughout the rest of the decade.

Cne of the first persons in Congress to call attention to possible danger that these trends foretold for family farm agriculture was Representative Wright Patman (Dem., Texas). In a series of speeches from the House floor in 1954 Congressman Patman discussed the family farm and its present problems in great detail. In his August 4 speech he marshalled an array of statistics to document the "rapid" and "undesirable trend toward big farms." He noted that in 1920, 23.1 percent of the farm land in this country was controlled by farm units of 1,000 acres and up

<sup>25</sup>From 1910 to 1940 the farm population had been fairly stable at about 30 million and the number of farms at around 6.5 million. The 1950 census showed a population of 25 million. The 1954 census of agriculture showed a drop to 21.9 million. The number of farms had fallen from 6.4 million in 1940 to 5.6 million in 1950 and to 5.2 million in 1954; U. S. Bureau of the Census, Statistical Abstract of the United States: 1956, 85th annual edition, p. 617; Historical Statistics of the United States: Colonial Times to 1957, p. 278.

<sup>26</sup>See Chapters I and XI for data on the farm income and price situation.

<sup>27</sup>U. S. <u>Congressional Record</u>, 83rd Cong., 2nd Sess., 1954, C, 13357-13362. Also see his speeches of June 23 and August 3, pp. 8775-8784, 13175-13177.

whereas in 1950, 42.6 percent of the land was in farms of 1,000 acres and larger. Although noting that changes in farm size was not in and of itself a sufficient measure of what was happening to the family type operation he expressed great concern about the overall decline in farm numbers and farm population.

From about this time on, virtually every floor debate on agricultural policy produced a flood of statistics intended to bolster the particular Representative's or Senator's contention that the family farm pattern was facing grave challenge. One of the most persistent chroniclers of the threat to the family farm was Senator Hubert Humphrey of Minnesota. For example, in a 1956 Senate floor speech he noted that between 1949 and 1954 the number of farms had declined by nine percent in Wisconsin, eight percent in Minnesota, six percent in South Dakota and Montana, and five percent in North Dakota. He also cited a study showing that an increasing number of farms were in the hands of farmers 55 years of age and over and agreed with the study's conclusion that if these economic conditions were not improved "most of the land" of the retiring farmers would "go to the biggest operators to make them still bigger, thereby further weakening the position of family farms."

In the fall of 1956 the Subcommittee on Family Farms to the House Committee on Agriculture produced a report which declared that there was deterioration of the economic structure of the family farm, already manifest in the disappearance of thousands of small family operated farm units."

<sup>28</sup>U. S., Congressional Record, 84th Cong., 2nd Sess., 1956, CII, Part 3, 3580.

<sup>29</sup>U. S., Congress, House, Subcommittee on Family Farms, The Family Farm, Committee Report, 84th Cong., August 1, 1956, p. 2.

Discussion of the threat to the family farm was not limited to congressional debates. In 1955 Representative Patman stated, "when I first spoke of this alarming situation  $\mathcal{L}$  the disastrous rate at which we are destroying our family farms  $\mathcal{L}$  I feared that I might not be heard, but the public reaction to what I said then has been overwhelming. Labor groups, churches, and farm organizations are concerning themselves most seriously with the condition that has stricken our farm economy."

The House Subcommittee on Family Farms, which conducted extensive grass roots hearings across the country in 1955, 1956, and 1957 heard witness after witness testify about the disappearance of the small family farmer. These testimonies ranged from a church lay leader's observation that the "erosion of the family farmer was affecting the church organizations to such an extent that realignments must be made in order to keep some congregations alive," to the report of an independent telephone operator detailing the decline in the number of farms to be serviced, to the Minnesota farmer's reference to the dozens of farm families in his county who "had to have a sale and they are now in the iron mines, in the Twin Cities doing whatever they can."

Several private research groups also concurred in the belief that the small family farmer was facing possible extinction. A study by the Conference on Economic Progress reported in 1955 that "...more and more

<sup>30</sup>U. S., Congressional Record, 84th Cong., 1st Sess., 1955, CI, 2443.

<sup>31</sup> U. S., Congress, House, Subcommittee on Family Farms, Hearings, Family Farm Program, 85th Cong., 1st Sess., November, 1957, p. 6.

<sup>32&</sup>lt;u>Ibid.</u>, p. 110.

<sup>33&</sup>lt;u>Ibid.</u>, p. 102.

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acreage and production are being concentrated in large holdings; the family farm is decreasing in relative importance; and more farm families are slipping below the adequate family farm and joining the large body of submerged farmers and farm workers who are doomed to underproduction and poverty."34 A study by the CEP in 1958 declared that the "farm depression is speeding up the dominance of giant farms, or 'factories in the field.' It is squeezing out the family type farm." The study estimated that farms of 50 acres or less made up 4 percent of the total farm acreage in 1945 but only 2 percent in 1958. Farms in the 50 to 500 acre range dropped from 45 to 38 percent of the total acreage, while farms of over 500 acres accounted for 60 percent of the national acreage in 1958 as compared to only 51 percent in 1945. ture Committee on National Policy, of the National Planning Association declared in 1957 that, "we are now witnessing a steady concentration of land and capital resources. At the same time, many families are struggling on farms too small to give them an adequate living.... Current trends indicate that the basic issues of family farm policy must be faced without delay."36

In 1956 the National Catholic Rural Life Conference noted that "very large farms, often of the kind called 'factories in the fields', are appearing in an increasing number. These farms, obviously are not

<sup>34</sup>Full Prosperity for Agriculture: Goals for Farm Policy, Washington, D. C., 1955, p. 81.

<sup>35</sup>Toward a New Farm Program, Washington, D. C., 1958, p. 12.

<sup>36</sup>Family Farming, National Planning Association, Planning Pamphlet, No. 99, July, 1957, Washington, D. C., pp. iv, viii.

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family enterprises."<sup>37</sup> The Reverand Louis J. Miller, Director of the NCRLC of South Dakota, in 1959 declared that there are forces in the economy today that pose a real threat, yes, have already wrought their damage to family-unit farming...for example, in California...275 units, vertically integrated with feed companies are producing 90 percent of that State's need for beef.... There you have it--a type of agriculture foreign to our concept we derived from Jefferson."<sup>38</sup>

CBS commentator, Eric Severeid, reflected a widely held view in a broadcast in 1956:

beneath the surface of policy quarrels over stopgap measures, a profound change is coming over agricultural life in the country. It may be progress, it may just be inevitable, but it does have its tragic aspects, and it is happening with remarkable rapidity. An American way of life as old as our deepest traditions is passing away. The source spring of much of our moral outlook, our conceptions of individualism, our politics, our folklore is drying up. The small family-sized farm and farm-family life are vanishing, as fast as the Indian villages vanished a century ago. And America is never going to be quite the same. 39

As will be noted later, not all the agricultural policy making participants believed that the family farm pattern as a whole was in serious trouble. But regardless of how the particular policy maker interpreted the trends in agriculture there was a widespread renewal of testimonies to the virtues of family farming, and concommitant expressions to the effect that agricultural policy should be aimed at preserving that system.

<sup>37</sup>A Program for the Family Farm, National Catholic Rural Life Conference, 1956, p. 9.

<sup>38</sup>In testimony before a legislative committee of the South Dakota State Legislature, January 29, 1959, cited in the <u>Congressional Record</u>, by Representative George McGovern, February 18, 1959, p. Al216.

<sup>39&</sup>quot;The Vanishing Family Farm," text in the Reporter, February 9, 1956, p. 6.

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In his "Farm Message" to Congress in 1956, President Eisenhower declared: "In America, agriculture is more than an industry; it is a way of life. Throughout our history, the family farm has given strength and vitality to our entire social order. We must keep it healthy and vigorous."

Shortly after assuming his office Ezra Taft Benson spoke of the necessity of keeping the family farm "strong and secure" as it is "one of the bulwarks of American democracy." The family farm plays an important role in democracy because "it is from the family farms of the United States that the vast majority of the Nation's leaders have come. We look to our farm people not only for leaders, but for the ideals that sustain them."

In his book, Freedom to Farm, published during the last year in office, he voiced the opinion that:

We have always had a feeling that there is something basically sound about having a good portion of our people on the land. Country living produces better people. The country is a good place to rear a family. It is a good place to teach the basic virtues that helped to build this nation. Young people on a farm learn how to work, how to be thrifty and how to do things with their hands. It has given millions of <u>us</u> the finest preparation for life.... The family farm is a heritage <u>we will not allow to perish</u>, come what may. 42

This fresh articulation of the family farm creed was extremely voluminous. In addition to the above we have selected for more detailed attention a sampling of statements which we believe are generally

<sup>&</sup>lt;sup>40</sup>Text in Congressional Quarterly Almanac, XII, 1956, 52.

<sup>41</sup>Speech at Mineral Springs, South Carolina, September, 1953, quoted in Marshall Harris and Joseph Ackerman, <u>Town and Country Churches and Family Farming</u> (New York: Department of Town and Country Churches, National Council of Churches, 1956), p. viii.

<sup>42(</sup>Garden City, New York: Doubleday & Co., Inc., 1960), pp. 109, 194. Italics mine.

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representative of firmly held pro-family-farm attitudes among contemporary agricultural policy makers. As we noted, Representative Wright Patman was one of the first in Congress to call attention to the potential dangers confronting the family farm. Accompanying his analysis of economic trends was a discussion of the family farm as a social institution and a historical review of America's attitudes and policies toward it. It was a reasoned and deliberate statement and one which was given considerable attention both in and outside of Congress.

this body has referred to small, independent business, and to the family farm, with high praise at some time in his political career." He is concerned lest this high praise become only a platitude and seeks to demonstrate again why "in all reality, they family farms are essential to our democratic society which must be preserved, not as a quaint but inefficient relic of the past, nor as a nostalgic whim, but because family farms are one of the finest and most valuable institutions in our democracy." The family farm as a training ground for solid, responsible wholesome citizenship is unexcelled. Protecting the family farm is necessary not only to preserve upon the land a healthy citizenry but also to maintain a source spring of fresh and healthy blood for the cities:

<sup>43</sup>For a discussion of the status of the family farm creed outside the agricultural political community see Chapter XII.

<sup>44&</sup>lt;u>U. S. Congressional Record</u>, 83rd Cong., 2nd Sess., 1954, C, 8775-8784.

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On the well-managed family farm, the father, mother, sons, and daughters are partners in a family enterprise. All share in the successes—and sometimes the failures—that are experienced. The youths have their projects. Their time is full. They grow to adulthood with far fewer of the unhappy incidents that too often mar the lives of young men and women who find no place for themselves in early life—nothing to do—in a busy city world.

A million young men and women come to the cities from rural America each year. They come with the love of freedom, the wholesome background and the fine traits of character which are a bulwark to our democracy. They are the most important export of agriculture. They are a priceless contribution to our Nation, sturdy, self-reliant young people well trained to carry forward a decent, socially responsible, democratic society.

To bolster his claims about the importance of the family farm he cites "recent congressional hearings on juvenile delinquency," which showed that while there was "some juvenile delinquency in rural areas, it was far less prevalent than in the cities. And a high percentage of it in the rural areas was where there were undesirable types of tenancy or commercialized farming, with its accompanying work gangs and rural slums. There is little where family type farming is the predominant pattern."

He quotes extensively from the publications growing out of the Senate Small Business Committee study of the two California communities in 1945 and 1946. He also points to the close connection between the "social and armed revolutions" around the world and the problem of land tenure; "Without any exceptions that I know, there is involved in the background of each such serious situation land monopoly, insecurity of tenure on the land, inequitable distribution of land or a closely related problem."

<sup>&</sup>lt;sup>45</sup>See footnote No. 10 above.

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After reviewing the history of U. S. land policy and the positions taken by political leaders from Jefferson to Franklin Roosevelt and extracting generously from political party platforms from 1868 to the present, Mr. Patman asserts that "but except for minor, temporary deviations, our policies have been geared to the maintenance of the family-type agriculture." Thus, not unexpectedly, Mr. Patman concludes:

In my opinion, the promotion of family-type agriculture is as important in America today as it was in the era of settlement. A century ago that pattern was being developed. Today the policy matters which confront us are more how to preserve it. We must see that the pattern which has been established and is now predominant remains so, that it is not destroyed abruptly or by small degrees.

And in March, 1955, after reviewing the "overwhelming" public response to his 1954 speeches, his convictions seemed to have grown even firmer and he evoked the haunting echo of fallen empires characteristic of the more fundamentalistic expressions of the family farm creed:

We cannot go on destroying our independent family farmers and hope to remain a strong Nation. History teaches us that. Every upheaval and political dissolution in recorded history has proceeded from the amalgamation of land and natural resources in a few hands, and the denial of those blessings to their rightful owners, the people. We can no more escape this fact than we can escape the law of gravitation...

History furnishes us with no example by which we may console or lull ourselves in the thought that political upheaval and time of trouble does not inevitably follow the dissolution of a family farm society. 46

During the last half of the 1950's probably no other individual spoke more frequently about the threat to the family farm and few spoke with greater passion about the need of saving that institution than Senator Hubert H. Humphrey. Mr. Humphrey believes that the institution should be preserved because "the family farm pattern of agriculture is

<sup>46</sup>U. S., Congressional Record, 84th Cong., 1st Sess., 1955, CI, 2443.

the basis of agricultural progress and good community life; it builds in farm family members attitudes of self-reliance, social responsibility, individual initiative, tolerance, and self-government...the attitudes that make for a sound democracy and the human qualities that have done so much to make this a nation great."

He is interested in protecting the family farm not simply because farming itself "is a good way of life," but because the family farm is an important cog of a broader socio-economic community which he highly prices—the community of small towns, little churches and independent businessmen. After asking his Senate colleagues if they knew what was "going to happen to the country if the number of family-size farms continues to diminish" he gave this answer:

It will mean that the small towns...will be finished. It will mean a greater concentration of population in metropolitan centers, with all the problems which come with metropolitan living. It will mean that the little church one sees on the crossroad will be just a shell of a building, with no congregation. It will mean that the local government institutions—the small township governments that have been so important to the whole experience of democracy—will be obsolete and will no longer form an institution of government.<sup>48</sup>

The Senator's concern for the fate of the non-metropolitan community is well expressed by Theodore H. White in reporting his impression of Humphrey during the Wisconsin primary in 1960:

We passed a shopping center; and he hated it, and the facts tumbled out--only the big firms, the Sears Roebucks and the Montgomery Wards and the Piggly-Wigglys could lease space in these big new shopping centers; the little merchant was being squeezed out, as his father had been squeezed out. The

<sup>47&</sup>lt;u>Ibid.</u>, 85th Cong., 1st Sess., 1957, CIII, 380.

<sup>&</sup>lt;sup>48</sup><u>Ibid</u>., 84th Cong., 2nd Sess., 1956, CII, 3581.

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government ought to take care of the little merchant by a federal guarantee of small commercial leases. He talked of the farmers, and how the young ones were leaving the farm to go into the big cities to work on wages--and it was as if he coddled and cosseted every dark farmstead he passed that night. To Humphrey, it was a nation of little people, of individual individuals, and he their only tribune.

Although Humphrey has on occasion pointed to the fall of Rome with a warning finger, his construction of the family farm creed generally is devoid of the fundamentalistic, doomsday pronouncements that one still hears from many Southern spokesmen. In this and also in his emphasis on the family farm as both a symbol and as an important cog in the non-metropolitan community, Humphrey's views are typical of a great number of Midwestern political spokesmen. This is a general concern for the community of "individual individuals", as white puts it, not simply for the family farmer, but because the family farm is such an important component of that community and because it has the added asset of sustaining a rural way of life which is unique, the system of family farming is all the more prized. And as Humphrey and many others came to believe that the family farmer was in serious trouble, the greater was the resolve to secure public policies that would protect him, or to block the adoption of policies that might weaken his already tenuous position.

A reflection of the growing concern over the status of the family farmer was the action by the House Committee on Agriculture in creating the Subcommittee on Family Farms in 1955. The specific duty assigned the subcommittee by Harold D. Cooley, chairman of the parent committee, was

<sup>49</sup>The Making of the President, 1960 (New York: Atheneum House, Inc., Giant Cardinal edition, 1961), p. 104.

"to make a special study of the ways and means to protect, foster, and promote the family farm as the continuing dominant unit in American agriculture..."

The committee's membership was politically and geographically representative and we have found its first full statement to be quite representative in its articulation of the contemporary family farm creed in that it reflects a merging of the various strains of the contemporary agrarian outlook.

The report after noting that there had been a "deterioration of the economic structure of the family farm," declared that the "fundamental question" facing the "American people" was "whether the Nation can afford to risk the consequences of a decadence of the basic rural system."

Not unexpectedly the committee answered its question in the negative.

In the committee's efforts to justify its call for the preservation of the family farm two related themes are discernible.

Cn the one hand, the family farm and the type of rural community it supports is "indispensable as a source of spiritual, social, and political vitality in a growing nation." 52

...this subcommittee by its intimate studies is persuaded that, beyond all other notice and regard, the agricultural order in the family unit pattern must be considered especially for the spiritual, social, and political vitality it has contributed to our civilization.

A lessening of this vitality already is manifest in the shapes of an alarming growth in juvenile delinquency in urban areas, of crime, of the disappearance of many rural

<sup>50</sup> The Family Farm, p. 2.

<sup>51</sup> Ibid.

<sup>&</sup>lt;sup>52</sup>Ibid., p. 23.

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churches, of decaying little towns, or neglect of community loyalties and pride, and perhaps a lack in many places of the full satisfaction of a free trade in friendship and common purpose. 53

On the other hand, the preservation of the family farm is necessary because of its key role in the free enterprise system: "This subcommittee impresses particularly upon all thoughtful persons the place of the family farm in the free-enterprise system.... The free-enterprise system grew out of an early dream of a nation sustained by and for devout, free, independent, and home owning farmers." 54

This subcommittee is convinced that by the proportion the Nation permits a lessening of the number of opportunities for venture into individual enterprises—for one to own his own farm or his own business—then by an even larger measure will the free enterprise system be weakened. Free enterprise is the spirit of the frontier. The frontier must be kept open for men to venture into, and to achieve independence in individual and family enterprises.

The committee obviously believed that the loss of the family farmer would be a national loss, but it makes no doomsday prediction that such an event will destroy the Nation. The family farm should be preserved because in this institution and the overall rural community it supports, the committee saw a long list of positive values which, the committee believed, were lacking in any alternative to the family farm unit: "This subcommittee concludes that...there are no values for the Nation in substituting a hired labor agriculture for the independent farm." 56

<sup>53&</sup>lt;u>Ibid</u>., p. 3.

<sup>54</sup> Ibid., p. 2, 1.

<sup>&</sup>lt;sup>55</sup>Ibid., p. 3.

<sup>56&</sup>lt;u>Ibid.</u>, p. 23.

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The concommitant of this renewed articulation of the family farm creed was a reaffirmation of the family farm policy goal. The Subcommittee on Family Farms put it this way:

This subcommittee concludes that the Nation's farm program must begin with the family farm; that the program should not promote the 'factory in the field' type of farming; that specific emphasis must be placed upon the development of our smaller farms into adequate units with resources sufficient for economic production; and that the rights of tenants as well as those of landowning farmers must be protected. 57

The President informed Congress in 1956 that "we must keep it the family farm healthy and vigorous," and that "efforts toward that goal have been unremitting." Secretary of Agriculture Benson in a speech before the American Farm Economics Association in 1957 listed the major goals of agricultural policy which he had adhered to and which he thought ought to be followed in the future. The first was that "we seek an agriculture which is prosperous, expanding and free." Secondly, "we seek to maintain a family-type agriculture, operated by free and self-reliant men and women. The Agricultural Act of 1961 declared it to be "the policy of Congress to...encourage, promote, and strengthen this form of farm enterprise." The national advisory committee to the Rural Areas Development agency warned, in 1962, of any change that would "direct agricultural policy away from the historic and traditional family farm concept." John A. Baker, Assistant Secretary of Agriculture

<sup>57&</sup>lt;u>Ibid.</u>, p. 23.

<sup>58&</sup>quot;Farm Message."

<sup>59</sup> Journal of Farm Economics, XXXIX, 1068.

<sup>60</sup>U. S. Statutes at Large, LXXV, 294.

<sup>61</sup>Report and Recommendations of Family Farm Subcommittee, U. S. Department of Agriculture, (mimeo) December 6-7, 1962, p. 1.

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and Chairman of the Rural Areas Development board declared that "the guiding principle" in the agency's overall economic development programs was to "preserve, encourage, promote, and strengthen the family farm pattern of agriculture in the United States."

In 1962, Secretary of Agriculture, Crville Freeman, declared the official policy of the Department as "to encourage, preserve, and strengthen the family farm." He asked that the various programs of the Farmers Home Administration, Soil Conservation Service, and the Agricultural Stabilization and Conservation Service be conducted and coordinated in such a manner as to assure the realization of this over-arching goal. 63

#### Abatement and Retrenchment

After attending the annual National Farm Institute at Des Moines,

Iowa in 1963, Roderick Turnbull, long-time agricultural reporter for the

Kansas City Star, was impressed by how different was the general atmosphere

of the 1963 institute compared with those of the 1950's. During the

1950's there were almost always highly emotional discussions about "saving

the family farm" and maintaining the farm population on the land. He found

little of this in 1963.64

Turnbull had pointed to a significant feature of the farm policy debates in the 1960's; one hears far fewer claims that the family farm

<sup>62</sup>Chairman's Instruction No. 62-6 (Revised) April 4, 1963, U. S. Department of Agriculture, text in U. S., Congress, House, Subcommittee on Family Farms, Hearings, the Family Farm, 88th Cong., 1st Sess., 1963, p. 4.

<sup>63</sup>Secretary's Memorandum No. 1504, "Coordination of Services to Family Farms," July 2, 1962, U. S. Department of Agriculture, text in ibid., p. 3.

<sup>64&</sup>quot;Calmer Atmosphere for Farm Debate," February 24, 1963, p. 13E.

is about to be engulfed and, as a consequence, fewer professions of the family farm creed. There are several reasons for this. For one thing the downward trend in farm prices and incomes which began in the early 1950's and persisted throughout most of the decade was stabilized in 1960 and 1961 and has since been somewhat improved. Another reason has to do with the fact that since 1961 the Democrats have controlled the Executive branch as well as the Congress. After 1954 the Democrats had not been adverse to using the "threat to the family farm" as a political club against the Eisenhower Administration thus adding extra fuel to the debates about the plight of the family farm. But most important is the fact that there seems to have developed a fairly broad consensus that the overall family farm pattern remains intact and barring a major economic reversal its dominant position in agriculture will continue. As Turnbull reported, "most people now recognize...that the family farm is here to stay, but it will be larger than formerly."

In testimony before the Subcommittee on Family Farms in 1963, Secretary of Agriculture Freeman presented an array of statistics to show the past and present dominance of the family farm. Freeman concluded: "The discussion over whether the family farm or the large-scale corporate farm will win the battle for survival as the dominant form of agricultural production ignores the facts as they exist today. Instead of wasting away, the family farm is a growing dynamic force in agricultural production." 67

<sup>65</sup>See Chapter VIII for a fuller discussion of this point.

<sup>66</sup>Kansas City Star, p. 13E.

<sup>67</sup>Hearings, The Family Farm, 1963, p. 139.

For almost half a century farm population and farm numbers had remained fairly stable. A decline in the number of farms and farmers first became noticeable in the early 1940's. The Agricultural Censuses of 1949 and 1954 fully confirmed that these trends were not only persisting but gaining momentum. It was the growing awareness of these trends plus the deterioration in farm prices and incomes, and also the belief on the part of many participants that the Eisenhower Administration wasn't sufficiently dedicated to the family farm goal that generated the great family farm dialogue of the 1950's.

But the trend toward fewer farms and farmers hasn't stopped.

From 1954 to 1963 the farm population declined by almost 30 percent. 68

During the same period the number of farms decreased from 4.7 million to 3.5 million. 69 How is it then that one can report a consensus to the effect that "the family farm is here to stay?" In addition to the somewhat improved income situation, two principal factors are involved. First, by the late 1950's and 1960's a much clearer picture had been developed as to the significance of the gross census data relative to the family farm pattern. One of the results of the great hue and cry about the disappearing family farm was the initiation of a fairly large number of technical studies by experts in the Department of Agriculture and the Land-Grant colleges aimed at pinpointing, classifying and explaining the changes in farm statistics. The general conclusion of

<sup>68</sup>U. S. Bureau of Census, <u>Statistical Abstract</u>, 1964, 85th annual edition, p. 610.

<sup>69</sup>U. S. Department of Agriculture, Office of Information, Fact Book of U. S. Agriculture, January, 1965, p. 5.

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these studies was that the trends in farm numbers and size, mirrored by gross census statistics, did not suggest, under careful analysis, any significant movement away from the basic family farm pattern. Almost invariably these studies concluded that the family farm was holding its own, and several argued that its already overwhelming dominance in agriculture was actually increasing. 70

In the development and use of definitions and elassifications the studies had to deal with the technically difficult and value-laden question of what constituted a genuine and meaningful family farm operation.

Answers to this question varied. However, the analyses generally divided those units defined as farms by the Census Bureau into three broad categories. One category consisted of the relatively small number of units that were clearly larger-than-family-size operations. Into another category were generally placed the residential, abnormal, and part-time units plus those more or less full-time operations with extremely low incomes--usually those with gross sales under \$2,500. The remaining units were generally treated as legitimate family farms. The studies generally agreed that the family farm, so defined, was continuing to produce the bulk of the nation's agricultural produce. Furthermore, the studies showed that although growing in average size the number of these units was holding rather steady at around the two million level. These

<sup>70</sup>The following is a sampling of studies which deal with the question of defining and classifying family farms and/or which analyze trends in numbers and types of farms: John D. Black, "The Future of the Family Farm," Yale Review, XLV (Summer, 1956), 548-59; John M. Brewster and Gene Wunderlich, "Farm Size, Capital, and Tenure Requirements," Adjustments in Agriculture—a National Easebook, eds., Mervin G. Smith and Carlton F. Christian (Ames: Iowa State University Press, 1961), pp. 196-228; Dale E. Hathaway, "The Family Farm in a Changing Agriculture," Michigan Farm

studies found little evidence to suggest that the larger-than-familysize operations were growing in number, the general conclusion being
that the attrition in farm numbers was primarily among those units
which weren't, properly speaking, family farms anyway.

There seems little question but that these studies by pinpointing and clarifying the nature of the changing farm scene acted to help allay the earlier fears by many of the participants about the threats to the basic family farm pattern of agriculture. But it should be noted that the general conclusion that the family farm was holding its own was, in part, the product of a definitional sleight of hand. While it may be true, for example, that "most of the decrease from 1954 occurred in farms of less than fifty acres" it is by no means clear that many of these weren't family farms in some legitimate sense. Few would quarrel with the experts for striking from the list of legitimate family farms the residential, abnormal, and most of the part-time units. But there is considerable room for debate as to how to classify the larger part-time units and the more or less full-time operations with subsistence-level

Economics, No. 186, July, 1958; Jackson V. McElveen, Family Farms in a Changing Economy, U. S. Department of Agriculture, Agricultural Research Service, Agricultural Information Bulletin, No. 171, March, 1957; Radoje Nikolitch, Family and Larger-Than-Family Farms: Their Relative Position in American Agriculture. U. S. Department of Agriculture, Economic Research Service, Agricultural Economic Report No. 4, January, 1962; "Farm Size and the Family Farm," Appendix A, U. S. Congress Joint Economic Committee, Policy for Commercial Agriculture, Its Relation to Economic Growth and Stability, Joint Committee Print, 85th Cong., 1st Sess., 1957, pp. 757-68; Commercial Farms by Type, Size, and Location, U. S. Department of Agriculture, Economic Research Service, Agricultural Information Bulletin 230 revised, 1961, and Most Farms Operated by Farm Families, U. S. Census of Agriculture, 1954, Statistics by Subject, No. 4, Series, 54-3.

<sup>71</sup> Fact Book, p. 5.

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incomes. Certainly the exclusion of these units made it considerably easier to talk about the stability of the then defined group of family farms.

Regardless of how the farm-numbers pie is definitionally divided the unquestionable fact remains that throughout the postwar period there has been a continuing decline in the number of families earning a livelihood, however meager, from farming. One knows this simply by driving through the rural Midwest and South and counting the abandoned farmsteads. That these farms did not provide their former occupants with a tolerable standard of living does not obscure the fact that a family once lived and worked there.

This is not to say that the congressional participants have been duped by the experts. No professional economist has a more detailed knowledge of what has happened to farm numbers than, say, a Harold Cooley or most any long-time member of the congressional agriculture committees. Throughout most of the 1950's most of the congressional participants resisted the notion that those units which were providing only a subsistence level of living should be striken by definition from the family farm roll. But as one reads through the hearings and floor debates of the period, one notes that consciously or unconsciously, and always agonizingly as far as the more liberal agrarians were concerned, the majority of the participants slowly came to accept just this notion. By at least the early 1960's the majority of the participants had, in effect, agreed to scratch a million-odd units which 10 or 15 years earlier would have generally been considered to be family farms, however desperate their economic status.

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It is probably true that the incessant theme of the technical studies as to the continued general dominance of the family farm pattern made it easier for the participants to arrive at this position; they could point to the stability of the approximately two million hard-core units with considerable satisfaction.

Without question, however, there has been something of an ideological retrenchment. Initially, reacting with dismayed protest to the decline in the small, marginal farms the participants have fallen back to the defense line of the approximately two million commercial family operations, a group which has remained fairly stable over the past two decades. This, then, constitutes the second reason for the contemporary consensus as to the relative stability of America's family farm agriculture.

This retrenchment has been made reluctantly, not enthusiastically. But the mainstream of American agrarianism has always stood for progressive agriculture. American agrarians have never been status-quo minded in regard to economic and technical change in agriculture. Therefore, at any given time only the more romantic defenders of the family farm have been willing to seriously consider policies aimed at freezing agriculture into its present pattern.

But concessions to economic and technological changes cannot go on indefinitely. The next major crisis in agricultural policy making will occur if and when a significant deterioration sets in among the heretofore relatively stable group of commercial family units. When

this occurs participants will be forced to come to grips once again, and quite possibly for the last time, with the meaning and demands of the family farm goal.  $^{72}$ 

<sup>72</sup>Actually the next family-farm-crisis debate is likely to be generated not by a further decline in actual farm numbers, but by an increase in the trend toward vertically integration and contract farming. There is a slowly growing awareness that these trends may constitute a serious threat to the traditional family farm. For example, see the testimony by Freeman and Patton, of the National Farmers Union, before the Subcommittee on Family Farms in 1963, pp. 52-58 and 142-44.

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#### CHAPTER VIII

#### VALUE CONFLICTS AND THE STALEMATE

"Rural people are a bulwark against all that aims at weakening and destroying our American way of life.... If the family farm disappears we will find ourselves living in a world of giant corporations. I leave you to imagine how long our present economy would last under those conditions. But the family farm will not disappear."

Ezra Taft Benson<sup>1</sup>

"It's worse than in the thirties...they're driving farmers off the farms...oh, I know all the economics of it...but I just say it's good for this country to have family farmers, I just <u>feel</u> that way.... Now that Benson, he's an idiot, he has brains one degree less than a moron, and this country is going to have some bills to pay for him some day."

Hubert H. Humphrey<sup>2</sup>

### The Mis-labeled Family Farm Controversy

In 1951 Secretary of Agriculture, Charles F. Brannan, initiated a project called the "Family Farm Policy Review." The first part of the project called for all the Department's agencies to review their programs to see that they were being administered in the interest of the family farmer. The second part of the project involved a series of grass-roots meetings across the country conducted by Department of Agriculture officials

Permers at the Crossroads (New York: The Devin-Adair Company, 1956), p. 4, and Freedom to Farm (Garden City, New York: Doubleday and Company, Inc., 1960), p. 198.

<sup>&</sup>lt;sup>2</sup>From an informal conversation with newsmen during the Wisconsin primary in 1960, reported by Theodore H. White, in <u>The Making of the President</u>, 1960, p. 103.

<sup>3</sup>See <u>Family Farm Folicy Review</u>, U. S. Department of Agriculture, June 11, 1956. (Mimeo.)

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seeking the views of farmers, church leaders, and the farm organizations on how they thought agricultural policies could be improved to "help family farms." The American Farm Bureau Federation refused to take part in the hearings, vehemently charging that the whole thing was an "effort to destroy the farmers' own organizations and the right to speak for themselves...and to usurp powers which rightfully belong to Congress...." Although Erannan denied such intention the Farm Bureau had correctly seen the maneuver as an effort on the part of the Department to bypass the organization's national leadership. Vigorous reaction by the organizations leadership was therefore not unexpected. Of interest here is the fact that in its efforts to counteract the program the Farm Bureau, on several occasions, used language that was highly critical of what the Bureau claimed was the Department's concept of the family farm. In one of its News Letters the Bureau equated the Department's concept of a family farm with Webster's definition of a peasant -- "a rustic; esp., in European countries, a tiller of the soil either as a small proprietor or as a laborer."

After observing this ruckus stirred up over the "Review" Shirley Greene reported that the "family farm is no longer non-controverisal." Certain aspects of the highly partisan and often bitter farm policy debates since that time would seem, on the surface at least, to bear out Greene's observation. Since the early 1950's Farm Bureau critics have

<sup>&</sup>lt;sup>4</sup>New York Times, June 1, 1952, p. 72.

<sup>5</sup>Quoted in Jean Begeman, "The Farm Bureau's Big Smear," New Republic, October 15, 1951, p. 11.

<sup>6&</sup>quot;The Family Farm--New Center of Controversy," Christian Community, March-April, 1952, p. 1.

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frequently accused the organization's national leadership as being antifamily farm. Farm Bureau officials have rejected the charge out of hand by pointing to the fact that the vast majority of its membership consists of family farmers. John C. Lynn, legislative director for the Farm Bureau, after pointing out that the Bureau's 1,607,000 members "are predominantly family farm operators," described the organization's "support for the family-farm concept" for the members of the Subcommittee on Family Farms this way:

The operation of farms by family units living on the land is part of the American tradition. Fride of ownership, reliance upon, and pleasure in one's own creative capacity; love of the soil and of rural life; an independent spirit; active participation in community life--these are the characteristics of American farmers. They have contributed to spirit and strength of American economy.

<sup>7</sup>As early as 1952 (New York Times, March 11, 1952, p. 20) the leadership of the National Farmers Union leveled this charge against the A.F.B.F. It has continued to do so, often being supported by several congressional Democrats. In 1960 the National Catholic Rural Life Conference broke its long standing official policy of neutrality among the farm organizations by alerting its members to "gross conflicts" between its philosophy and that of the A.F.B.F. The N.C.R.L.C., a dedicated partisan of the family farm, felt that among other things the A.F.B.F. was not committed strongly enough in that direction. (New York Times, January 31. 1960.) For several years the A.F.B.F. has had a plank in its annual platform urging farmers to strengthen their faith in God and to participate in church activities. Since 1962 it has added a statement urging "each Farm Bureau member to make every effort to make certain that actions taken by his church are within the basic concepts of our American system." J. L. Vizzard, of the N.C.R.L.C., reacted to this by stating that he thought "it almost grotesque that the Farm Bureau should have a formal statement encouraging their members to keep their churches straight...." in "Dialogue," Farm Goals in Conflict (Ames: Iowa State University Press. 1963), p. 208.

<sup>&</sup>lt;sup>8</sup>U. S. Congress, House, Subcommittee on Family Farms, <u>Hearings</u>, <u>The Family Farm</u>, 88th Cong., 1st Sess., 1963, p. 108.

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But appeals to the conventionalized family farm creed by the Farm Bureau are relatively rare compared with the two other general farm organizations—the Farmers Union and the Grange—who in their annual resolutions and in their testimonies before congressional committees seldom fail to evoke the sacred image of the heroic but beleaguered family farmer. In fact, the national leadership has, at times, chastized other agricultural spokesmen for talking too much about the family farm. In 1957, Charles Shuman declared the "family farm" was being used as a "goblin...by some who advocate expansion and extension of federal government controls over all farmers." The charge that family farmers are disappearing is a "bogey man...the family farm is stronger today than ever before."

At the political party level there have likewise been charges and countercharges as to who is and who is not the friend of the family farmer. Some Republicans have criticized Secretary of Agriculture, Freeman, as being anti-family farm. But mostly it has been the other way, with Democrats accusing the Republicans as being either indifferent or outright hostile in their attitude toward the family farm. Charges to this effect

<sup>&</sup>lt;sup>9</sup>The National Farmers Union usually speaks of the family farm in only slightly updated Jeffersonian language while the Grange statements, although positive are less wordy and less fundamentalistic in tenor. Both annually assert that the family farm should be the keystone of federal agricultural policy in their statement of resolutions drafted at their national conventions.

<sup>10&</sup>quot;The Family Farm: Fact vs. Fiction," Nation's Agriculture, February, 1957, p. 7.

<sup>11</sup>See, e.g., remarks by Representative John P. Saylor of Pennsylvania in U. S. <u>Congressional Record</u>, 87th Cong., 2nd Sess., 1962, CVIII, p. A1337.

were hurled against the Eisenhower-Benson Administration with particular frequency and fervor. One of Adlai Stevenson's major themes in the 1956 campaign was that the Republican's attitude of "defeatism toward the farm problem" was threatening to destroy the family farm. Stevenson charged that the Eisenhower Administration was committing a "grave injury to the American people \_because/ the "family farm has been the backbone of the American society, and when the family farmer is in trouble, America is in trouble." Averill Harriman claimed that Secretary of Agriculture Benson was pursuing a "calculated policy...favoring the development of corporate farms to replace the traditional family units."

The charge against the Administration that it had abandoned the family farm goal was persistent and often bitter. This charge stemmed not only from the belief that the price policy advocated by Mr. Benson would be ruinous to the family farmer but also from the belief that Secretary Benson's overall administration of the Department of Agriculture constituted a reversal of "the nation's traditional policy of favoring the small farmers."

Benson's dismissal of several long-time Farmers Home Administration hands and their replacement by men with more conservative views on credit antagonized many. Suspicions were also aroused by his propensity to name to high administrative positions and advisory committees businessmen and conservative agricultural cooperative leaders, who one observer characterized as being men who often wanted to

<sup>12</sup>New York Times, September 9, 1956, p. 52.

<sup>13&</sup>lt;u>Ibid.</u>, September 6, 1956, p. 19.

<sup>14&</sup>quot;Secretary Benson and Small Farmers," (editorial) America (September 3, 1955), p. 521.

<sup>15&</sup>lt;u>Ibid.</u>, pp. 521-22.

prove themselves "more kingly than the king--more like the popular image of the hard-boiled, no-nonsense businessmen" than the businessman himself.  $^{16}$ 

Another constant source of irritation to farm-state congressmen from both sides of the aisle were statements by top agricultural economists in the Department such as True D. Morse, John H. Davis, Earl L. Butz, and Don Paarlberg. These men, generally reflecting the view of their profession, but showing little political acumen, frequently made public statements to the effect that there were too many farmers in the country, that the small, marginal farmer would be better off if he moved to the city. Such statements provided excellent ammunition for congressional sniping at the Secretary. Thus Senator Stuart Symington, in the debate over the appointment of Don Paarlberg as Assistant Secretary of Agriculture in 1957, charged that a vote for confirmation of Paarlberg was a vote "against the family-sized farm and the small towns of America which are supported by those farms." 17

A reflection of how widespread and persuasive was the belief that the Eisenhower-Benson Administration was not positively enough committed to the family farm goal was the spate of bills introduced in both Houses by members from both sides of the aisle from 1955 through

<sup>16</sup>Charles M. Hardin, "The Republican Department of Agriculture—A Political Interpretation," <u>Journal of Farm Economics</u>, XXXVI (May, 1954), 212. On businessmen in the Department also see "Facing Up to the Farm Forces," <u>Business Week</u>, February 14, 1953, pp. 30-1; <u>New York Times</u>, December 14, 1957, article by William M. Blair, p. 14.

<sup>17</sup>U. S., <u>Congressional Record</u>, 85th Cong., 1st Sess., 1957, CIII, 14910. See pages 14890-14913 for the full debate. The vote on Paarlberg's confirmation was 42 yeas, 32 nays and 21 not voting.

1958 calling upon Congress to proclaim in the form of laws or resolutions the "long standing national policy to preserve and strengthen the family-farm pattern of American agriculture." Senator Karl M. Mundt (Rep., South Dakota), explained why he and fellow Republican Edward J. Thye of Minnesota introduced such bills (S.2776 in 1956 and S.2915 in 1958) this way:

At the time Senator Thye and I introduced the legislative proposal explicitly supporting the family farm pattern it was done because administration spokesmen at that time were in our opinion not placing enough emphasis on the need for maintaining family-type farm operations. 19

The attacks against the Administration's conduct of farm policy were inspired for the most part by a genuine concern that it was not positively enough committed to the family farm goal. At the same time it was also clear that these attacks were, in some measure, politically inspired. In farm circles, the charge of being anti-family farm is equivalent to being charged with opposing "Motherhood and Country."

Benson's critics obviously saw the advantage of this political stratagem.

The use of the anti-family farm charge as a political weapon had two effects on the debates on agricultural policy during this period.

First, it led the Administration critics to oratorical excesses. The widespread concern over the status of the family farm was quite genuine,

<sup>18</sup>In 1955 the following bills or resolutions calling for an explicit statement of the family farm goal were introduced: H. R. 2000, 2027, 2177, 2565, 3780, s. J. Res. 20, the latter being sponsored by Senators Humphrey, Murray, Mansfield, Kerr, Kefauver, Neely, Lehman, and Langer. Other similar bills introduced during this period were: s.2776 and H.R. 8456 in 1956, H.R. 202 and S. Res. 175 in 1957, and S. 2915 in 1958.

<sup>19</sup>Letter to author, July 27, 1964.

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but it is doubtful that many critics really believed that American agriculture was being converted overnight into a system of "factories in the field" as was often charged.

The second probable effect was that the Administration and its defenders tended to adopt a stance that somewhat overly minimized the threat to the family farmer. This political-defense factor is shown in the position taken by Benson to the effect that because American agriculture was almost "wholly" dominated by the family farmer it was unnecessary to talk about the family farm as such, particularly because of the political emotionalism associated with such talk merely acted to obscure the real issues: "Adding to the confusion, and delaying forthright congressional action, are those professional protagonists of the old agriculture who make their living by propagandizing their ideas of what they think the farmer should have or what they think will appeal to the uninformed and those with special interests." 20

All this suggests that the family farm concept had at least come to be used in a controversial way. But we have found little evidence to suggest that the major participants of the agricultural policy making process had split over the fundamental question of whether the traditional family farm goal should be continued or abandoned. A consensus around the proposition that the promotion and preservation of the family farm pattern of agriculture should constitute the over-arching goal of agricultural policy prevailed in during the 1950's and continues to prevail in the 1960's.

<sup>20</sup> Freedom to Farm, p. 227.

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Among the participants, the principal exception to this would be the agricultural economists. Many of them--although seldom committing themselves publicly, straightforwardly and cogently--have come to believe that the family farm goal properly belongs to the past. Because they play the important role of expert advisors in the policy process their defection is not insignificant. But with this qualification it is clearly the case that the majority of the other relevant participants remain dedicated to the proposition that the family farm is the most desirable form of organizing and utilizing the human and non-human resources of agriculture, and that agricultural policy should be framed with this in mind.

Political campaign charges notwithstanding, the Eisenhower-Benson Administration had not abandoned the goal and it did not seek to convert American family farm agriculture into large-scale, industrialized and corporatized agriculture. In the previous Chapter we cited evidence indicating the commitment by both President Eisenhower and Secretary to the family farm goal, a commitment which they justified by appealing to the unique virtues of the family farming system. We found no evidence to suggest that these were hollow expressions, made merely to conform to the dictates of an American political tradition. In 1953 Senator Humphrey petitioned Mr. Benson to set up an advisory committee in the Department of Agriculture to make sure that the Department's programs were being administered with the interests of family farm in mind. Mr. Benson rejected

<sup>&</sup>lt;sup>21</sup>See Chapter IX for a fuller discussion of the policy role of the economists and their attitude toward the family farm.

the petition on the grounds that "all the committees had the family farm at interest" anyway and that the appointment of another special committee would constitute unneeded duplication. While the Senator obviously believed otherwise, Benson's explanation was undoubtedly sincere. Mr. Benson did stand in contrast to his predecessor, Charles F. Brannan, whose every proposal on farm policy was prefaced and closed in the name of the family farmer. Basically, however, Secretary Benson and President Eisenhower, as well, matter of factly accepted most of the tenets of the family farm creed, although, as we will note, they gave greater emphasis to certain of its aspects than did many of their critics. That this came naturally to them increased their ire at being accused of being anti-family farm, prompting the President to dismiss the charge by "some political orators" that he was against the family farmer as mere "drivel," for the "family farm is the cornerstone of American agriculture." 23

Likewise, one cannot infer from the relative paucity of appeals to the family farm creed and policy goal by the Farm Bureau that the national leadership and the organization as a whole are somehow hostile to the family farm. The following explanation by Charles B. Shuman is no mere rationalization of convenience:

<sup>&</sup>lt;sup>22</sup>U. S., <u>Congressional Record</u>, 83rd Cong., 1st Sess., 1953, XCIX. 10259.

New York Times, October 17, 1956, p. 1. The President's irritation over the fact that anyone could seriously believe such charges is revealed in several of his press conferences when reporters queried him about the matter. See, e.g., the text of the press conference on October 31, 1956 in ibid., September 1, 1956.

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Cur policies and statements are the policies and statements of the largest farm family organization in the United States. It would be rather ridiculous for us to repeatedly make statements to the effect that we 'believe in the farm family'. It would be equivalent to a church issuing statements saying that the church 'believed in the church' or the Chamber of Commerce 'believed in the Chamber of Commerce'. The entire purpose of our policies is to improve opportunity for farm families. No amount of pious sloganeering can help strengthen or maintain the farm family. 24

It is a fact, as Mr. Shuman points out, that the Farm Bureau is a family farm organization. Its membership may number a few larger-than-family-size farmers, but probably no more proportionately than, say, the National Farmers Union. The overwhelming majority of the organization's members are family farmers by almost anybody's definition. 25

It literally makes no sense, either in terms of ideology or simple economic interest, that such an organization would consciously promote the adoption of public policies intended to encourage the conversion of America's several million family farmers into a handful of giant, industrialized factories—in—the—field. The same can be said of the Eisenhower—Benson Administration and of the congressional farm—state

<sup>&</sup>lt;sup>24</sup>Letter to author, August 28, 1964.

<sup>25</sup>This author wrote a paper in 1960 in which we stated that "the national leadership of the Farm Bureau no longer couched its policy recommendations in terms of the family farm." The paper was read and discussed by several officials of the Michigan Farm Bureau and that particular passage caused a great deal of consternation on their part. As one put it: "How can an organization of 1,600,000 farm families fail to be concerned about the family farm?" (Letter from Dan E. Reed, associate legislative counsel, October 20, 1960.) The Michigan Bureau's legislative counsel took "strong exception to your statement that the A.F.B.F. does not recognize any particular values in the family farm and has for some time ceased to make its preservation one of the objectives of the organization. I was so surprised that anyone could have seriously entertained such a conception...." (Letter from Stanley M. Powell, July 5, 1960.)

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Republicans, who in the 1960's tend to support the Farm Bureau's position on agricultural policy as the Farm Bureau supported the Eisenhower-Benson Administration in the 1950's.

But whether or not the policies proposed by this group might indirectly contribute to just such a development in agriculture is quite another question. And it is over this question that the agricultural political community has divided, not over the question of whether or not the promotion and preservation of the family farm ought to remain the over-arching goal of American agricultural policy.

## Conflicting Agrarian Traditions

The agricultural political community has divided over several policy issues in the postwar period, but since the mid-1950's no division has been as sharp, as bitter, as enduring as the division over price support and production control policy. The conflicts surrounding this policy are partly the reflection of competing commodity interests, but it goes far beyond this. <sup>26</sup> The conflict over and beyond the commodity division consists of two related factors.

First, there has been sharp disagreement among the participants as to the general and detailed nature of the economics of the farm problem and the economic consequences of alternative public policy approaches to that problem. The critics of the Eisenhower-Benson Administration were convinced that the price policies it sought to enact would have been disastrous for the family farm. For many of the participants the maintenance of high price supports had come to be identified with protection for the

<sup>26</sup>See the Review of Literature section of Chapter I.

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family farm. The Administration's proposals to sharply lower those supports and/or to eventually eliminate them convinced the critics that President Eisenhower, and particularly Secretary Benson, were either totally ignorant of the economics of agriculture or purposely seeking to eliminate the family farm, or at least indifferent to its plight. The charge by Representative George McGovern (Dem., South Dakota) that Eenson's demand for lower price supports was "either unadulterated nonsense or else it is a malicious and calculated plan to drive the family farmer from the land and replace him with corporation farms," was simply one of the more cutting of the barrage of similar charges leveled against the Secretary. From Mr. Benson's point of view, of course, his proposals were neither nonsensical nor anti-family farm. He believed them to be pro-family farm and economically sound.

In Chapter X we will discuss the conflicts in beliefs as to the economics of agriculture and the consequences of alternative policies, and how these conflicts have contributed to the stalemate in the policy making process. Here we want to deal with the second factor in the division over price and control policy, a conflict in value commitments. It will be noted that there is a considerable overlapping and that the differing sets of belief and value positions tend to be mutually reinforcing. But although they are interwoven to a certain extent they are not mirror images of each other. The nature of both the interdependence and the independence of these two factors will become clearer in Chapter X.

<sup>27</sup>U. S. Congressional Record, 85th Cong., 1st Sess., 1957, CIII, 1918.

The value conflict among the participants of the agricultural policy making process stems from two somewhat differing and enduring ideological traditions which we call liberal agrarianism and conservatism agrarianism. These two traditions have always supported the family farm goal and continue to do so. However, the differing ideological orientations have resulted in differences of emphasis as to what is considered the most valuable characteristics of family farming. Likewise, there has been disagreement over the means that should be adopted to promote and protect the interests of the family farmer.

The resulting groupings cannot always be neatly categorized in terms of specific individuals and organizations for the different outlooks involved are only tendencies, they are not mutually exclusive and they have much in common. But some broad generalizations can be made. During the 1920's and 1930's liberal agrarianism was represented by such spokesmen as the LaFollettes and Henry A. Wallace and by such organizations as the Nonpartisan League and the National Farmers Union. Conservative agrarianism was represented by such men as Senator Arthur Capper of Kansas and the American Farm Bureau Federation. In the post-World War II period the Farmers Union and the Farm Bureau continue to best exemplify these two traditions. Geographically, liberalism has been strongest in the South and in the Midwestern states of Minnesota, Wisconsin, and the Dakotas. Conservative agrarianism has been strongest in the Midwestern stages of Illinois, Iowa, and Kansas.

Reflecting the increasingly urbanized character of even the South and the Midwest, there are no political figures today that can properly be categorized as agrarians in the sense of, say, a William Jennings Bryan.

However, among the politicians who are particularly interested in agricultural matters, the liberal-conservative division tends to follow the Democratic-Republican division. Of the postwar Secretaries of Agriculture, both Brannan and Benson can be properly categorized as dedicated and zealous agrarians. The very considerable differences in their style and their political programs reflect the differences between the liberal and conservative traditions at the extreme. Secretary Freeman espouses the program of liberal agrarianism, but the zeal that he brings to the office is that of a dedicated political technician rather than a dedicated, fromthe-heart agrarian.

Almost all defenders of the family farm have seen it as an important institution of the free enterprise system. However, the liberal agrarian will generally first point to the ruralness of the institution and the unique way of living--country living--that it sustains. This will be buttressed by pointing to the family farm as an important cog in the free enterprise system. The conservative agrarian will generally reverse the emphasis, stressing that the family farm is a prime example of free enterprise at its best, made better by the fact that it is a rural institution.

Something of the contrast between the two traditions can be pointed out by suggesting that the liberal tradition stresses family farming as "a way of life" and the conservative tradition stresses family farming as "a way of business." However, this needs to be immediately qualified. Only the most romantic of agrarians have stressed the way-of-life theme to the exclusion of farming as a business. At the same time the conservative agrarian in stressing family farming as a way of business

sees that institution as something much more than an operation for making money. For as an independent, privately owned enterprise the operation of it for a profit breeds the character traits of individual initiative, self-reliance, independence, and prudent judgment and otherwise helps to develop the type of citizenship necessary to sustain a sound social and political order. The family farmer is seen as an independent, property-owning entrepreneur in the best sense of the word.

The sentiment of the liberal tradition on this point is reflected by Senator Humphrey, who after stressing the need of public policies to assure the economic security of the small farmer, made the following point:

A man can live on a little farm. He may not make too much money, but he can breathe fresh air. He can bring up his family under good, wholesome conditions. He can go fishing and not have to fish in a polluted stream. He can have a place for his children to work rather than loiter in the streets. Family farming has something to it besides dollars. It is a way of life. 28

In pointed reference to this type of sentiment the Farm Bureau's national platform for 1953 contained the following statement:

The fact that farming is a family enterprise has led some groups to misunderstand the nature of farming. If we are to maintain a prosperous, efficient and progressive agriculture, it must be recognized that farming is a business enterprise. There are, of course, many advantages to rural living, but it will be noted that rural standards of living are generally low and food prices high in countries where farming is considered only a 'way of life.'29

While spokesmen of the liberal tradition make frequent allusions to such things as that the family farmer can "go fishing in an unpolluted stream," the conservatives do so only rarely.

<sup>28</sup>U. S. <u>Congressional Record</u>, 84th Cong., 2nd Sess., 1956, CII, 3581.

29 <u>Policies of the American Farm Bureau Federation</u>, 1953, adopted at the 34th annual meeting, December, 1952, p. 45.

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This special emphasis on the family farm as an institution of free enterprise was clearly reflected in the outlook of Ezra Taft Benson. For him, free enterprise made this country what it is today, in both its material and spiritual aspects; free enterprise has given us material abundance, moral character and the basis of our political freedom. The following expressions are typical:

The future of agriculture and the preservation of a sound economic system depend upon a never-ending, vigorous re-emphasis of the principles, benefits and values of private competitive enterprise. No group in America is in a better position to contribute to this need than those who live on our farms.<sup>31</sup>

Today agriculture is not so much an important segment of our population as of our <u>free enterprise system</u>. It should be permitted to operate as such. Indeed it has a special importance because it is, essentially, small-business industry. S2

In one of Senator Humphrey's numerous attacks on Secretary Benson for not doing enough to protect the family farmer the Senator pointedly declared that he was "for a government policy which would make it possible for them to survive." The Senator and the Secretary differed on agricultural policy issues not because one was for and the other against the family farmer, but because they disagreed in their analyses and

<sup>30</sup>Benson's missionary-like quality that he brought to the defense of "the American way" was strengthened by his firm belief that this nation was heavenly inspired; "It is my firm belief that the God of Heaven raised up the founding fathers and inspired them to establish the Constitution of this land. This was ingrained in me as a youngster by my father and mother and by my church. It is a part of my religious faith. To me, this is not just another nation. It is a great and glorious society with a divine mission to perform for liberty-loving people everywhere." Farmers at the Crossroads, p. 4.

<sup>31</sup> Ibid., p. 4. Italics mine.

<sup>32</sup>Freedom to Farm, p. 198. Italics mine.

<sup>33</sup>U. S. Congressional Record, 84th Cong., 2nd Sess., 1956, CII, 4491.

understanding of the agricultural economic situation, and because they had sharply different views as to the proper role of government in society. Given the differing interpretations of the economic situation the liberal and conservative participants in agricultural policy making have divided all the more sharply over the issue of the proper role of government.

The liberal agrarian tradition has always been more willing to call upon government intervention in order to protect the family farmer. In its more extreme form, such as the Nonpartisan League, it has asked for government action to socialize those industries which service the farmer in order to assure the continued health of small-unit, free enterprise in agriculture. Conservative agrarianism, on the other hand, while by no means unwilling to call for government intervention, reflects a much stronger and more consistent attachment to the doctrine of laissez faire. Whereas liberal agrarianism is likely to embrace government not only as a necessary protector but a friend as well. conservative agrarianism always regards Big Government with inherent suspicion and thus can ask for government protection only under rather dire circumstances, and even then the embrace is always cooled by cautious suspicion. The conservative fears that the very policies that the liberals promote in the name of preserving the family farm will actually destroy it. Too many government controls and too much government red tape will smother the independent spirit and destroy the character of the independent entrepreneur. Thus Benson, like most dedicated agrarians, conjured up the memory of fallen empires, but with a special twist:

History teaches that when individuals have given up looking after their own economic needs and transferred a large share of that responsibility to the government, both they and the government have failed.

At least 20 great civilizations have disappeared. The pattern is shockingly similar. All, before their collapse, showed a decline in spiritual values, in moral stamina and in the freedom and responsibility of their citizens. They showed such symptoms as excessive taxation, bloated bureaucracy, governmental paternalism and generally a rather elaborate set of supports, controls and regulations affecting prices, wages, production and consumption.

These differing ideological orientations almost always generate differences in the types of policy recommendations. But while the policy positions may differ and therefore add confusion to the agricultural policy making process they need not be in direct conflict. For example, during the period between the 1920's and 1930's the liberal and conservative groupings had their own pet schemes, but this led to heated and open conflict only on a few issues. A prime example of such liberal-conservative conflict would be the bitter dispute over the Farm Security Administration.

Despite a considerable ideological diversity the agricultural political community was able to unite to effectively unite under the banner of parity price supports from the mid-1920's to the mid-1940's. The price support and production control that was erected during this period was in no small part due to this unified support. But in the post-World War II period, particularly since the mid-1950's, the agricultural political community has divided in sharp conflict over this very policy. The Farm Bureau, which played such a leading role in the building of the price and

<sup>34</sup> Farmer at the Crossroads, p. 90. Like many conservatives, Benson feared that a small beginning toward government controls would eventually end up with total control. In his speeches and writings he incessantly pointed to the Soviet Union as an example of what controlled agriculture begets.

control program, has taken the lead in trying to dismantle it. Over the past decade such organizations as the Farmers Union, the Grange and the Wheat Growers Association along with some of the lesser groups have exhibited a considerable unity on the matter of price and control policy, but the Farm Bureau has persistently pursued a sharply divergent path. The Benson price policy proposals received as much support as they did primarily because of the backing of the Farm Bureau. And it is probably the case that the supply-management approach (endorsed by all the major organizations mentioned above) advocated by the Kennedy Administration would have been adopted, at least on a limited scale, had it not been for the fierce opposition of the Farm Bureau. Therefore, it is of value to take a closer look at the ideological position of the Bureau.

Federation, Edward A. O'Neal retired to his Alabama farm. O'Neal probably did as much as any other farm-group leader to popularize the idea of parity prices and his skillful direction of the Bureau helped to enact the idea into law. O'Neal was replaced by Allan B. Kline of Iowa, who served until 1954. Charles Shuman of Illinois was elected president as Kline's successor. The Farm Bureau of the postwar period, particularly under the Shuman presidency, has done more than any other group to popularize the idea that farmers do not need, do not want, and should not have the protection of high, rigid parity prices. By 1958 the Farm Bureau was arguing that any support program should be designed only to "facilitate orderly marketing rather than to guarantee unrealistic prices," and the only "realistic" support price was that based on "competitive conditions, supply and demand.

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and market trends."<sup>35</sup> In 1959 it proposed that price supports should be shifted away from the historic parity concept and based on a moving average of market prices in the preceding three years. Charles B. Shuman, then, was "happy" when President Eisenhower recommended this plan to Congress in 1959.<sup>36</sup> As to the concept which the Bureau had once so vigorously championed, the organization's platform of 1960 had this to say:

The original purpose of the parity formula was to measure statistical changes in relationships between prices farmers receive and prices they pay for a selected group of items.

The parity formula has been used to determine price support levels on certain commodities—a use for which it was not originally designed and with respect to which it has serious limitations. 37

This change was certainly rather dramatic. As one observer noted:

"If the U. A. W. began to advocate the 'right-to-work' or anti-union shop
law, the change would be no more striking than that of the Farm Bureau
after the Ed O'Neal regime."

This overstates the case because it glosses over the basically conservative outlook that has always been a part of the Farm Bureau stance. The Farm Bureau, from its inception as a sponsoring agency of the county agent system, has always been dominated in its membership lists

<sup>35</sup> Farm Bureau Policies for 1959, adopted at the 40th annual meeting of the American Farm Bureau Federation, December 11, 1958, pp. 10-11.

<sup>36</sup>Congressional Quarterly Almanac, XV, 1959, p. 239.

<sup>37</sup>Farm Bureau Policies for 1960, adopted at the 41st annual meeting of the American Farm Bureau Federation, December 17, 1959.

<sup>38</sup>Lauren Soth reviewing Christiana Campbell's <u>The Farm Bureau</u> and the New Deal, in the <u>Journal of Farm Economics</u>, XLV (November, 1963), 904.

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and particularly in its official thinking by the larger, more economically progressive family farmers. 39 During the tumultuous years of the early 1920's the Bureau saw itself, and was seen by others, as a moderate alternative to the more radical farm organizations of the period. 40 During the 1930's the Farm Bureau, under the leadership of Ed O'Neal, threw its mighty weight behind the New Deal programs intended to bring agricultural relief and recovery, but it was cool toward schemes involving agricultural reform. 41

Lauren Soth in searching for an explanation for the "intriguing" change in the Farm Bureau's national leadership's position quoted a friend's suggestion: 'What happened to the Farm Bureau is that the successors of Ed O'Neal became fascinated with economic theory. Somebody told them about Adam Smith's market and interest rate.' Charles Shuman in replying to Soth did not challenge this point but argued that "historical facts indicate that the Farm Bureau's discovery of Adam Smith is not as recent as Soth suggests." Shuman, like Ezra Taft Benson, goes Adam Smith one better by evoking God's authority: "When we turn to Government to negate

<sup>39</sup>Of the Farm Bureau's early membership one observer noted that they were "family farmers, though family farmers of the upper income group. They were the salt-of-the-earth type, God-fearing, self-respecting, hardworking, and usually contented with their lot, which was ordinarily a prosperous one." Christiana McFadyen Campbell, The Farm Bureau and the New Deal (Urbana: University of Illinois Press, 1962), p. 28. This view that the Farm Bureau is dominated by the larger family farmers is universally accepted by contemporary analysts. Typically, Harmon Zeigler notes that "the membership and policies of the Farm Bureau indicate quite clearly that it is primarily the representative of the upper strata of the farm population." Interest Groups in American Society (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1964), p. 186.

<sup>40</sup>Fred A. Shannon, American Farmers Movements (Princeton: D. Van Nostrand Company, Inc., 1957), p. 86.

<sup>41</sup>Campbell, The Farm Bureau... p. 165.

<sup>42</sup>Journal of Farm Economics, XLV, p. 903.

<sup>43&</sup>quot;Comment on Lauren Soth's Review of The Farm Bureau and the New Deal," Journal of Farm Economics, XLVI (February, 1964), 251.

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economic truth and to avoid adjustment we are in reality rejecting God's law in favor of man's law."

This type of dedication to the principles of competitive enterprise leads first of all to an inherent and intense suspicion of Big Government. Reo M. Christenson after interviewing top Farm Bureau leaders reported: "Nothing struck me more forcefully, in talking to high-ranking Farm Bureau officials in 1952, than the anti-governmentalist sentiments which colored their discussions of public policies." This view has been intensified over the years. One Farm Bureau official described the organization's effort to block the Kennedy Administration's supply-management proposals this way: "I don't believe I am overstating our role in the crucial battle ahead when I declare that the Farm Bureau is the only organization standing between the farmer and the complete socialization of agriculture."

Opposition to Big Government is greatly reinforced by the belief that farmers can survive the rigors of free market conditions. As Mr. Shuman put it: "There is absolutely no evidence that the family farmer is in any danger."

Indeed, Mr. Shuman argues that the current problems of the farmer are not the result of the workings of the free market, but of government intervention:

<sup>44</sup>Speech before the American Farm Bureau Federation's annual meeting in 1961, New York Times, December 12, 1961, p. 30.

<sup>45</sup>The Brannan Plan: Farm Politics and Policy (Ann Arbor: The University of Michigan Press, 1959), p. 147.

<sup>46</sup>A.F.B.F.'s Official Newsletter, November 26, 1962, p. 182.

<sup>&</sup>lt;sup>47</sup>Letter to author, August 28, 1964.

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The market-price system worked in agriculture until the last 30 years, and it will work again... The farmer's situation today, certainly, is not as good as it has been in the past. And, again, I say that it's due primarily to the intervention of Government, which has disrupted the balance in agriculture, destroyed markets for farm products and caused farmers to produce unneeded crops that have piled up in wasteful and expensive Government storage warehouses. The 8.5 billion dollar surplus is a principal cause of low farm prices...if we want to liquidate agriculture, that's the way to do it--fix prices and control production. 48

As a result, the national leadership believes that government controls are not the saviour of the family farm but its nemesis:

•••a far greater threat to the family farm than the corporation or factory type farm is government directed farming which would have many of the disadvantages of the collective system.<sup>49</sup>

There is no greater threat to the family farm than Government programs that restrict the full utilization of family and farm resources and that attempt to fix or manage resources and ration the right to produce on the basis of some historical formula. 50

The enactment of the supply-management program would have reduced agriculture to "regulated, subsidized, controlled, comfortable peasantry.<sup>51</sup>

### Conflict in Perspective

The above discussion suggests the general nature of the value conflict involved in the debates over the price support and production control policy of the postwar period. It will be useful by way of summary to state the components of the conflict with more precision.

<sup>48&</sup>quot;Regulated Peasantry," interview with Charles Shuman, <u>U. S. News</u> and <u>World Report</u>, June 12, 1961, pp. 80-84.

<sup>49</sup>Shuman, Nation's Agriculture, February, 1957, p. 7.

<sup>50</sup>John C. Lynn, legislative director, A.F.B.F., in testimony before Subcommittee on Family Farms, Hearings, The Family Farm, 1963, p. 113.

<sup>51</sup>Shuman, U. S. News and World Report, June 12, 1961, p. 80.

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Following the pattern of the Agricultural Adjustment Act of 1938 the price support laws of 1948 and 1949 designated the Commodity Credit Corporation as the primary instrument supporting prices. The CCC would maintain prices at the specified support levels by purchasing surplus commodities through the system of nonrecourse loans to farmers. A concommitant of the price supports was a system of production controls involving "voluntary" acreage restrictions, supplemented by marketing quotas, whose function was to keep overall production in line with effective demand thus maintaining the open-market price at or near the support level. The majority of the participants believed that the control program would make it unnecessary for the CCC to purchase unduly large quantities of surplus books.

However, by the mid-1950's the increasing productivity of the American farmer was negating the influence of this control system; by 1955 the support operation was costing over \$2 billion a year. This forced the general recognition that if this type of situation continued it would eventually become necessary to either sharply lower the price supports or to enforce much more stringent production controls. It was this prospect, complicated by the deteriorating general price and income

<sup>52</sup>The controls were voluntary in the sense that the farmer had to reduce his acreage only if he wanted to be eligible to participate in the price support program. This has not been a hollow choice because as a sufficient number of farmers generally participated in the program open-market prices were always fairly close to the support levels. A gradual tightening up of the control program in the 1960's, however, has made this freedom of choice less meaningful.

situation in agriculture, that brought ever present tensions between liberal and conservative agrarianism into direct and bitter conflict.

No one in the agricultural political community is for a general policy of low prices for farmers, but some participants have been much more willing to accept lower supports than others. Those who have taken this position first of all believe that the average farmer, with other forms of indirect aid, can survive and prosper under relatively free market conditions, emphasizing the farmers capacity to shift his production efforts from one commodity to another and to change his techniques of production so as to reduce his per unit costs. Those most opposed to a significant lowering of the support levels have long been convinced that relative free market pricing would force a wholesale reorganization of agriculture, and that unsupported prices would ultimately destroy the family farmer.

But the growing division among the participants in the 1950's and 1960's is the product of more than this conflict in beliefs as to the economics of agriculture. It is also the product of a sharp clash in value commitments. Just as none of the spokesmen for agriculture are for a general policy low prices as such, no one is an enthusiastic supporter of production controls. But again some of the participants are much more willing than others to accept the imposition of tighter controls.

As it became clearer that tighter controls would have to be imposed if high supports were to be maintained the conservative participants became firmer in their opposition. If the participant also believed that the farmer could survive relatively free market conditions his opposition to production controls was all the more rigid. The most vigorous opponents

to tight controls are those participants committed to a free enterprise outlook which stresses that the enterprising character of the small, property-owning entrepreneur developed this country in both its material and spiritual aspects. The family farmer is seen as a prime example of this system which is constantly being threatened by Big Government, Big Labor, and Big Business in that order of importance. The ownership of property and the freedom and responsibility of making the decisions as to how it is to be used to produce a living for himself and his family encourages individual initiative and develops in the farmer the character traits of self-reliance and a spirit of individualism. His economic independence breeds social and political independence and a stable and prudent outlook which constitute the basis of all freedom and sound government. Therefore, government regulations which act to deprive the farmer of his entrepreneurial freedom are seen to strike at the very heart of the institution of the family farm.

Those participants of the liberal agrarian tradition are far less hostile to the general notion of government intervention and are willing to accept the adoption of stringent controls, particularly if they are also convinced that such a control program is a necessary part of the overall effort to preserve the family farm. The liberal agrarians also see the family farmer as a small-scale entrepreneur and stress the virtues of the free enterprise system and the need of maintaining it. But their interpretation of free enterprise is Populist-Progressive in character. They reverse the conservative's ranking of the three basic enemies to free enterprise agriculture. Increasingly since the New Deal they have looked to Big Government for policies that would prevent small entrepreneurs

from being engulfed by the giant corporations. Their willingness to accept controls is buttressed by the belief that there are many values associated with family farming which are not dependent on the complete entrepreneurial freedom of the farm operator, but which are a direct product of country living.

It is impossible to neatly categorize every participant into the groupings identified above. We have been talking about the poles of the schism, and, as in most political schisms, the population diminishes as one approaches the extremes. Because none of the participants have been enthusiastically for low prices or for production controls as such, many participants have tried to stand for high prices and against production controls at the same time. Political and economic conditions during the 1950's made this type of fence-straddling quite easy. One could vote against Benson for a retention of relatively high supports without at the same time voting for tougher controls. This was made easier by the perennial hope that the relatively mild controls then existing would actually work, thus halting the build up of surplus stocks. By the end of the decade, with surplus stocks continuing to mount, such a fence-straddling position became more difficult to maintain and the division among the participants became more visible. Since the Democratic victory in 1960 and the Administration's decision to push for tougher, more extensive controls the division between the two camps has become more clear cut.

The low-support, minimal controls group is populated primarily by Republicans, the conservative farm organizations in general and the American Farm Bureau Federation in particular, and the bulk of the agricultural economists. From 1952 to 1960 Ezra Taft Benson was the exemplar

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and most persuasive spokesman for this group. It is true, of course, that during this period many of the Midwestern Republican congressmen broke party lines and voted against Benson's price policy. Their voting for the retention of higher support levels was made easier by the voluntary character of the controls then in effect. When confronted with the much tougher control measures proposed by the Kennedy Administration they abandoned their position on high prices and voted against controls. Since 1960, with the Democrats controlling the White House as well as the Congress, the national leadership of the Farm Bureau has been the primary spokesman of this group.

The high-support, pro-controls camp consists primarily of Democrats, supported by more of the liberal farm organizations, particularly the Farmers Union, and a scattering, although growing, number of agricultural economists. This group has always been for high price support levels but it came to embrace mandatory and highly stringent production and marketing controls only under the prodding leadership of the Kennedy-Freeman Administration, and then only very reluctantly, and as it has turned out, only temporarily. Since the 1963 wheat referendum much of the steam has been taken out of the mandatory supply-management approach.

Neither of the two camps has been strong enough to enact its program. The high-support camp, although it has not been able to retain the high, rigid support levels of World War II, has been able to block efforts to lower supports to essentially free market levels as proposed by their opponents. On the other hand, the efforts since 1961 to impose tighter control measures have been effectively blocked by the anti-control group.

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The end product is a policy not warmly supported by anybody, a policy of moderate support levels and moderate production controls. It is a policy that almost no one has been happy with. It is a policy which almost everyone says must be changed. It is, in short, a stalemated policy.

#### CHAPTER IX

#### ECCNOMISTS AND AGRICULTURAL POLICY

Cur task is to supply the essential facts affecting farm policy, and to make recommendations on the basis of careful analysis of such facts. It is our hope that men and women on the farms and in the cities will consider these matters carefully, allowing no preconceived loyalties or animosities to becloud the issues, and strive to reach decisions which will cause Americans ten, twenty and fifty years hence to say they reasoned well and acted wisely.1

In 1948 Charles Hardin informed the readers of the American

Political Science Review that a "major redefinition of agricultural policy in the United States appears imminent. Appropriate committees in both houses of Congress held exhaustive hearings during 1947 on both the content of agricultural policy (revision of parity, manner of price supports, regulation of marketing, and production controls) and the manner of organization of agricultural administration."

By the time Hardin's article was published it was becoming apparent that the "redefinition," at least insofar as price supports and production controls were concerned, was going to be quite minor rather than major. This anticipation of a major

lpostwar Agricultural Policy, Report of the Committee on Postwar Agricultural Policy of the Association of Land-Grant Colleges and Universities, October 25, 1944, pp. 3, 6, 21.

<sup>2&</sup>quot;Reflections on Agricultural Policy Formation in the United States," XLII (October, 1948), 881.

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change, however, reflected a view that had been held by most observers since the closing days of the war.

As early as 1944, various study groups and committees in the Executive and in the Congress had begun to explore the question of postwar price and control policy. Some of the reports from these activities did indicate that major redefinitions were at least being considered. But, on the whole, the widespread belief among most interested observers that major changes would occur seemed to be predicated more on their conviction that such a change should be made rather than any sound sampling of the political winds. As an editor of the New Republic put it, after citing such facts as the accumulation of cotton in CCC warehouses, there is "obvious evidence that some time soon a major shift in national farm policy will have to take place." The editor thought that the shift would undoubtedly be in the direction pointed to by the "widely circulated" report of a committee of prominent "agricultural college professors and executives" calling for a "postwar agricultural policy free from direct price-propping." A

The report referred to was the product of a special, blue-ribbon committee appointed by the Association of Land-Grant Colleges and Universities. Out of respect for the "agricultural as well as the public interest," the committee called for the rejection of "continued reliance upon expedients" and recommended the removal of "detrimental" and

<sup>3&</sup>quot;New Farm Policy," April 16, 1945, p. 496. Italics mine.

<sup>4</sup> Ibid.

"hamstringing" production controls and a return to free market pricing within three years after the cessation of hostilities.

The Land-Grant Colleges report was one of the first of a sizeable flood of studies on postwar agriculture and agricultural policy. These studies, almost invariably, had three common characteristics. First, all were highly critical of the existing price support and control program; all urged major changes. There was some disagreement as to precisely what changes should be made, but they all called for the abandonment of the control program and urged that direct market price supports be either removed or so changed that they would be used only to eliminate extreme price fluctuations rather than to maintain an artificial price level above that which would be generated by the free market.

A second characteristic of these studies was a bristling defense of the national interest and an often emotion-laden attack on the narrow view of the special interests; the common theme was that the special interests had flouted the general interest in getting the price and control laws on the books and that if the national interest was reasserted these laws would surely be done away with. Moreover, these studies generally argued that the laws in question did not really serve the "true" long-range interests of farmers, but were actually detrimental to them.

<sup>&</sup>lt;sup>5</sup>Postwar Agricultural Policy, pp. 3, 6, 21.

One observer noted of this period: "All in all, the nation had witnessed one of the most intensive and thoroughgoing reviews of a major legislative problem in recent decades." Reo M. Christenson, The Brannan Plan; Farm Politics and Policy (Ann Arbor: The University of Michigan Press, 1959), p. 15.

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A third characteristic of these studies was their emphasis that the authors were concerned only with providing the public and the policy participants with the facts needed to decide on policy alternatives whatever they may be: "It is not the function of this Committee, or any other similar group, to determine what agricultural policies shall be adopted. That is the responsibility of the nation's citizens." These studies left little doubt but that if the public and the participants would open-mindedly consider all the facts supplied by the experts the resulting changes in agricultural policy would be along the lines that the expert studies invariably recommended:

It is hoped that farm people and citizens generally will be willing to accept and to follow the facts. The future of American agriculture, indeed that of the nation, will be enormously influenced by what is done with the recommendations contained in this report.

This flood of expert studies has continued to the present. Because of the "enormous research and multifarious publications of the USDA and the state agricultural colleges, experiment stations, and extension services, many independent individuals and groups, and the committees of the Congress" it would appear that no other area of domestic public policy has been more widely studied and analyzed than agricultural policy: "In no field of domestic economic policy has the nation had the benefit of as much expert study and opinion as in agricultural policy."

<sup>7</sup> Postwar Agricultural Policy, p. 3.

<sup>8</sup>C. B. Hutchison, President, Association of Land-Grant Colleges and Universities, <u>ibid</u>., p. 2.

<sup>&</sup>lt;sup>9</sup>Joseph S. Davis, "The Executive and Farm Policy," <u>The Annals</u>, CCCXXXI (September, 1960), 95.

<sup>10</sup>Lauren Soth, <u>Farm Trouble</u> (Princeton: Princeton University Press, 1957), p. 8.

This massive study of the farm problem and farm policy gave rise, very early in the postwar period, to two widely accepted propositions. The sheer number of these studies served to create the impression that there had been a vast accumulation of relevant factual information. This impression was strengthened by the claim of the experts themselves that they were indeed providing policy makers with all the essential economic data. Thus there developed the proposition that the agricultural policy makers had the benefit of a sound information base about agricultural problems and relevant policy alternatives. Joseph S. Davis, put it this way: "There is hardly any other area of national policy in which the information basis is so nearly adequate."

Not unexpectedly, this proposition has had its greatest currency among economists. Indeed, they were its primary originator and have remained its principal sustainer. They have argued that, drawing on their special knowledge of the farm problem and the overall economics of agricultural production and consumption, they could design any number of workable policies for almost any objective the policy makers sought. Thus Earl O. Heady and Lee G. Burchinal expressed the sentiment of most of their colleagues:

Economists can suggest a half dozen effective means for eliminating the farm problem, whether the criterion be one of improving the farm income, equalizing resource returns with other industries, bettering the allocation of resources between agriculture and other industries for national benefit or eliminating surplus stocks and production. 12

<sup>11</sup> The Annals, CCXXXI, 95. Italics mine.

<sup>12&</sup>quot;The Concern With Goals and Values in Agriculture," <u>Goals and Values in Agricultural Policy</u>, Iowa State University Center for Agricultural and Economic Adjustment (Ames: Iowa State University Press.

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This mass of expert testimony has seldom been a simple presentation of the facts. It has almost always been critical of existing policy and usually pregnant with recommendations for change. Because these studies have had the lustre of being conducted by politically detached experts and because, at least during the first part of the postwar period, there was near unanimity in the direction that the changes should take, there developed a proposition, held by many observers and certainly by most of the economists, that policy makers could have declined to substantially change existing agricultural policy only by ignoring the hard, neutral, economic data abundantly available to them.

These two propositions were typically expressed by A. Whitney Griswold, addressing himself to the immediate postwar policy debates.

"This is not a question of knowing what to do, but of having the will to do it. We know what to do. Our economists have told us, with remarkable unanimity and precision." Because "we know what to do" Griswold, like many other observers, was convinced that the only thing that could keep us from doing it would be the excesses of "agrarian particularism" with its "arbitrary...free-for-all among pressure groups." 13

As Lauren Soth noted, somewhat incredulously, in 1957: "Despite all the

<sup>1961),</sup> p. 1. Whether or not the objectives to which the economists could recommend a number of alternative means are the objectives sought by the policy makers is another question. For instance, in this example the authors haven't really posed four different criteria, but have merely stated one basic criterion in four different ways. However, the sentiment is there; they could advise on any objective named by the policy makers.

<sup>13</sup>Farming and Democracy, p. 214. Italics mine.

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erudite studies of the problem of farm adjustment, despite...the over-whelming majority of expert opinion among agricultural economists and independent research groups advising change in federal price supports... these programs remain essentially the same now as they were in 1945-46."14

This discrepancy between what the policy makers did and what the experts advised has caused considerable consternation among some observers. Davis, after noting that the abundance of factual information available to the policy makers, lamented:

Yet there are few areas in which the failure to grapple effecgively with obstinate policy issues has been so serious and protracted.... Thus the nation continues in the grip of a badly working, indefensible system. This extremely costly failure reflects on all of us. Somehow the impasse must be broken. 15

Others like Soth took comfort in the notion that "this is the way of democracy, and it is the best way." 16

Because of the widespread acceptance of these propositions, analysts of the agricultural political scene have generally, either implicitly or explicitly, eliminated the policy makers' understanding of the economics of agriculture as a significant factor in the policy making process. As a result the range of factors which might be used to explain the course of postwar behavior has been significantly narrowed. This assumption that the policy participants knew what to do and that they really knew better than to do what they did has distorted virtually every serious attempt to describe the postwar agricultural policy making process.

<sup>14</sup> Farm Trouble, p. 19.

<sup>15</sup>The Annals, CCCXXXI, 94, 95.

<sup>16</sup>Farm Trouble, p. 218.

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A central purpose of this study is to secure a better understanding of why the policy makers have so consistently ignored the recommendations of the policy area of price supports and production control. Possible explanations have been suggested, at least implicitly, in previous chapters, and in Chapter X we will submit this question to direct and systematic analysis. However, as a necessary prelude to that analysis we need to take a closer look at the role of the agricultural economists in the policy making process, and secure a better understanding of their positions on agricultural policy, and to identify some of the underlying factors which have shaped their arguments.

Although general economists have concerned themselves with this area, the study of the economics of agriculture and agricultural policy has been primarily the preserve of the agricultural economists. Agricultural economists have been participants in the policy making process in a deeper sense than simply the supplying of basic data. As Soth states:

Professional agricultural economists probably have been closer to practical affairs in their field than economists specializing in any other branch of economic activity. Working in the land grant colleges, the Department of Agriculture, and the farm organizations, they have been participants in policy formation since the beginning of the postwar farm troubles of the twenties...many have been key men in the writing of "farm plans," in the advisory councils of Congress, the Department of Agriculture, and the farm organizations, and in the many studies of agricultural policy by independent agencies. 17

Not only have agricultural economists been important participants in the sense described above, they have also been important sources of what we know about the agricultural policy making process. Some of the more important historical surveys and contemporary commentaries on

<sup>17</sup>Ibid., p. 18.

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agricultural policy making have been produced by agricultural economists.

And other important observers of the politics of agriculture, men such as Charles Hardin, Lauren Soth, and Ross Talbot, have been strongly influenced by them.

During the early 1930's agricultural economists played important roles as both designers and advocates of the parity price support system which came into being with the Agricultural Adjustment Act of 1933. By the middle 1930's their earlier enthusiasm began to wane. By the late 1930's and early 1940's, as they saw Congress raise the supports to ever higher levels and to extend them to more and more commodities, a majority of the economists became convinced that a hydra-headed monster had been created.

economists found particularly disconcerting was the successful drive to insert into the Emergency Price Control Act of 1942 a provision which specified that the ceiling on agricultural products would not be less than 110 percent of parity. The Act was signed into law in January, and in February, John D. Black, one of the most prolific and respected agricultural economists of the period, began to write a book attacking parity pricing. This was a book written in anger. Black believed that the success of the "Farm bloc" in getting its way, against vigorous Presidential opposition, was a self-interest power play that was simply intolerable. His book was one of the first full-dress attacks on parity pricing by an agricultural economist, but, as he notes, a great many of

<sup>18</sup>Parity, Parity, Parity (Cambridge: Harvard University Press, 1942).

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his colleagues had already come to share his views. He favorably quotes "a highly respected fellow agricultural economist" who "referred to the whole idea of parity as 'vicious,'" and adds that "defined and applied as parity has been increasingly in the last few years, not many would differ with him." 19

Part of Black's effort was devoted to a tracing of the history of parity, and in this respect the book is a rather interesting exercise in the art of convenient loss of memory. Black does an injustice to his profession and to history by virtually ignoring the yeoman contributions that agricultural economists, such as himself, had made to the concept and mechanics of parity pricing. However, he is quite correct in stressing that the farm interests had come to place an emphasis on parity pricing that had never been intended by the agricultural economists. As Black frequently put it, no "self-respecting" economist agreed with the emphasis that had come to be placed on parity prices.

By the middle 1940's, looking forward to the day that Congress would have to reconsider the whole price policy question, agricultural economists, acting individually and through special study committees, began to produce what came to be a plethora of studies and reports attempting to demonstrate the folly of retaining the existing price support system, and laying down guidelines for what they considered to be a sound and reasonable approach to the economic problems of agriculture.

The committee which wrote the 1944 report of Association of Land-Grant Colleges was liberally sprinkled with agricultural economists and

<sup>19&</sup>lt;u>Ibid.</u>, pp. 4, 348-49.

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A survey of members of the American Farm Economics Association in 1946 showed that few agricultural economists endorsed the existing policy.

The vast majority thought that government should get out completely or, at the most, engage in price fixing aimed at eliminating the extreme price fluctuations and/or protecting farmers from depression level conditions. Virtually all agreed that if there were to be price supports

they should not be maintained through government purchases of surpluses. 21

In 1945 the American Farm Economics Association sponsored an essay contest on the subject "A Frice Policy for Agriculture, Consistent with Economic Progress, That Will Promote Adequate and More Stable Income From Farming." In reporting the results the president of the Association said that among the papers submitted by "farmers and other laymen there was a strong accent in favor of fixed prices," while among the papers submitted by professionals "the general trend of thought was toward freer markets." Of the 18 essays which were awarded prizes all rejected the

<sup>20</sup>T. W. Schultz thought it the "most significant document ever issued by the association" and urged its "wide dissemination," 'Postwar Agricultural Policy: A Review of the Land-Grant Colleges Report," The Journal of Land and Public Utility Economics, XXI (May, 1945), 96. Murray R. Benedict identified it as "one of the most serious efforts to come to grips with...farm policy" and reported that it was "widely read and discussed," Farm Policies of the United States, 1790-1950 (New York: The Twentieth Century Fund, 1953), p. 409.

<sup>210</sup>f those responding to the survey, 4 percent voted to retain the present system; 19 percent thought government should get out completely; 40 percent voted for a forward pricing system to stabilize prices; 37 percent favored supports only under depression conditions. Of those favoring some kind of support only 8 percent favored government purchases of surpluses. "Agricultural Economists' Views on Farm Price Policy," Journal of Farm Economics, XXVIII (May, 1946), 604-607.

<sup>22</sup>Journal of Farm Economics, XXVII (November, 1945), p. 740.

existing program. About a third of the essayists argued for free market cricing. The others argued for a "forward pricing system." Those who took this view argued that whenever market prices diverged from the forward prices the differences should be made up by direct payments to farmers, allowing the market to seek its own level, rather than government purchases through an instrumentality such as the CCC. All were particularly critical of the parity concept. None suggested any form of production control. 24

Despite the economists' persistent and voluminous criticism of the price support program, the legislation of 1948 and 1949 reflected little of what they had been recommending and most of what they had been condemning. <sup>25</sup> The fact that Congress chose to slightly modify rather than abandon

<sup>23</sup>Forward pricing was a term used to describe a program in which the government, after estimating current and expected supply and demand, would determine the price at which the coming year's production would expect to sell in the open market. Farmers would be guaranteed this price even if open market prices fell below it. The objective would not be to support prices at a level consistently above what the open market would generate, but to simply stabilize the prices received by farmers and also, by announcing them for a year in advance, to give the farmer a better basis for planning his production.

<sup>24</sup>The prize winning papers were printed in the November, 1945 issue. A good summary of the essays is to be found in William H. Nichols and D. Gale Johnson, "The Farm Price Policy Awards, 1945: A Topical Digest of the Winning Essays," Journal of Farm Economics, XXVIII (February, 1946), 267-293.

<sup>25</sup>professional criticism of the parity formula probably produced the most significant legislative results. Most of the experts would have preferred that the parity concept be entirely abandoned, but if parity pricing was to be continued they urged a substantial modification of the formula. Their arguments were heeded in part and the old parity formula was altered to some extent, although these alterations fell short of the revisions sought by the economists.

the traditional price support and production control structure was a source of great and often bitter disappointment to the economists. They looked forward to 1954 when Congress would once again have to consider the price policy issue.

Symbolic of the thinking of many during that period was a report by a blue ribbon committee of thirteen economists in 1952. The committee members, eight of whom were former presidents of the American Farm Economics Association, urged that in the interest of general economic welfare the existing program be abandoned and free market pricing be re-established. They recommended that farmers be given some protection during depressions, not in the form of price supports, but in the form of supplemental income payments. They argued that "free-market clearing prices are likely to do a better job of pulling the economy out of business depression than a program of government price supports and the production limitations which they call for." The committee of third price supports and the production limitations which

The committee argued that whatever benefits farmers had gained from government price support activities since 1929 had been temporary and mostly illusory. They contended that these programs had acted to prevent badly needed adjustments in agricultural production, thus breeding and perpetuating economic inefficiencies which were detrimental to the general welfare and to the long-run welfare of the farmer himself. Moreover,

<sup>&</sup>lt;sup>26</sup>Turning the Searchlight on Farm Policy; A Forthright Analysis of Experience, Lessons, Criteria, and Recommendations (Chicago: The Farm Foundation, 1952).

<sup>27</sup>Ibid., p. 70.

going beyond the bounds of economics, the committee suggested that such programs created a climate in which the farmer too often turned to government, rather than being self-reliant, and in which the narrow self interest of the few was too easily secured against the general interest of the many.

Although some of the economists found the language of the Farm Foundation excessively polemical, most agreed with its general position on price supports. As John K. Galbraith noted in 1954, the price support program was being "condemned by the professional students with remarkable unanimity.... In the current climate of professional attitudes approval of the present farm policy, one senses, would be not alone exceptional but eccentric." 28

The price support and production control program has been condemned by the experts for a host of reasons, the following being some of the more important. (1) Price supports were seen as an inflationary force. Because inflation was a matter of considerable concern in the immediate postwar years this criticism received a great deal of attention until about the mid-1950's. (2) Price supports and the scarcity program of production controls were said to hurt consumers, particularly those in the low income brackets. (3) One of the sharpest criticisms had to do with the effect that the program would have on international trade. Virtually all the economists were convinced that the Government's efforts to move surpluses into the international market would thoroughly disrupt the world trade in farm products and would have serious economic effects on both importing and exporting nations, as well as causing serious

<sup>28&</sup>quot;Economic Preconceptions and Farm Policy, The American Economic Review, XLIV (March, 1954), 41. Italics mine.

political repercussions. (4) Quite a number of economists also warned of non-economic dangers such as loss of farmer freedom and too much centralized government power. (5) The most important criticism by far was that the policy had a highly detrimental effect on efficiency. It was charged that the maintenance of artificial prices above the free market level would seriously impede the efficient allocation of resources within agriculture; farmers would produce too much of certain commodities and not enough of others. Even more seriously, the price and control policy would prevent the efficient allocation of resources between agriculture and the rest of the economy; specifically, the high prices would act to keep too many labor resources (farmers) in agriculture. Aside from creating great allocative inefficiencies, many believed that the growth in technical efficiency would also be impaired. 29

The economists were so opposed to price supports because they believed that while free market prices would not solve all of agriculture's
problems they would at least not give rise to problems such as the foregoing. The general theory of competitive, consumer-choice, economic
systems assigns to free market prices an extremely important role--that of
being the primary determinant of efficient resource allocation in the
economy.

The critical literature of this period is too extensive to fully index. However, in addition to those already cited we would call attention to Readings on Agricultural Policy, assembled and published under the sponsorship of the American Farm Economics Association, O. B. Jesness, ed. (Philadelphia: The Blakiston Company, 1949). Pertinent sections of Murray R. Benedict's Farm Policies of the United States, 1790-1950 are also useful. The Journal of Farm Economics is, of course, the most valuable continuing source. For a limited but useful summary of the general attitudes through at least the mid-1950's see Galbraith's American Economic Review article cited above and his "Farm Policy: The Current Position," Journal of Farm Economics, XXXVII (May, 1955), 292-308.

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Economists, then, are usually disturbed by the appearance of forces which disrupt the free interplay of prices, whether they be the forces of oligopoly and monopoly or direct government intervention in the market place. Because of economic concentrations and other factors, prices no longer fully perform the traditional role assigned to them by classical economic theory. But generally speaking, economists of whatever specialization and of whatever professional or political coloring have urged that the mechanism of market pricing be kept as free as possible. As one recently put it:

It seems appropriate that economists should seek to enhance and extend the role of price in their policy recommendations, much as judges should seek to enhance and extend the rule of law in their discussions. Justices of the Supreme Court are widely regarded as liberal or conservative in their philosophies, just as economists are so categorized, but each justice is nevertheless guided by the law. Economists of divergent persuasion identify themselves with the goals of individual freedom and the preservation of the free society. But, however, divergent their persuasions they agree upon the desirability of maintaining and improving the price system. 30

Frobably no other group of economists has been more vigorous in their efforts to "enhance the role of price in their policy recommendations" than have the agricultural economists. Agriculture is the last major economic sector in the economy to exhibit a nearly model-perfect competitive structure. Possibly agricultural economists are influenced by a romantic attachment to it and thus particularly resent government intrusion in this area. Whatever the case, the following comment by Secretary of Agriculture Orville Freeman is appropriate:

<sup>30</sup>Roger W. Gray, "SomeThoughts on the Changing Role of Price," Journal of Farm Economics, XLVI (February, 1964), 126-27.

I have chided some of my economist friends, both in and out of government, for being up-to-date, pragmatic, and reasonable in regard to general economics, but when they come to an agricultural problem, they get out their dog-eared copy of Adam Smith. 31

This, of course, does not mean that the profession is dominated by <a href="laise-faire">laise-faire</a> economists. To be sure, many are as close to this end of the spectrum as a modern day economist can be, but most crowd the middle of the road with a fair sprinkling running along the left side. But whether liberal or conservative, most prefer free market pricing although they may disagree greatly about the proper relationship between government and agriculture in other areas.

Closely related to the economists' natural professional aversion to direct government price supports is their natural distaste for production controls. H. S. Houthakker possibly puts it a little strongly, but he expresses a common sentiment: "Supply management is the negation of everything that economics stands for, namely greater output of saleable products, efficient allocation of resources, and recognition of interdependence. In recent years the list of dissenters from these views on prices and production restriction has grown somewhat. Chief among this group are the agriculture economists who have figured prominently in the Kennedy and Johnson Administrations.

Along with their disillusionment with government price supporting activities, a great number of economists also experienced a considerable

<sup>31</sup>Speech before the American Farm Economics Association, "Agriculture at the Crossroads," <u>Journal of Farm Economics</u>, XLIV (December, 1962), 1161.

<sup>32&</sup>quot;Discussion: Principles of Economic Policy, Consistent and Inconsistent: Economics of our Present Farm Price Support Policy," <u>Journal of Farm Economics</u>, XLV (May, 1963), 353. Italics mine.

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disillusionment with the political process which had generated these policies. In their initial discussions of postwar policy, economists usually went to great pains to caution against narrow self-interest, blinding the participants to the needs of the general welfare. Typically, O. B. Jesness warned of the dangers of taking the demands of farm pressure groups "too seriously," although he counseled that in a democracy the "remedy is enlightenment rather than elimination." 33 Congress failed to heed their recommendations many economists became more caustic in their criticism of self-seeking interest groups, leaders and "politicians." Earl Butz, head of the department of agricultural economics at Purdue University, spoke to many sympathetic ears when he said that the stand by many congressmen for high price supports "reflects not nearly so much their genuine concern for the long-term welfare of American agriculture as their desire to control Congress." 34 The authors of the Farm Foundation report in discussing the various groups involved in the policy process had this to say under the pointed heading of "The Statesmen and Politicians":

While many Senators and Representatives, many state legislators, and many in executive and administrative posts studiously and conscientiously try to weigh agricultural policies on the scales of sound national interest, we discern also a tendency in the last thirty years for agricultural policy to be regarded by some farm state politicians as opportunities to serve special interests. 35

<sup>33&</sup>quot;Postwar Agricultural Policy--Pressure vs. General Welfare,"

Journal of Farm Economics, XXVIII (February, 1946), 8.

<sup>34&</sup>quot;Politics of Agriculture," <u>Proceedings, National Agricultural</u> Credit Conference, Chicago, 1953, p. 84.

<sup>35</sup>Searchlight..., p. 61.

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By the latter part of the 1950's one notices an abatement in at least the tone of the economists' criticism of the price support and production control program and the political process which generated it. The acidity of their critical commentary had been reduced, in part, because of the growing recognition that the policy was not having the calamitous results so long predicted, and also by the almost simultaneous recognition that the elimination of price supports would have a much more damaging impact on the farm economy than they had earlier anticipated.

This probably was instrumental in bringing about a calmer tempered approach in their commentary on the political process noticeable after the mid-1950's. Also at times one notes an air of resignation of the type adopted by a disappointed but understanding parent toward his errant child. Another type of resignation to be noted is that effected by some economists who, as one observer put it, after witnessing "several successive defeats" come "to decide that trying to inject some economics into United States farm policy is a hopeless task, probably not worth accomplishing." Whatever the explanation, one now finds less rancor and fewer patronizing remarks about special interests and national general welfare in the critical commentary by economists. For example, the participants of an agricultural policy conference in 1961 explored various aspects of the political process with notably little indulgence in righteous indignation and "good guys versus bad guys" language. 37

<sup>36</sup>Dale E. Hathaway, Government and Agriculture, p. 399.

<sup>37</sup>Goals and Values in Agricultural Policy, Iowa State University Center for Agricultural and Economic Adjustment (Ames: Iowa State University Press, 1961).

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One of the factors that has strengthened the credibility of the criticisms by economists is the myth, popular with many economists and observers, that the role of economics and economists in policy making is essentially a technical and a neutral one. Technical data itself, of course, is neutral, but the impact of technical economic data on policy is greatly affected by the type of data gathered and the manner in which it is presented. In short, while data may be neutral, those who gather and present the "hard facts" seldom are. The value commitment of the analyst is particularly critical in the definition and delineation of the problem(s) toward which policy is to be directed. If the problem is fully defined by the political process then the role of the expert in detailing the specifics of that problem can be more nearly neutral. But increasingly in today's complex society the expert plays an important role in defining the problem. And every definition of a public problem by its very nature necessarily involves a value reference. A neutrally defined public problem is a contradiction in terms.

Economists do, of course, in part, play a purely technical role. But they are not mere technicians. They have strong value commitments and these commitments affect their behavior both in their definitions of public problems and in their discussions of alternative means of dealing with the problem. Their dedication to the discipline of economics assures this. Economic theory from Smith to Keynes is shot through with value judgments. Because some of these important values are hidden in the foundation assumptions, some economists are prone to forget that the theoretical models through which they view the world are colored:

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It is strange, indeed, how tenaciously many economists believe sincerely and innocently that the concept of free competitive market is devoid of any value judgment, is beyond good or evil like the laws of nature, and that it represents, therefore, the only objectively true standard with which economic reality should be compared. From this pseudo-scientific position they plunge, with a somersault unnoticed by most of them, into the moral-political value judgment that the free-market mechanism is really best for what people want and any deviation from it is bad for them--even though people don't know it. §8

It is fortunate that economists are not mere intellectual technicians, for such minds are the instrumentalities of the Brave New Worlds.

To see the economists' participation in the policy process as purely
technical and neutral is, therefore, unfair to the economists themselves,
to the other policy makers and to the observer of the policy process,
highly misleading.

It is far beyond the reach of this study to identify in detail the various value orientations of economists. However, we want to deal with two common attitudes which we believe significantly affect the behavior of the economists and, as a result, the agricultural policy making process itself. These have to do with the economists' attitude toward efficiency and their attitudes toward the family farm creed and the family farm policy goal.

Economists are first of all experts on efficiency, but they are much more than this, they are advocates of efficiency. As Earl Butz stated, "the economist seeks to increase efficiency of resource utilization and to maximize returns."

Economists periodically remind themselves

<sup>38</sup>Rainer Schickele, Agricultural Policy: Farm Programs and National Welfare (New York: McGraw-Hill Book Company, 1954), p. 37.

<sup>39&</sup>quot;Agricultural Economists in the Political Environment of Policy Making," <u>Journal of Farm Economics</u>, XXXVII (May, 1953), 190.

but for most, efficiency is inevitably seen as good, inefficiency as bad. This attitude toward efficiency has dominated their descriptions of the "agricultural problem," greatly affected their criticisms of agricultural policies, and conditioned their recommendations for change. Thus, although economists have argued that they are, or should be, prepared to advise on whatever course of action the policy makers choose, the course that they expect the policy makers to pursue is always clear:

We, as agricultural economists, should have technical competence to discover and explain the consequences of given economic actions so that farmers and those who shape our economic institutions or formulate our economic policies may have a sound basis for choosing their course of action. That course should be one which promotes productive and distributive efficiency and at the same time conserves other values, such as individual freedom, which our people hold to be coordinate with, or even superior to, sheer productive efficiency. Economists and educators should not be special pleaders for any group or any cause other than economic efficiency and national welfare. 40

During the 1930's several of the economists actively advising and participating in the making of agricultural policy exhibited a willingness to make concessions on the matter of efficiency--our general wealth was great enough we didn't have to be thoroughly efficient in all things.

Agricultural economists such as M. I. Wilson, John D. Black,
Chester Davis, and Mordecai Ezekiel, who contributed much to the formulation and administration of agricultural programs of the 1930's, held this
view. 41 However, a few prominent economists, such as Joseph Davis, were

<sup>40</sup>Searchlight, p. 62.

<sup>4</sup>lFor a sampling of the views of these economists see: Black, Agricultural Reform, pp. 59-60; M. L. Wilson, O. E. Baker and Ralph Borsodi, Agriculture in Modern Life (New York: Harper & Brothers Publishers, 1939), pp. 244-45; Mordecai Ezekiel, "The Shift in Agricultural

unwilling to make any such concessions. The young agricultural economist, T. W. Schultz, probably best reflected the general attitude at that time when he stated:

The broad socio-political end which American agriculture presumably is striving to attain, namely that of maintenance and strengthening the family type farm is an end which permits society on the production side to use its resources most efficiently. It should be pointed out, however, that the productive accomplishments of American farmers is such that we might well afford, under normal peace time conditions, at least, to give up some productive efficiency if necessary in order to attain the end, the family type farm."43

Such expressions were made against the background of vast underemployment of resources in almost all sectors of the economy, thus rendering the goal of allocative efficiency somewhat superfluous. Also, at that
time, there seemed to be little question but that the family farm was as
technically efficient as any other type of production unit. In the postwar period the achievement of a fully employed economy has become a much
more meaningful goal, thus elevating the importance of allocative efficiency. One of the reasons why economists came to be so opposed to the
price support program as it evolved during the 1940's was the belief that
it would prevent the achievement of maximum allocative efficiency by freezing agricultural production patterns and particularly by acting to keep too

Policies Toward Human Welfare, "Journal of Farm Economics, XXIV (May, 1942), 463-76; Chester C. Davis, "How Does the Economic Status of Agriculture or the Economic Relation of Agriculture to Other Industries and Commerce Affect Possible Standards of Living of Farmers," Farm Income and Farm Life, Dwight Sanderson, ed., (Chicago: University of Chicago Press, 1927), pp. 101-107.

<sup>42&</sup>quot;Observation on Agricultural Policy, Journal of Farm Economics, XIX (November, 1937), 861-77.

<sup>43&</sup>quot;Discussion: Schisms in Agricultural Policy," <u>Journal of Farm Economics</u>, XXIV (May, 1942), 513.

many labor resources in agriculture. Because the program would supposedly perpetuate too many small and unproductive family units in agriculture this would prevent advances in technical efficiency as well.

Partly as a result of this, economists in the postwar period have been far less willing to make concessions on the matter of efficiency, despite the fact that we are a far richer nation and despite the fact that American agriculture has consistently recorded spectacular gains in productivity. Thus the same T. W. Schultz who formerly thought agriculture was productive enough to justify keeping more farmers on the land than the dictates of efficiency might demand became, in the postwar period, the foremost chronicler of the so-called "inefficiency" in agriculture, and one of the most vigorous advocates of increasing the rate of outmigration from the farm via his proposal for a national policy of "homesteads in reverse." 45

The iconoclastic John K. Galbraith once twitted fellow economists for their excessive harping on the inefficiencies supposedly generated by the existing policies. However, his questions were raised not for the purpose of challenging his colleagues concern for efficiency, but because the existence of inefficiency had not been satisfactorily demonstrated. If inefficiency could be proved there would be no debate: "If inefficiency can be demonstrated, it is pro-tanto intolerable. There is no degrees of

<sup>44&</sup>quot;How Efficient is American Agriculture?" <u>Journal of Farm Economics</u>, XXIX (August, 1947), 644-58.

<sup>45</sup>See e.g., "Homesteads in Reverse," Farm Policy Forum, VIII (Spring, 1956), 12-15.

damage; a death sentence on the policy that produces it follows automatically."<sup>46</sup> A few economists, such as Willard Cochrane, have raised some challenging questions about the typical attitudes toward efficiency. Others, like Dale E. Hathaway, have stressed the need for maintaining a proper perspective:

However rich, we cannot as a nation afford to do without economic change and progress in our agriculture. Because we are rich we cannot afford, in a political democracy, to ignore the very high cost that this change and progress forces farm people to bear. This means that we must continue to have progress and change in agriculture and that we must, if for no other reason than equity, have public policies to make these changes tolerable to farm people.47

To note that economists are greatly concerned with efficiency is not to speak disparagingly of the economists' intellectual commitment.

Indeed, precisely because of that commitment it would be unjust to demand a different perspective. What is demanded, however, is that the nature of that perspective be recognized, particularly by those who would describe the policy making process and the behavior of those who participate in it.

Another common attitude that has affected the position of agricultural economists, viz. policy and policy makers, is their view of the family farm. Disillusionment over the politics of price policy convinced many agricultural economists that one of the important barriers to rational policy decisions was an excessive romanticism toward the family farm and/or persistent demagogic appeals to that tradition. Many have concluded that the continual "fuss" about "saving the family farm" has been a major cause of the politician's persistent refusal to abandon the old and supposedly

<sup>46</sup> American Economic Review, XLIV, 48.

<sup>47</sup>Government and Agriculture, p. 399.

inefficiency-breeding price support system. As a result many have come to exhibit a considerable hostility toward the creed and, at times, the family farm itself.

Generally speaking, this hostility toward the family farm creed and goal has not been openly and forcefully expressed. Those agricultural economists who have become convinced that the family farm creed is a factor in the policy process recognize just what a sacred cow the family farm is, and as a whole they are not in a very good position to openly attack sacred cows. Most agricultural economists are in the employment of land-grant institutions or the United States Department of Agriculture. These institutions can't afford to be branded as anti-family farm. Furthermore. the agricultural economist who testifies before congressional agriculture committees knows in advance, or has learned through painful experience, that any statement sounding remotely anti-family farm immediately arouses the hostility of committee members and thus effectively destroys the possibility that the committee will pay serious attention to his testimony regardless of how analytically sound it may be. 48 As a result, criticism of the family farm creed and goal is generally indirect, discrete, and often relegated to footnotes and unpublished papers. The evidence would indicate, however, that a large number share the sentiment expressed in the following statement:

<sup>48</sup>A reading of congressional hearings reveals several such examples. For a recent one see U. S. Congress, House, Committee on Agriculture, Hearings, CED Farm Program, 87th Cong., 2nd Sess., 1962. Committee for Economic Development officials as well as prominent agricultural economists—T. W. Schultz and Dale E. Hathaway—who served on the CED staff, received openly hostile treatment from most of the Committee members.

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...much nonsense has passed across the national scene under the heading "save the family farm." It is usually associated with the irrationalities of "agricultural fundamentalism" and is premised on the notion that the rural "way of life" is the natural, healthier, happier, and more desirable societal state .... The propaganda of agricultural fundamentalists and sentimental "family farm" protagonists has obscured the real problem of human welfare in agriculture and has delayed the development of a consistent national policy for the conservation of human resources in agriculture.

criticism of the family farm has not always been veiled. For example, it was no mere coincidence that the lead article in Readings on Agricultural Policy, sponsored by the American Farm Economics Association, was a piece by Joseph S. Davis called "Agricultural Fundamentalism."

The major theme of this article, which was first published in 1935, is that there is nothing about agriculture in either an economic or social sense which justifies it being singled out for special treatment by government, and that policies should never be premised on the belief that it was desirable to keep more people on the land than was necessary for efficient production of our food and fiber needs. During the past two decades the Journal of Farm Economics has published articles which raise extremely pointed questions about the validity of the family farm creed and the desirability of directing agricultural policy toward the preservation of the family farm.

<sup>49</sup>James T. Bonnen, "United States Agricultural Capacity," unpublished Ph.D. thesis, Harvard University, April, 1956, pp. 257-58.

<sup>&</sup>lt;sup>50</sup>pp. 3-17.

<sup>51</sup>See e.g., W. K. McPherson, "A Critical Appraisal of Family Farms as an Objective of Public Policy," <u>Journal of Farm Economics</u>, XXXIV (August, 1952), 310-325, and Norman F. Keisler, "An Analysis of the First Interim Report of the Subcommittee on Family-Sized Farms," <u>Journal of Farm Economics</u>, XXXVIII (November, 1956), 998-1013.

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Agricultural economists, in their journal articles and text books, frequently attempt to identify the goals of agricultural policy, goals that they think other policy participants operate by and/or goals that they personally think should be followed. Significantly it is on fairly rare occasions that the promotion and preservation of the family farm appears in these sets of goals. 52 A classic example of this type of glaring omission is an article by D. Gale Johnson, one of the more prominent agricultural economists. The purpose of the article is to identify and evaluate "all" the arguments that have been used "that might in any meaningful way distinguish agriculture from the other sectors of the economy and thus might serve as a basis for a different relation between government and agriculture than prevails elsewhere." 54 were to be a discussion of "all" the arguments that have been used to justify special treatment for agriculture one would expect that the family farm creed would at least receive a mention. But no, the only aspect of the creed that he touches on is the familiar tenet that all depressions are farm led and farm fed.

There are several possible explanations for this tendency to ignore the family farm goal. One is that some agricultural economists, although

<sup>52</sup>There are exceptions to this, of course. For two examples see: Rainer Schickele, <u>Agricultural Policy</u>, Chapters XIX and XX and Dale E. Hathaway, <u>Government and Agriculture</u>, Part I. Schickele not only identifies the family farm goal but also endorses it.

<sup>53&</sup>quot;Government and Agriculture: Is Agriculture a Special Case?" Journal of Law and Economics, I (October, 1958), 122-136.

<sup>&</sup>lt;sup>54</sup>Ibid., p. 136.

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aware that the family farm creed is much discussed by political participants, chalk this up to mere political sloganeering and thus of no significant consequence. In other instances this behavior may be predicated on the assumption that if the "bogey man" is studiously ignored long enough it may go away someday. In still other instances this behavior is probably the result of ivory-tower isolation.

This is not to say that <u>all</u> agricultural economists reject the family farm goal, but among those who have been dominant in the profession in the postwar period there have been few exceptions. One notable exception is Willard W. Cochrane, former Chief Economic Advisor to Secretary of Agriculture Orville Freeman and intellectual father of "supplymanagement" approach to agriculture's income and surplus problem. In his book <u>Farm Frices</u>; Myth and Reality he makes his position clear:

...there is one institution I value particularly, one that is currently undergoing rapid change and may be in danger, like the whooping crane, of passing out of existence. It is the family farm—the family farm as it flourished from the Alleghenys to the High Plains and north to the Ohio River. It provided a way of life as well as a way of business and to me it provided a good way of life. Now it provides primarily a way of business, and in years to come it may not provide even that in an owner-operator sense.... But what I want to say here is that I think our country will be losing something vital if it loses the institution of the owner-operator family farm. 56

<sup>55</sup>Of late, agricultural economists seem to have shown a somewhat greater awareness of the influence of the family farm creed and have taken a somewhat more balanced view of it in the sense that it can be discussed without it being labeled and dismissed as corn-fed, political sloganeering and mawkish sentimentalizing. For example, see pertinent articles from the following three volumes of the Iowa State University Center for Agricultural and Economic Adjustment. Problems and Policies of American Agriculture, 1959; Goals and Values in Agricultural Policy, 1961; Farm Goals in Conflict, 1963. The latter volume is the most valuable.

<sup>56(</sup>Minneapolis: University of Minnesota Press, 1958), p. 131.

with few exceptions, then, agricultural economists view the family farm simply as an economic production unit not essentially different than any other economic unit. Therefore, they would not defend the institution should it fail to remain as efficient as alternative production units. That most have not, as yet, urged its elimination is largely due to the fact that family farms—at least the larger ones—have proven to be as efficient as alternative units. But in clear contradistinction to most of the other participants of the agricultural policy making process economists, as a whole, are not committed to the traditional family farm goal. They may support such goals as higher and more stable farm income, etcetera, but most cannot commit themselves to the policy goal of protecting and preserving the institution of the family farm as such.

The ignoring of the family farm creed and this non-sharing of the family farm goal has affected the economists' role as critics, advisors, and active participants in the policy process. The lack of commitment to the family farm in conjunction with their commitment to efficiency has been reflected in their analysis of the farm problem. In their discussion and viewpoints about the farm problem no proposition has been more persistently advanced and more universally accepted than the proposition that one of the best ways to solve the farm income problem is to speed up the out-migration from the farm. Acting on this proposition, economists have urged the adoption of policies specifically aimed

<sup>57</sup>Among general economists there is probably more of a tendency to argue for a corporate, large-scale type agriculture. See, e.g., William H. Peterson, The Great Farm Problem (Chicago: Henry Regenery Company, 1959), esp. p. 213.

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at increasing the exodus rate and have condemned those programs, which they have believed to constitute barriers to rapid out-migration.

This attitude has acted to create a tension between the agricultural economists and those participants committed to the preservation of the family farm. Congressional participants and others have not taken the position that there should be no out-migration, but they have, generally, resented proposals specifically aimed at moving people off the farm. This difference in sentiment is well expressed by Representative Charles Hoerven's (Rep., Iowa) reply to the Land-Grant College Association's policy proposals which had stressed the need for greater out-migration:

"I say you should make agriculture so attractive to the young men on the farm that he is willing to stay there." Periodically this tension has erupted into openly hostile exchanges. Quite likely it is the case that these tensions have hindered the effective flow of communications between the groups.

It would be grossly unjust to demand of economists that they endorse a policy goal which they do not believe sound. Still, the agricultural economists have been less than honest with themselves and with the other participants when they proclaim themselves ready to advise on any goal(s) generated by the political process. Economists have not, by and large, taken seriously the over-arching family farm goal and then purposely sought to do research and to devise policy recommendations aimed at facilitating the realization of that goal.

<sup>58</sup>U. S. Congress, House, Committee on Agriculture, <u>Hearings, Long-Range Agricultural Policy</u>, Part 3, 80th Cong., 1st Sess., 1947, p. 415. Mr. Noble Clark, who presented the Association's recommendations, was quizzed sharply by other committee members on this point, see pp. 392-423.

#### CHAPTER X

#### ECONOMIC FACTS AND POLICY MAKING

"Government policy can be no better than the information that underlies it."

"In summary, economic projections in an economy as complex as ours is a complex business."

Dale E. Hathaway!

Few public economic problems in the postwar period have been subjected to more extensive expert analysis and commentary than the farm problem; few domestic policies enacted by Congress have been subjected to more intensive and sustained criticism by the experts than the agricultural price support and production control program.

This situation has given rise to two widely held propositions:

(1) the informational base concerning the economics of the farm problem and the consequences of alternative approaches to its solution has been fully adequate; (2) policy makers could have declined to abandon or to substantially change the price and control policy only by consciously or unconsciously ignoring the significance of the abundant economic data available to them. Observers of the agricultural policy making process have, therefore, generally assumed that the price and control policy has been an unsound and ill-considered economic policy. A recent commentary

l"The Implications of Changes in the Economy for Work in Agricultural Economics," <u>Journal of Farm Economics</u>, XLIV (December, 1962), 1245, and U. S. Congress, House, Committee on Agriculture, <u>Hearings, CED Program</u>, 87th Cong., 2nd Sess., 1962, p. 43.

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on price policy indicated the persuasiveness of this attitude by suggesting that it wasn't necessary to describe that was wrong with the policy because its ills are such common knowledge: "Since there has been full discussion of the disadvantages of the programs in both popular and scholarly publications, little would be gained by further detailing here the standard outrages and the commonplace enormities. The difficult question is: given the undesirability of the present situation, what can, in fact be done about it?" 2

As a part of our effort to secure a better understanding of agricultural policy making, we will subject these propositions to detailed analysis. This analysis must be placed in the broad context of the principal highlights of postwar price support and production control policy making. This discussion is organized around three time periods. The first period is the immediate postwar years, from 1947, when the congressional agricultural committees first began to hold hearings on long-range policy, through 1952. The debates and legislation of this period established a pattern that has characterized most of the entire postwar era. The second period encompasses the years of the Eisenhower Administration. It was during this period that the Commodity Credit Corporation was forced to acquire ever larger quantities of surplus stocks, thus sharply increasing the cost of the price support program. As a result the Admininstration sought to drastically revise the price policy. But this also was a period of lower farm prices and lower farm income. Against this

<sup>2&</sup>quot;The Political Impasse in Farm Support Legislation," Yale Law Journal, LXXI (April, 1962), 953.

background, the agricultural political battles entered their most bitter and partisan phase. The third period is from the election of 1960 to 1964. The presidential campaign of 1960 suggested that whichever candidate was elected, another major effort would be made to substantially alter the price and control policy. This effort came in the Kennedy Administration's supply-management proposal. But, like other previous attempts at change, it failed and by 1964 the price and control policy was only slightly different from that legislated in 1948 and 1949. Although the following discussion is organized around these three time periods, it will be necessary at several points to extend the discussion of a particular issue beyond the delineated time period.

### Immediate Fostwar Years

In 1947 the agriculture committees in Congress began to hold hearings in preparation for the writing of replacement legislation for the price support laws due to expire on December 31, 1948. These laws provided for mandatory, rigid supports at 90 percent of parity for the so-called basic commodities—corn, cotton, peanuts, rice, tobacco, and wheat. Also supported at 90 percent of parity were a number of non-basic commodities (the so-called Steagall commodities)—hogs, eggs, certain types of chickens, turkeys, milk, butterfat, dry peas, dry edible beans, soybeans, flaxseed and peanuts for oil, potatoes, sweet potatoes and American-Egyptian cotton.

The first postwar legislation, the Agricultural Act of 1948, dropped the mandatory supports on the Steagall commodities; henceforth they were to be supported at the discretion of the Secretary of Agriculture. Mandatory supports were retained for the basic commodities on a

flexible basis ranging from 60 to 90 percent of parity; however, the flexible provision was not to go into effect until January 1, 1950.

pefore the 1948 Act could go into effect the Agricultural Act of 1949 was enacted. This Act narrowed the flexible range to 75 to 90 percent of parity, but again the flexible provision was postponed and was not to be applied until January, 1951. Tobacco was to be supported permanently at 90 percent of parity. In addition to the basic commodities, tung nuts, honey, and potatoes were to be supported at 60-90 percent of parity, and milk products at 75-90 percent. A new parity formula was developed which had the effect of slightly lowering the dollar-and-cent support levels, but this new formula was not to go into effect until 1954. The general provisions of the pre-war voluntary production control system were renewed.

To be sure, the rigid, mandatory 90 percent of parity support levels, which had been adopted early in the 1940's as an inducement to encourage farm production, had been abandoned, but the basic provisions of the Agricultural Adjustment Act of 1938 had been retained. In fact, the support levels had been considerably raised; supports under the 1938 Act were to range from 52-75 percent of parity.

In an effort to explain why the policy makers choose to adopt a course of action so contrary to the abundant advice of the experts, we must identify some of the more important factors which acted to shape their outlook and behavior during this critical and formative period.

# Political Popularity

The first major factor was the immense popularity of parity price supports among farmers, their spokesmen and their political representatives. There were some differences in opinion concerning support levels and methods but virtually all agreed that prices should be supported.

Traditionally prices have had the same sacred status among farmers and their political leaders that wages have had among workers, union leaders and labor-oriented politicians. Agriculture, as well as labor, had sought "fringe benefits," but prices still assigned a central role and a special status concerning the economic welfare of the farmer. We have detailed the major reasons for this in Chapter VI; however, we need to take note of one other important factor.

The price support program, inherited from the 1930's, was particularly attractive because it was seen as a form of significant aid, but without the appearances of a direct and open subsidy to farmers.

Supposedly the storage and control program would sustain the prescribed price level in the open market most of the time without major cost to the government. Thus the farmer could enjoy the benefits of guaranteed prices while avoiding the stigma of being on the "dole." These and other features combined to salve the consciences of farmers and farm leaders whose general ideological orientation taught them to place considerable faith in the natural justness of the free enterprise market system and to distrust massive and open government subsidies, in principle at least.

The supports interfered with the market but did not destroy it. In short, the program was a way of "having your cake and eating it too."

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This attitude helps explain the opposition to the Brannan Flan. Several factors were involved, but one of the most objected to provisions of the Brannan Plan was the proposed system of making up the difference between the support price and the open market price by direct cash payments to farmers. Economists, while not generally endorsing the Brannan Plan, had also argued that if there were to be price subsidies, a system of direct cash payments would be far better than the traditional system. But most farm organizations and many farm-state congressmen have vigorously opposed this approach. It has been adopted on a limited basis in the 1960's primarily as the result of "last-resort" resignation rather than enthusiastic commitment.

when Ed O'Neil, president of the American Farm Bureau Federation, referred, in 1947, to the price support program as "the finest agricultural program the world has ever seen," he spoke for many of his colleagues both in and out of Congress. Agricultural interests had fought the good fight in winning this "finest" of programs. The memories of the long, frustrating and often bitter struggle and the sweet taste of victory was still very much in the minds of farm leaders and congressmen during the formative postwar years. They would not readily abandon the fruits of that victory. Parity supports meant more than guaranteed dollar-and-cent

<sup>&</sup>lt;sup>3</sup>A limited but useful discussion of some of the value conflicts involved in these two positions is found in Charles M. Hardin, "The Bureau of Agricultural Economics Under Fire: A Study in Valuation Conflicts," <u>Journal of Farm Economics</u>, XXVIII (August, 1946), esp. pp. 635-638.

<sup>&</sup>lt;sup>4</sup>U. S. Congress, Senate, Subcommittee of the Committee on Agriculture and Forestry, <u>Hearings</u>, <u>Long Range Agricultural Policy</u>, Part I, 80th Cong., 1st Sess., 1947, p. 39.

prices, they had come to mean equality and justice. The following exchange conveys something of the meaning of parity pricing to the agricultural interests:

Angus McDonald (National Farmers Union): We have here in our viewpoint a principle. We feel that parity by definition means equality, equality of income for American farmers, that is, as a whole, with the rest of the population—something making for purchasing equality....

Sen. Elmer Thomas (Chairman, Sen. Agriculture Committee): It is not a fact that the concept of parity is to give the farmer, or to see that the farmer gets enough money for the things he produces to put him in an economic level with other groups of our people?

McDonald: Yes, sir.

Thomas: Then 100 percent of parity would be equality, and 100 percent would be justice.... That is my interpretation.

McDonald: That is mine, sir.

Thomas: If there are any different views, I would be so glad to have them stated in the record.<sup>5</sup> (None of Senator Thomas' fellow committeemen suggested a different view.)

Most farm leaders were willing to consider revisions to the existing program. Before they would consider abandoning the program, or shifting to a quite different form, say, that envisioned in the Brannan Plan, only if they could be convinced that supports weren't really needed, or that the existing system was unworkable, or that it was causing substantial evils, say, in the form of gross economic inefficiencies, or some combination thereof. Most economists were arguing that, in fact, the existing program wasn't needed, that its perpetuation would cause a long list of economic evils, and that the program, as designed, probably

<sup>&</sup>lt;sup>5</sup>U. S. Congress, Senate, Committee on Agriculture and Forestry, Hearings, Farm Price-Support Policy, 81st Cong., 1st Sess., 1949, p. 49.

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would prove unworkable. These arguments need to be carefully analyzed.

# Economics and Price Supports

By far the most important question during this period was whether or not farmers really needed the protection of guaranteed prices, considering current and anticipated economic conditions. The economists differed sharply with the majority of the other participants on this question.

C. B. Jesness, former president of the American Farm Economics Association, observed in 1946, that "by and large, the market has not performed too badly in arriving at prices which have been servicable as guides to production and at the same time have done fairly effectively the job of moving supplies into consumption and export." Free market prices may have done a fair job of allocating production and consumption, but farm leaders, looking back to the 1920's and 1930's, knew that they hadn't done a good job of providing the individual family farmer with an income which would assure his survival. Thus most participants needed to be convinced that conditions were such that open market prices would remain at a reasonable level into the foreseeable future before they would have been willing to consider abandoning supports, or even significantly lowering the parity levels of the existing program.

The economists, however, scarcely dealt in concrete price estimates. Most of their arguments consisted of broad generalizations

<sup>6&</sup>quot;Postwar Agricultural Policy--Pressure vs. General Welfare,"

Journal of Farm Economics, XXVIII (February, 1946), 5.

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stressing fundamental principles of economics. Congress was not indifferent to "principles" but it was also interested in specifics, as the following exchange between Congressman Poage and the economist T. W. Schultz suggests:

<u>Poage:</u> Doctor, are you in favor of allowing support prices to drop below 75 percent of parity?

Schultz: Let me say that it is not the figure; it is the principle; and it seems to me that you have to spell the principle out in Congress.

<u>Foage</u>: Doctor, it is the figure that buys clothes and beans and the bacon for the farm; it is not the principle—it is the dollars and cents that the farmers get....<sup>7</sup>

John D. black perceptively noted this tension in his review of the Land-Grant College Association's policy recommendations on postwar agricultural policy:

As a whole the policy outlined is definitely progressive and the Committee is to be commended highly upon the result of its labors. If the reviewer were a congressman he could vote for legislation that would implement it just as it is. He would suggest some amendments, to be sure, but if they were defeated, as probably they would be, he would still vote for it as it is, and he would be as happy about it as an economist has any right to expect to be. The difficulty is that too many other congressmen wouldn't-at least, not if they understood that they were voting for, within five years after the war, 10-or 12-cent cotton, \$10 hogs, 75-cent wheat, and the like."8

Insofar as economists did think about future price levels, there was little indication that they anticipated a major break. Economists

<sup>7</sup>U. S. Congress, House, Committee on Agriculture, <u>Hearings</u>, <u>Long-Range Agricultural Policy</u>, Part 5, 80th Cong., 1st Sess., 1947, p. 680.

<sup>8&</sup>quot;Land-Grant College Post-War Agricultural Policy," <u>Journal</u> of Farm Economics, XXVII (February, 1945), 170. Italics mine.

and 1948 predicted no such occurrence. Pointing to strong foreign demand and stressing the growth potentials of domestic demand they generally painted a rosy picture of the future.

Carl C. Farrington, Department of Agriculture economist, argued that due to underconsumption agriculture had suffered greatly during the 1930's, but now with strong world demand and full employment at home "we are faced with shortage rather than surplus." Although John D. Elack had suggested in 1945 that a return to free market pricing might eventually result in sharply lower prices his 1948 testimony before the House agriculture committee stressed far different themes: "The most important revision needed now—and needed urgently and immediately—grows out of the food—shortage situation. Next year and probably for two or three more, we must plan in this country for all—out, or nearly all—out agricultural production." 10

Economists anticipated a slump, with the tapering off of warinduced demand, but there was no hint that they expected this to be of
great magnitude. Fairly typical of the essentially optimistic attitude
that prevailed up until the middle of the 1950's was the Farm Foundation
report of 1952. The thirteen top economists went to great effort to
show that the price support program of the 1930's was a response to

<sup>&</sup>lt;sup>9</sup>U. S. Congress, Joint Subcommittee of Senate Committee on Agriculture and Forestry and House Committee on Agriculture, <u>Hearings</u>, <u>Long-Range Agricultural Policy</u>, 80th Cong., 1st Sess., 1947, p. 151.

<sup>10</sup>U. S. Congress, House, Committee on Agriculture, <u>Hearings</u>, <u>Long-Range Agricultural Policy</u>, Part 14, 80th Cong., 2nd Sess., 1948, p. 1558.

emergency conditions, conditions which were not likely to be repeated again in the foreseeable future:

In marked contrast to the weak economic position and the depressed conditions out of which our present farm legislation emerged, it appears that the outlook for American agriculture during the next five or ten years, and probably longer, is basically strong... We do not see the likelihood of a similar conjunction of adverse factors affecting the agricultural industry in the near future. 1

Anticipating a growing and stable world market for farm products and a fully employed and expanding domestic economy, their view of the future was rosy.

In contrast to the optimism of the economists, the most cursory reading of the committee hearings and floor debates of the period reveals a widespread fear among congressmen and farm organization leaders that a major economic slump might be just around the corner. Concern over the possibilities of a general major economic downturn was by no means peculiar to the farm sector, as the debates preceding the enactment of the Full Employment Act clearly indicated. But probably in no area of postwar policy did the memory of the slump after World War I and the Great Depression of the 1930's affect the behavior of the participants as much as in the making of agricultural policy. The following testimonial is typical:

I saw farmers threatened with the loss of their property, some of them were already faced with a sheriff's sale. From that day on I have concerned myself with some of these problems.

I saw it with my own eyes...I will not be a party to undermining our price structure in a time of crisis when we have a surplus of wheat and corn, a surplus of cotton, and a surplus of dairy products. 12

<sup>11</sup>Searchlight, pp. 44, 47.

<sup>12</sup>Senator Edward Thye (Rep., Minnesota), U. S. Congress, Senate, Committee on Agriculture and Forestry, <u>Hearings, General Farm Program</u>, Part 2, 83rd Cong., 2nd Sess., 1954, p. 132.

This fear of an agricultural depression colored the thinking of the farm-state congressmen and farm organization leaders. Most of the economists did not believe the fear was justified and thought that the other participants were allowing this fear to become an unreasonable obsession. T. W. Schultz admonished: "We believe that far too much stress is being placed in developing agricultural policy designed to cope with a great depression of the 1931-33 variety. But to have convinced the other participants that they were needlessly concerned, the economists would have had to demonstrate that the whole demand-supply structure, in both its domestic and international aspects, had been so significantly altered as to render the possibilities of a depression virtually nonexistent. No such demonstration was made. Their arguments were characterized by sweeping generalizations and shot through with assumptions about foreign and domestic demand which, while tenable, were by no means beyond serious questioning.

This general concern about the possibilities of a depression also revealed another basic difference between the economists and congressional participants. The economists fully agreed that provisions should be made to provide farmers with income protection in the event that a major depression should occur. But they were also of one voice in arguing that if a severe farm slump were to be prevented the only sound and sure way to accomplish this was through the adoption of other public policies aimed at maintaining full employment in the domestic economy and stable world markets.

<sup>13</sup>U. S. Congress, House, Committee on Agriculture, Hearings, Long-Range Agricultural Policy, 80th Cong., 1st Sess., 1947, p. 667.

Given the recent enactment of the Full Employment Act, the growing confidence in the capacity of the government to act on the principles of Keynesian economics, and the clear evidence that the United States was not going to withdraw from world affairs as it did after First World War, the economists believed that a major depression not only could be prevented but most likely would be. But many of those responsible for writing farm legislation had little understanding or confidence in Keynesian economics at this stage, and many had real doubts about the capacity of the United States to stabilize world markets. Therefore they were naturally reluctant to trust the maintenance of farm prices and incomes to these conditional prospects.

Intimately involved in this general concern over the possibilities of a postwar depression were the beliefs, held by many participants, as to the critical influence of the agricultural sector in the overall economy. One of the most venerable and widely used arguments for special treatment of agriculture is that of economic fundamentalism. By midtwentieth century the older argument that agriculture determines the whole character of the national economy, both in prosperity and in adversity, had pretty well disappeared. What remained was the widely held belief that depressions in agriculture can and are likely to trigger depressions in the non-agricultural sector of the economy. The following are typical expressions of this view:

Secretary of Agriculture, Charles F. Brannan: Most depressions have been farm-led and farm-fed....I don't mean to say that declines in farm prices are the sole cause of depressions, but they certainly contribute

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greatly and would do so more now than in the past because agriculture has become a bigger customer of industry. 14

James G. Fatton, Fresident, National Farmers Union: It seems to me of the greatest importance that Secretary Brannan's statement here be repeated again and again.... The seeds of the great 1929-34 crash and depression were sown in the years 1919-21...the only difference between then and what we now face is a matter of timing. 15

Kenneth Kendrick, President, National Association of Wheat Growers: The history of this Nation has taught us that when agriculture is sick for a very long period of time, every other segment of our economy soon becomes ill...I believe it is a fact that agriculture has always been in the lead in periods of great prosperity; and conversely, agriculture has always been in the lead when we enter into recessions or depressions. 16

<u>Senator Johnston</u>, <u>Democrat</u>, <u>South Carolina</u>: Mr. Chairman, I think we all agree with that statement. 17

This belief, of course, has had its most vigorous advocates among farm-state congressmen and farm leaders. Whether or not it has been widely believed outside farm circles that a farm depression would necessarily trigger an economy-wide depression is questionable. But certainly the belief that a farm depression might well have this effect seems to have had enough currency to garner additional support outside farm circles for policies aimed at preventing a major agricultural downturn. 18

<sup>14</sup>U. S. Congress, Congress, House, Committee on Agriculture, Hearings, General Farm Program, Part 2, 81st Cong., 1st Sess., 1949, p. 140.

<sup>15&</sup>lt;u>Ibid.</u>, Part 3, p. 363.

<sup>16</sup>U. S. Congress, Senate, Committee on Agriculture and Forestry, Hearings, General Farm Program, Part 2, 83rd Cong., 2nd Sess., 1954, p. 1020.

<sup>17</sup> Ibid.

<sup>18</sup>See our discussion of labor leaders and urban congressmen in Chapter XII.

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Of the various arguments used to justify special treatment for agriculture, few have seemed to irritate the economists more than this argument of economic fundamentalism. Despite the fact that economists have generally tended to dismiss the argument out of hand, they have marshalled surprisingly little empirical evidence capable of discrediting it. One of the first direct attacks on the proposition was contained in an essay by Joseph S. Davis. The Davis essay presented no empirical data, but by connecting several broad generalizations it left the distinct impression that those who continued to argue that national depressions originated in the agricultural sector were either ignorant of economics or political demagogues, and probably both. The Davis essay became a standard reference on this subject and apparently typified the sentiment of most economists.

The continued currency of the proposition continued to dismay economists. Thus in 1945 the economist, William H. Nichols, noted with dismay that:

Underlying...current agricultural legislation is much irrational but politically-powerful folklore... Not only is agriculture considered so basic as to be the keystone to the over-all national welfare, but certain farm products have been singled out as basic, however differently current consumer demands might decree. 20

<sup>19</sup>The article "Agricultural Fundamentalism," first appeared in Economics, Sociology and the Modern World, Norman E. Himes, ed. (Cambridge: harvard University Press, 1935). It next appeared as Chapter II in Davis' book, Cn Agricultural Policy (Stanford: Ford Research Institute, Stanford University, 1939). It was reprinted as the lead article in the American Farm Economics Association's volume, Readings on Agricultural Policy in 1949. We have observed many references to this article which sought to discredit the social fundamentalism of the family farm creed as well as the economic argument.

<sup>20</sup> William H. Nichols, "A Price Policy for Agriculture, Consistent with Economic Progress, that will Promote Adequate and More Stable Income from Farming," <u>Journal of Farm Economics</u>, XXVII (November, 1945), 757. This was the first place paper in the AFEA's contest on price policy.

Economists were dismayed, not simply because they believed that the proposition was erroneous, but because in acting upon it Congress was likely to be too concerned about the development of policies aimed at protecting agricultural prices and income, whereas the proper approach, they believed, was to develop programs aimed at strengthening the overall economy and thus indirectly, agriculture. But despite an essentially sound theoretical argument economists had very little hard evidence that they could point to that would discredit the contention that general depressions result from farm depressions.

It was not until 1957 that a solid empirical study of the relationships between the farm and nonfarm sector was made. Dale E.

Hathaway, effectively documented that given the nature of our highly complex, industrialized modern economy the really critical factor was the effect of the nonfarm business cycle upon agriculture rather than the effect of agriculture on the nonfarm economy. Even so, Hathaway did not prove that an agricultural depression was incapable of causing a serious downturn in the nonfarm sector. His conclusions on this point were quite cautious:

It is not possible to conclude from this analysis that the agricultural sector of the economy has been or will prove to be a serious threat to the stability of the United States economy. Of equal importance, however, is the suggestion that neither is it possible to conclude that the agricultural sector has not or might not be an inherent source of instability. Thus, it would seem that agriculture deserves the continuing attention of economic researchers and policy makers who bear the responsibility of continued economic growth and stability.

<sup>21&</sup>quot;Agriculture and the Business Cycle," U. S. Congress, Senate, Joint Economic Committee, Folicy for Commercial Agriculture; Its Relation to Economic Growth and Stability, Joint Committee Print, 85th Cong., 1st Sess., 1957, p. 64.

In the same vein, Hathaway had this to say in 1963:

To what extent is this belief justified? Will declines in farm income result in a reduction in nonfarm income? Answers to these questions are not readily available. Therefore, we must depend upon theoretical reasoning, marshalling whatever facts are available to support it.<sup>22</sup>

Without question, the more extreme interpretations of the fundamental role of agriculture ignore much of the reality of our modern economy. But like those who err in unqualifiedly accepting as fact the proposition that depressions are "farm led and farm fed" the economists have too often erred in unqualifiedly rejecting this proposition as mere politically inspired folk lore. Whatever may be the real facts in the matter this ancient and influential belief still persists:

If the farmers do not remain in business the rest of us will die on the vine.  $^{23}$ 

The bounty of the earth is the foundation of our economy. Frogress in every aspect of our nation's life depends upon the abundant harvest of our farm lands. 24

By 1955 and 1956 the agricultural price support program was being widely criticized because it wasn't working as originally intended. What was the status of this argument in the immediate postwar period?

If congressmen in 1947-49 could have looked 10 years into the future and seen the size of the government owned surpluses, and the magnitude of the drain on the federal treasury that these surpluses entailed they most likely would have enacted substantially different price

<sup>22</sup>Government and Agriculture, p. 158.

<sup>23</sup>Senator Allen S. Ellender, U. S. Congress, Senate, Committee on Agriculture and Forestry, Hearings, Agriculture Act of 1961, Part II, 87th Cong., 1st Sess., 1961, p. 938.

<sup>24</sup>President Lyndon B. Johnson, "Farm Message," New York Times, February 5, 1965, p. 16.

legislation. Because we have experienced these surpluses for almost a decade now many observers have come to see them as an inevitable part of the price support program and therefore testimony to the folly of the congressional policy makers. But it is necessary to stress that this situation was not envisioned by most policy makers in 1947-49 or even in 1954, and that this failure was not due to the fact that the participants were blinded by considerations of political expediency. There simply was not a sufficient quantity of hard evidence available at that time to suggest that this situation would develop.

It is true that some relatively minor surpluses had been accumulated but these had been temporary. It is also true that some economists had been arguing that the existing price support program might eventually lead to the accumulation of costly surpluses. But again their arguments were based more on principle than on empirical fact. Indeed, when pressed on the matter, economists tended to agree that a flexible support system, on the order of that provided by the 1949 law, would not require the accumulation of undue quantities of surplus stocks. Economists, no less than the other participants, were quite unaware of the production-increasing significance of the nascent technological revolution in agriculture.

When the AAA of 1938 was enacted it was not the expectation of its supporters that the CCC would have to acquire unduly large stocks of surplus commodities. Stocks did begin to accumulate, but were soon

<sup>25</sup>See, e.g., T. W. Schultz' testimony before the House Agricultural Committee (footnote No. 7 above), p. 681.

erased by war-induced demand. By the early 1950's significant accumulations were beginning to occur. However, as late as 1954 the long-term record of the CCC was such that many congressmen found it difficult to believe that the program, even with support levels at 90 percent, was inherently unsound and not workable as originally intended.

In 1954 the Eisenhower Administration, in seeking support for its flexible support proposal, went to considerable effort to dramatize the accumulation of stocks then beginning to appear, and to point to the dangers of perpetuating the rigid support levels then in effect. This touched off a long, complicated, and often acrimonious debate between the Department of Agriculture and various members of the congressional agricultural committees. This exchange produced a flood of statistics and tables relating to the past 20 years with participants making such diverse claims as that the support program had cost the government \$16 billion, to the claim that it hadn't cost a penny and that the government had actually made a profit on the operation. 27

The significant aspect of the debate was that it revealed that a great number of the congressional participants were operating on the belief that the program, as operated in the past, was highly successful, not only in that it had greatly helped farmers, but that it did so

Agriculture and Forestry, Hearings, Agricultural Outlook and the President's Farm Program, 83rd Cong., 2nd Sess., 1954, and Hearings, General Farm Program, Part I, same committee.

<sup>27</sup>The debate at points became extremely confusing, prompting Senator Karl Mundt (Rep., South Dakota) to compare the various statistical tables to a "Chinese puzzle," and to express the hope that those persons responsible for compiling them would "set them up in a language I can understand." <u>Ibid.</u>, p. 93.

expressed great "shock" at the talk about the "burdensome" cost of the program. There was disagreement between Department officials and Congressional spokesmen as to what the true costs had been, but even if the highest cost estimates were used they represented an "excellent investment," as Senator George Aiken (Rep., Vermont) put it, considering the benefits gained. 29

Economists have long condemned the price support and control policy for creating or, at least, perpetuating inefficiencies in agriculture. Seemingly, this charge has been ignored by many of the other participants. In fact, several congressional participants and some farm organization leaders have been highly critical of those using the inefficiency argument. From time to time, congressmen have been critical of economists in this respect. Secretary of Agriculture, Ezra Taft Benson, drew considerable fire from his critics because of his rather frequently used argument that continued high price supports were perpetuating inefficiencies in agriculture. But so persuasive is the respect for efficiency, variously defined, in the American ethic there are few participants anywhere in the policy making processes who are immune to charges that such-and-such a policy breeds inefficiency. Agriculture is no exception. Therefore the claim that the price support and production control programs breed inefficiency is not one that would be dismissed by the participants because of sheer indifference. 30

<sup>28&</sup>lt;u>Ibid.</u>, p. 74.

<sup>&</sup>lt;sup>29</sup>Ibid., p. 73.

<sup>30</sup>See Chapter XI for a more detailed discussion of the general attitudes about efficiency.

However, there is not too much evidence to indicate that many of the participants have been substantially influenced by this criticism of the program. Most participants have long believed that American agriculture is highly efficient. As one economist ruefully noted in 1947, "the belief is widely held that farming in the United States has no peer."

Moreover, they are most likely to think in terms of productive efficiency, a notion which at times may mean nothing more than simply abundance.

The spectacular increase in farm production during World War II was a source of great satisfaction to agriculturalists and taken as a positive sign of the efficiency of the American farmer. As production has continued to surge upward, despite the fact that there are fewer and fewer farmers, and despite valiant efforts to control it, the majority of the participants have found it difficult to believe that agriculture was inefficient.

The economists have tended to deal more with allocative efficiency. The ut the lines of communication between them and the other participants haven't been too good on this issue. The economist will cite low returns to labor in agriculture as a sign of allocative inefficiency, and will argue that the price and control program has perpetuated this condition by encouraging too many marginal farmers to stay in agriculture. But most farm-state politicians and farm leaders are likely to see the

<sup>31</sup>T. W. Schultz, "How Efficient is American Agriculture," <u>Journal of Farm Economics</u>, XXIX (August, 1947), 645. Schultz was one of the first to attempt to empirically demonstrate the allocative inefficiencies in American agriculture. He and his students, such as D. Gale Johnson, have done as much as any other economists to dramatize the idea that agriculture was not nearly as efficient as it could be or ought to be.

<sup>32</sup>See Chapter XI for definition and fuller discussion.

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problem quite differently; let us continue the supports, thus protecting all farmers, and at the same time devise programs which help the marginal farmer become a larger producer and thus an earner of higher incomes.

the inefficiency charge has been relatively ineffective is that it has been little documented. This lack of solid and understandable documentation in juxtaposition to the extremely visible growth in the productiveness of agriculture has rendered this charge quite superfluous in the eyes of most participants.

## The Election of 1948

Any account of the immediate postwar years must deal with the election of 1948. Virtually all political analysts have agreed that this election had a profound effect on the course of agricultural policy making.

"Farmers get the big credit for the Truman victory," headlined the <u>US News & world Report's</u> account of the 1948 election. <sup>33</sup> This was the typical explanation of Truman's unexpected victory. This widely accepted interpretation was based on the fact that while Truman lost New York, Pennsylvania, New Jersey, Connecticut, Delaware, and Michigan which Roosevelt had carried in 1944, he gained Chio, Iowa, and Wisconsin and held Illinois. There was a shift among farmers to Truman, <sup>34</sup> but

<sup>33</sup>November 19, 1948, p. 19.

<sup>34</sup>For one of the better accounts of why the shift in the farm vote see Samuel Lubell, <u>The Future of American Politics</u> (Garden City, New York: Doubleday & Company, Inc., 1951), Chapter VIII, "Battle for the Farm Vote."

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subsequent analysis has suggested that the major reason for his victory was his large gains in the towns and cities of the Midwest. However, at the time, many politicians and most observers thought that the farm vote had been decisive.

Because of this, it has been common to treat the election as a decisive factor in determining the course of postwar price policy. Those observers who have been opposed to the course that price policy took, are most prone to this view. Thus Murray R. benedict observed that prior to the election "it was confidently expected that the farm program would be modified in the general direction of more reliance on price in the market as a guide to kinds and amounts of production."

Several things need to be noted in order to put the 1948 election in its proper perspective. First of all, the Agricultural Act of 1948 made clear that Congress did not intend to move toward free market pricing. It did provide for a flexible range of supports, but these were considerably higher than the supports of the AAA of 1938 that would have gone into effect in the absence of new legislation in 1948. Second, although the 1949 Act narrowed the flexible range and covered a few more commodities it differed from the 1948 Act only in degree, not in kind.

Third, the background of the enactment of the 1948 Act is important. The permanent provision of the Act was the Aiken bill which

Journal of Farm Economics, XXXVII (November, 1955), 601-624.

<sup>36</sup>Farm Policies of the United States, p. 478. Charles M. Hardin, whose analyses have figured prominently in the interpretation of postwar agricultural politics also takes this line. For example, see article cited in the footnote above.

passed the Senate with a fair margin over strong Southern opposition. But in the House the story was different. The House Agriculture Committee, chaired by Clifford Hope (Rep., Kansas) was unable to agree on a permanent bill. It reported out a bill, authored by Hope, extending the wartime supports for a year and a half. This bill was passed by the House. The conference committee had great difficulty in agreeing on a compromise. Agreement was reached only after Representative Murray (Rep., Wisconsin) resigned and was replaced by Representative Gillie (Rep., Indiana). The compromise was simply the co-joining of the two bills. House leaders of both parties clearly indicated that they did not see the Aiken bill as a permanent piece of legislation and "vowed to reconsider the matter again in 1949." 37

Fourth, although Truman attacked the Republicans for being anti-farmer, pointing to failure of the "do-nothing 80th Congress to provide for adequate CCC storage facilities as an example, <sup>38</sup> he did not attack the price support provisions of the 1948 Act. The platforms of both parties indicated they favored a flexible system.

The actions of Midwestern Democrats and Republicans in the House and Southerners in the Senate in 1948 meant that whichever party won the White House and control of Congress the whole issue of supports was going to be reopened in 1949. Almost any incident would have greatly strengthened the high support groups. That incident came in the form of a downturn in farm prices. After reaching a peak in 1947 farm prices and incomes began to sag in 1948, a trend which continued until 1950. Given

<sup>37</sup>Congressional Quarterly Almanac, IV, 1948, 56.

<sup>&</sup>lt;sup>38</sup>For the details of this issue see Oliver P. Williams, "The Commodity Credit Corporation and the 1948 Presidential Election," <u>Midwest Journal</u> of Political Science, I (August, 1957), 111-24.

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the mood of farm leaders in Congress it would seem that this may well have been the really decisive factor, not the Truman victory, in producing the Agricultural Act of 1949. What the Truman victory did, unquestionably, however, was to pave the way for the Administration's endorsement of the Brannan Plan.

### The Eisenhower-Benson Years

The Agricultural Act of 1949 established a system of flexible supports and a new parity formula. With the outbreak of hostilities in Korea, Congress postponed the implementation of these provisions until January 1, 1955. Thus, in 1954 policy makers once again turned their attention to the agricultural price support program. Under different economic and political conditions the agricultural policy battle entered a new phase.

The price support program of 1900 was virtually that of 1954, but during the interim there occurred one of the most far-flung, intensive, and bitter debates in the history of American agricultural policy. By the end of the decade the agricultural community was practicing political fratricide, frustrated critics were wondering if responsible, democratic policy making hadn't floundered on the rocks of political expediency, and some policy makers themselves were calling for a "Moses" of lead them out of the wilderness of frustrating stalemate and brooding sense of failure.

<sup>39</sup>The "Moses" statement was made by Senator Allen Ellender, Chairman of the Senate Agricultural Committee, during a committee session with Ezra Taft Benson: "It looks as though we need a Moses in this field." Time, March 2, 1949, p. 10. Ellender obviously did not see Benson as the Moses. Ellender later applied it to Freeman: "I hope

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In the 1952 campaign Mr. Eisenhower had promised to get farmers 100 percent of parity in the market place, although he did not spell out how this was to be achieved. Soon after his Administration took over it became apparent that this was not to be accomplished through full parity price guarantees. Shortly after being sworn in as Secretary of Agriculture, Ezra Taft Benson made it known that he personally favored a return to free, or nearly free, market pricing. However, the popularity of the traditional CCC-backed price support program was so great at that time that the only real question was what should be the level of the supports. Thus the new Administration's proposals closely paralleled the provisions of the 1949 Act, which had never been implemented.

In his defense of the Administration's program, Mr. Benson argued that the existing program simply was not working: "Our mounting surpluses and our need for additional funds both argue that the rigid price support system is not functioning properly. The fact that we have been unable to maintain prices of most of the six basic commodities ...at 90 percent of parity--even with Government loans at that level--is also eloquent testimony on this point." 40

we have a Moses in the person of the man we now have before us who has been nominated for the post of Secretary of Agriculture." U. S. Congress, Senate, Committee on Agriculture and Forestry, Hearings, Hon. Crville L. Freeman, Secretary of Agriculture, 87th Cong., 1st Sess., January 13, 1901, p. 1. Although Ellender was probably somewhat overly pleased by the sound of the phrase it does convey something of the sentiment held by many of the policy makers during this period.

<sup>40</sup>U. S. Congress, Senate, Committee on Agriculture and Forestry, Hearings, Agricultural Cutlook and the President's Farm Program, 83rd Cong., 2nd Sess., January, 1954, p. 6.

When Mr. Benson appeared before Congress in 1958 to defend the Administration's proposal that supports on the basic commodities and dairy products be lowered to 60-90 percent of parity, one of his major arguments again was the prohibitive costs currently being incurred. Although committee members again quarreled with some of his computations there was now no questioning the basic fact that the operation of the price support program was proving to be extremely expensive. Benson testified that the "realized cost of programs primarily for stabilization of farm prices and incomes" had risen from \$329.4 million in 1953 to \$964.3 in 1954, and then had jumped to \$1,349.9 billion in 1955, \$1,936.1 billion in 1956, and to \$3,225.4 billion in 1957.

Against this background of mounting surpluses and deepening drains on the Federal Treasury the Administration began to swing back toward the position expressed by Benson in 1953, that of essentially free market pricing. Finally in 1959, with the CCC holdings swollen to \$2.4 billion in corn, \$891 million in cotton, \$706 million in grain sorghums, and a staggering \$3.1 billion in wheat, \$42 President Eisenhower proposed the complete abandonment of the historic parity support system. Instead, he called for prices to be supported at 75-90 percent (the exact level to be set by the Secretary) of a three-year moving average of open market prices. If Congress didn't want this, his proposed alternative was to give the Secretary discretionary power to set price supports anywhere from 0-90 percent of parity.

<sup>410.</sup> S. Congress, Senate, Committee on Agriculture and Forestry, Hearings, Farm Program, Part I, 85th Cong., 2nd Sess., 1958, p. 42.

<sup>42&</sup>lt;u>U. S. Agricultural Policy in the Postwar Years: 1945-1963</u> (Washington, Congressional Guarterly Service, 1963), p. 43.

The Administration's price policy proposals, from the first in 1954 to the last in 1959, 43 met vigorous opposition in Congress. In the late and generally prosperous forties Congress had embraced the principle of flexible pricing. But as prices began to soften after 1952, resistance to lowering the support levels began to harden. Whereas the Administration pointed to the skyrocketing costs of the support program its opponents, although not unmindful of these costs, pointed to the worsening economic conditions in agriculture and argued that a significant lowering of prices under such conditions would be disastrous.

That agriculture was in economic difficulty there could be no doubt. Farm prices fell 12 percent from 1947-49 to 1959 while production expenses increased by 45 percent. <sup>44</sup> Total net farm income had stood at \$16.3 billion in 1951, but by 1954 it had dropped to \$12.7 billion, and by 1956 it hit a low of \$11.6 billion. <sup>45</sup> In 1951-52, farm workers, including owner-operators, received a return of \$0.90 an hour for their labor as compared with \$1.63 for manufacturing employees. In 1959, returns to labor on farms was \$0.75 an hour compared to the \$2.22 received per hour by workers in manufacturing. <sup>46</sup>

<sup>43</sup>In 1960 President Eisenhower did not make any specific proposals and, in effect, told Congress, "I've done all I can, let's see what you can do." He did, however, indicate his preference for the program he had recommended in 1959.

<sup>44</sup>U. S. Congress, Joint Economic Committee, <u>Economic Policies</u> for Agriculture in the 1960's, Joint Committee Print, 80th Cong., 2nd Sess., 1900, p. 7.

<sup>45</sup>U. S. Congress, House Committee on Government Operations, Price Support and Production Adjustment Activities, House Report No. 2219, 86th Cong., 2nd Sess., 1960, p. 48.

<sup>46</sup>Economic Policies for Agriculture..., p. 3.

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Policy makers were caught in an exquisite dilemma. The down-ward pressure on open market prices was a powerful argument for maintaining or increasing the government's support levels. But, on the other hand, the obvious failure of acreage controls to hold back production thus giving rise to skyrocketing support costs created pressures in the opposite direction. Which way to turn?

The Administration turned toward lower supports. On this issue it had the backing of Republican congressmen outside the Midwest, the American Farm Bureau Federation and the bulk of the professional economists. Opposing the Administration was the majority of congressional Democrats, a number of Midwest Republicans, and the National Farmers Union and most of the time the Grange. Neither group was powerful enough to achieve its goal, but each was strong enough to stalemate the other.

To counter the Administration's 1954 proposal the high-support bloc sought to freeze the guarantees on basic commodities at the 90 percent level through 1955. The resulting compromise was a sliding scale of 82 1/2 percent of parity through 1955, with a 75-90 percent range thereafter, as the Administration had asked for. In 1955 the House passed a bill aimed at restoring supports to the 90 percent level. Early in 1956 the Senate supported the House bill, but the Fresident immediately vetced it. However, to secure passage of its Soil Bank plan the Administration had to accept a restoration of mandatory supports for small grains at 76 percent of parity and a one year freeze on transitional parity. In 1958 President Eisenhower proposed that supports for basics and dairy products be lowered to a sliding scale of 60-90

percent of parity. Congress countered by voting to freeze supports at the 1957 level. And again the Fresidential veto was wielded. The compromise Agricultural Act of 1958 provided for a lowering of the support levels for corn, upland cotton and rice from 75 to 65 percent of parity, but with the stipulation that all production limits on corn be removed and no further cuttacks in rice and cotton acreage allotments be made. In 1959 the Administration proposed the abandonment of parity pricing system. This was rejected by a large majority in Congress. Congress then passed high-support wheat and tobacco bills, which the President vetoed. In 1960 Mr. Eisenhower made no specific proposals. Many proposals were advanced in Congress, but only a tobacco bill and a dairy bill were passed; the former provided for somewhat lower supports, the latter for somewhat higher. Thus as the new decade began the agricultural price support and production control program stood about where it had in 1954; production had been made more complex and a little more restrictive, but basically they were the same "voluntary" type, and price supports, destite periodic juggling, were not substantially different.

Many factors acted to determine the shape of this bitter and stalemated battle. An extremely important factor, but one which has not been generally recognized or properly accounted for, was a sharp and paralyzing conflict in technical beliefs. This conflict took the form of genuine differences of opinion as to the nature of the economic problems plaguing agriculture, and the consequences of alternative policies to be aimed at relieving these problems. In short, the participants were wrestling with a series of technical questions to which there was no corresponding series of technically objective answers. The impact that this

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had on the behavior of the participants has been largely ignored because most political analysts have too often accepted, with little or no questioning, the proposition that there were technically objective answers available to the questions that the participants had to deal with.

## The Aiministration's Case

The tasic starting point of the Eisenhower-Benson position on price policy, as we have seen, was the reference to the growing piles of surplus stocks. They, and the others in the low-support bloc, stressed that the maintenance of high level supports would act to encourage farmers to continue to exhand their production which, because of war-induced demand and past price guarantees, was already too great for the market to bear. Because of their general ideological orientation they found these rising costs inherently distasteful. Moreover, they were fearful that others, particularly urban politicians, would find the costs intolerable and rise in revolt against the entire farm program. 47

They saw two alternatives. One was to lower the supports to the point that large government purchases would not be necessary. The other was to tighten up production controls with the intended purpose of cutting production to the point that open market prices would rise to the support levels, thus taking the pressure off the CCC granaries.

The move toward highly restrictive controls was not attractive.

No politician could be insensitive to the fact that controls were not

<sup>&</sup>lt;sup>47</sup>See Chapter XII.

conservative farm organizations found controls to be ideologically repugnant. Finally, many like Mr. Benson doubted whether production could actually be cut through the application of traditional controls:

"On this overall question of acreage reduction, I am by no means convinced that such controls as we can invoke under existing law will actually accomplish the production cutbacks which have been envisioned."

The production control route was made all the more unattractive because of the belief that all but the smallest and most inefficient farmer could survive a controlled transition period and then prosper under essentially free market pricing. Mr. Benson had complete faith in the capacity of the family farm to adapt to changing conditions:

I don't believe that there is any danger to our farms in this country, if we keep our farmers relatively free-I don't think there is any danger of them moving to the great corporation type or Government cooperative-type farm. I think the family-type farm can meet any competition. I think it is the backbone of American agriculture now, has been and always will be.50

The family farm has always been in danger in our changing economy. But it has always adapted to the changing conditions that faced it... Always the family farm has stood the test, and it remains today the overwhelmingly dominant form of organization of agricultural production in our land.

<sup>48</sup>See Chapter VIII for a detailed discussion of this group's attitude toward production controls.

<sup>49</sup>Senate, Hearings, Agricultural Outlook..., 1954, p. 8. As production continued to mount throughout the decade, Mr. Benson's doubts changed to conviction.

<sup>50</sup>U. S. Congress, Senate, Committee on Agriculture and Forestry, Hearings, Farm Program, 85th Cong., 1st Sess., 1957, p. 14.

<sup>51</sup>Speech before the American Farm Economics Association, August, 1957, <u>Journal of Farm Economics</u>, XXXIX (December, 1957), 1071.

One of the factors in the Administration's conviction that the family farm could survive free marketing pricing, and which strengthened the preference for the low-support approach, was the firm belief that just as higher prices generated greater production, lower prices would induce farmers to cut back their production schedules. Mr. Benson's response to arguments advanced by the Administration's critics that farmers would not cut back production in the face of lower prices was always categorically firm: "The fact is that farmers adjust their production logically with respect to price. They endeavor to increase production when price rises and to decrease production when it falls."

The conviction that this approach would not have disastrous effects was undergirded by the belief that the surplus capacity existed in only a few commodities:

The nation's agricultural problem is not one of general overproduction: consumer demand continues at or near record high
levels; the average prices of farm products that lack direct
price-support have been as high in recent years as those of
price-supported products. The problem is rather one of unbalanced production, resulting in specific surpluses which
are unavoidable under the present rigid price supports. 53

Lecause of this, it was argued that farmers could shift from the surplus commodities to other commodity areas thus maintaining their overall production and protecting their total income position.

<sup>52</sup>Senate, Hearings, General Farm Program, Part I, 1954, p. 118.

January 12, 1954, p. 8. The Administration never changed significantly on this point. See, for example, interview with Secretary Benson in U. S. News & World Report, February 6, 1959, p. 182.

In addition, it was believed that as prices fell consumers would buy more of the commodity in question. This increase in consumption could be counted on to prevent prices and incomes from falling to disastrous levels. The basic position of the Administration was effectively summarized in the following questioning of Department of Agriculture officials by Senator Karl Mundt:

Senator Mundt: I would like to ask Mr. Loos and Mr. Morse if I am correct in my understanding that the premise on which you propose this new farm program rests primarily on 2 different pillars, 1 being the theory that you can help stop the production of crop surpluses by a sliding price formula so that when prices on a given product tend to fall, the production of the product will also fall.... The second pillar is that as the price received by the producer falls the price paid by the consumer also falls so that he consumes more of it and by those two tactics you hope to keep the surpluses in control, is that right?

Mr. Morse: Yes, you would return to balanced consumption and production. 54

## The Opposition's Case

Those who resisted the Administration's efforts to significantly lower the support levels tended to agree with their protagonists that the surplus capacity in agriculture was limited to few basic commodities and that this disequilibrium was temporary. 55 As they were also fearful

<sup>54</sup>Senate, Hearings, General Farm Program, Part I, 1954, p. 114.

<sup>55</sup>However, although few of them ever specifically talked about the surplus as being permanent and industry-wide, a survey of their arguments suggests that many of them intuitively grasped that the surplus capacity in agriculture was more widespread and durable than was generally recognized at the time.

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that the burgeoning CCC stocks might eventually endanger the whole price support system, they agreed on the necessity of restoring a balance between supply and effective demand. Thus the two groups generally agreed on the necessity and the possibility of achieving a "balanced consumption and production." But beyond this point they parted company.

Cne of the points on which they disagreed was the matter of production controls. Although all farmers and agricultural spokesmen would have much preferred a situation of unregulated production, the Democratic Congressional delegation was generally not as hostile to controls as were their counterparts in Congress and in the Administration. This was due in part to a more liberal ideology. This greater tolerance of controls was also encouraged by a greater faith in possibility of curtailing production through the traditional restrictions. This belief was particularly strong among the Southern Democrats who, by their dominance of the agricultural committees in both houses, exerted powerful influence in shaping the Democratic Party's position on farm policy. The Southerners had considerable faith in the control system because of the relative success of such programs in action and tobacco. As Senator Allen Ellender, Chairman of the Senate Agricultural and Forestry Committee put it:

We have been able in the past, with reference to cotton, and I believe we can do it under the law as it is now written, to produce just the amount we need for supply and demand, almost the same as you have done for tobacco. I believe that it is possible to do it and I honestly believe that the same thing can be done with corn and with wheat. I don't think there is any doubt about it. 50

<sup>56</sup>Senate, <u>Hearings</u>, <u>General Farm Program</u>, Part I, 1954, p. 120. Italics mine.

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This confidence in the controls system was considerably weakened by the latter part of the decade as surpluses in wheat, corn and feed grains continued to mount. This was an important factor in causing many congressmen to move away from their formerly firm stand on high, rigid supports that they had taken in 1954 and 1955. But even so, the high support bloc saw the traditional control system as a much more meaningful alternative than did the free market advocates. They, therefore, saw in acreage restrictions a genuine possibility through which production could at least be held in line until such time that demand effectively caught up with supply, thus achieving the long sought equilibrium.

Those who opposed the Administration's price policy proposals, however, did so not primarily because of their more positive attitude toward controls, but because they were convinced that the effort to reestablish an equilibrium between supply and demand through lower prices was simply not a meaningful alternative. Those who resisted the move toward significantly lower supports justified their position by first pointing to fact that throughout most of the 1954-60 period the farmers' income position had either stagnated or was deteriorating and that any action which would have the effect of even temporarily making a bad situation worse was indefensible.

The high support group rejected the lower prices route as a meaningful alternative because they did not believe that farmers would respond to lower prices by cutting production. In fact, many argued that in the face of falling prices farmers would increase rather than decrease

production. They pointed to the production records of the early 1920's and 1930's as proof of this reverse relationship between price and supply. The continued rise in production in the face of falling price levels through the 1950's did nothing to change their mind:

Harold D. Cooley (Chairman, House Committee on Agriculture responding to Mr. Benson): I do not believe that the facts and figures and statistics in your Department will support your philosophy and your reasoning that lower prices bring about lower production... When you say to him the farmer you are going to lower the price of his commodity, you are going to increase the volume of it, naturally.57

The Benson critics did not take the extreme position that if prices were turned loose an equilibrium level would never be reached. They did genuinely fear, however, that before a balance would be achieved the family farm structure of agriculture would be severely if not irrecoverably damaged. Many believed that such an approach would result in the elimination of great many more than a few marginal farmers: "In the meantime you would break an awful lot of farmers in getting the production down, would you not? You would break an awful lot of producers." The Farmers Union took a more dramatic position, but one that was rather widely supported:

This 'free market' approach using 'full flexibility' as the national policy would take a long time to reach a solution. It would do so only through untold financial distress, personal suffering and reduced technological advance. By then farming might well be (1) concentrated on a few hundred thousand factories-in-the-field; (2) conducted by virtually integrated

<sup>57</sup>U. S. Congress, House, Committee on Agriculture, <u>Hearings</u>, <u>General Farm Program</u>, 85th Cong., 1st Sess., 1957, p. 32.

<sup>58</sup>Senator Milton R. Young (Rep., North Dakota), Senate, Hearings, General Farm Program, Part I, 1954, p. 121.

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nonfarmers; (3) performed by poverty stricken peasants on eroded run-down farms; or (4) a mixed pattern of all three of these. <sup>59</sup>

Unquestionably the maintenance of high price supports had come to be identified by many participants with protection for the family farm. Senator Humphrey, after reviewing trends in farm costs, investment, and income against the background of the Benson proposals to lower price supports, asserted:

Therefore, if prices are not kept at a fairly high level, there is no chance in the world for the farmer to survive... any drop in farm prices and farm income can have disastrous consequences.... There can be no question about that.<sup>60</sup>

Many persons outside the halls of Congress also held this view. For example, the editor of a Georgia newspaper stated: "Few people who are even remotely familiar with the farm picture doubt that the proposed reduction in price supports would just about finish up small farmers in Georgia and the nation."

Even Carl Sandberg felt constrained to inform the editor and readers of the New Republic that "the only effect that lower farm prices will have is the doom of the family type farm."

The Administration obviously did not believe that its policy recommendations would "break" more than the most marginal farmers, but many of its critics either firmly believed that such would be the case or that the risk was simply too great to take:

<sup>&</sup>lt;sup>59</sup>Policy for Commercial Agriculture, p. 463.

<sup>60</sup>U. S. Congressional Record, 84th Cong., 2nd Sess., 1956, CII, 3580.

<sup>61</sup> naycross Journal-Herald, January 22, 1958, cited in the Congressional Record, 85th Cong., 2nd Sess., 1958, CIV, A1050.

<sup>62&</sup>quot;Letter-to-the-editor," August 9, 1954, p. 3.

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I wish you <code>[Eenson]</code> were right. You would have no trouble selling me on flexible supports if I thought lowering supports would really do the business...I wish I could believe flexible supports would measurably reduce production without breaking an awful lot of people. Go

All things considered, they simply did not believe that the Administration's proposals constituted a technically feasible solution to the problems at hand.

## Technical Questions at Issue

Two basic sets of related questions of fact have been inextricably involved in the rostwar price policy debates. First, what is the relationship between price and supply? Specifically, will a declining price situation bring about a cutback in production? If so, what is the precise ratio; how large a drop in price is required to bring about a given decline in production? Are the ratios between prices and production such and are the production alternatives available to farmers such that agriculture can absorb the lower prices and make the necessary adjustments without a major re-organization of the basic family farm structure of agriculture? Second, what is the extent of the disequilibrium between agricultural supply and demand? Is the surplus capacity limited to only a few of the basic commodities or is virtually the entire agricultural plant producing beyond the level of effective demand? Is the surplus capacity of agriculture temporary or is it more or less permanent in nature? Is the surplus, whether temporary or permanent, large or is the margin of excessive production over effective demand relatively small?

<sup>63</sup>Senator Young, Senate, <u>Hearings, General Farm Program</u>, Part I, 1954, p. 122.

Agricultural policy participants, particularly in regard to the first set of questions, have either sharply disagreed as to what constituted the "right" answers or have been so uncertain as to what the answers were that they have been plagued with indecision.

Disagreement and uncertainty as to what constituted the right answers has affected the course of price and control policy throughout the postwar period, but these factors were probably never more critical than during the 1954-60 period. Prior to 1954 the context within which these questions were discussed was sharply different. War-induced demand kept oren market prices high, CCC granaries empty, and farm incomes booming. Thus the questions were not as pressing, the stakes were not as high. In the 1960's the farm income picture has stabilized and improved somewhat, and the political line-up in Washington has changed. Also during the past five or six years there has been a significant increase in the quantity and quality of empirical and theoretical data pertaining to these questions.

These questions and their answers were particularly critical to the 1954-60 period because the traditional price policy was, for the first time, placed under tremendous pressure; the general farm price structure was weak and government operating costs were skyrocketing.

Thus the question of to "change or not to change" took on a pressing and immediate significance. Also, the disagreement over questions of fact was magnified by—but was by no means a mere reflection of—the differences in the political color of the White House and the Capitol.

How was it possible that the participants could be sharply divided and/or uncertain about these technical questions? Surely the

answers were to be found in the mountains of studies and testimonies on the farm problem which had been growing at geometric rates since the closing days of world War II. Wasn't it the case as most economists, either implicitly or explicitly, claimed that they could supply the participants, if they would but listen with open minds, with all the information they needed to rationally decide on any number of policy alternatives?

Price and supply.--Although full agreement as to precisely how responsive supply was to prices was lacking, the majority of the economists endorsed the general role assigned to prices by the Administration. Or probably to put it more properly, the Administration endorsed the role assigned to prices by the economists. The general economic theory of rational, competitive economic systems assigns to market price the role of allocating productive resources in accordance with consumer choice; that is, of adjusting supply to consumer demand. Although there have been a few recent exceptions, economists have shown little disposition to treat agriculture as unique and therefore exempt from this general law:

There is no more than a minute grain of truth, if any, in such fundamentalistic assertions by some members of the profession as that due to physical, biological, and organizational circumstances, agriculture is unable to adjust supply to demand, and that it reacts perversely to prices... Agriculture is a system of private, overwhelmingly family-operated enterprises, which in its 2 million commercial units behaves so remarkably businesslike that it gears production in accordance with the effective demand. 64

<sup>64</sup>Karl Brandt, "Guidelines for a Constructive Revision of Agricultural Policy in the Coming Decade," <u>Journal of Farm Economics</u>, XLIII (February, 1961), 6, 7.

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Otherwise the vigorous criticism by most economists of price support policies, which persistently maintain agricultural prices above free market levels, would make little sense.

Most of the economists also agreed that once the temporary allocations were corrected farmers could survive and prosper under free market pricing:

However, if freedom of choice to work either in agriculture or out of it can be achieved and maintained, real incomes to farmers should not long remain far out of balance with real incomes in comparable nonfarm occupations...

Thus, although some thought him a little optimistic, the basic principles expressed by E. J. Working was generally endorsed by the profession in 1957. Addressing the question of how effective are prices and incomes in bringing about adjustments within agriculture he stated:

A brief answer to this question is that they are very effective. Indeed, given any situation as to the knowledge of the arts of production and as to the available resources, considerations of price and income are of dominant importance in determining how much of each commodity commercial farmers will attempt to produce. Similarly, changes in prices and incomes, or in prospects for them, are of primary importance in causing commercial farmers to decide to make adjustments in their output. This is bound to be the case where we have intelligent farmers and each individual is free to make his own decisions as to what he should produce. Of

Testifying before the same congressional committee, John A. Baker, of the National Farmers Union, argued that the individual farmer would be motivated to maintain and, in fact, to try to increase his production

<sup>65</sup>Statement by the Committee on Agricultural Policy of the Twentieth Century Fund, printed in Murray R. Benedict, <u>Can We Solve the Farm Problem</u> (New York: The Twentieth Century Fund, 1955), p. 492. The Committee was composed of 12 nationally prominent economists.

<sup>66</sup>Policy for Commercial Agriculture..., pp. 430, 433.

in the face of falling prices. The end result would be that, over the short and intermediate term, total production would be maintained or increased rather than decreased in a declining price situation. As proof that lower prices would not cut production baker cited historical and contemporary statistics. For example:

From 1929 to 1932 total farm output did not drop even though prices dropped by 56 percent and national farm net income dropped by 67 percent.

From 1951 to 1956, prices received by farmers dropped 22 percent, national net income by 38 percent, per farm net income by 28 percent; yet total output increased by 7 percent. <sup>17</sup>

baker conceded that over the long run the rate of increase in farm production would be cut and an equilibrium between supply and demand achieved. But he argued that in the process the family farm structure would be destroyed.

The Baker testimony quite faithfully reflected the arguments used by most of the participants who opposed the Administration's proposed price policies. <sup>68</sup> Eut it is significant for another reason.

<sup>67</sup> Ibid., p. 464. These and similar statistics were cited over and over by the Administration's critics. Without sophisticated tools of analysis, those statistics could be used to prove about any possible position on this question. For example, in a 1954 discussion of a set of tables supplied by the USDA, Senator Young proclaimed: "This morning I got figures from the Department of Agriculture which I think totally disprove any argument that flexible supports would take care of the surplus." Mr. Kline of the Farm Bureau, however, had a different view of what these same tables revealed: "I think you can categorically state that production in agriculture does respond to price in exactly the opposite direction you (Senator Young) are suggesting." Senate, General Farm Program, Part I, p. 208.

the Baker testimony could not be dismissed as simply "group interest propaganda" lacking in "objective presentation of facts and ideas," as one reviewer of the Hearings put it. Marion Clawson, "Policy for Commercial Agriculture Re-examined: A Review Article," Journal of Farm Economics, XL (August, 1958), 560.

In pointing to the historical statistics on production and price, Eaker said:

Cfficial historical figures do not necessarily prove this conclusion that falling prices and income will not reduce farm output. But any who would try to prove the opposite that falling prices will reduce output would be required satisfactorily to explain them away. 69

And on the general question of price, income, and supply he asserted:

we in Farmers Union have made an extended and diligent search through libraries and by personal interview, without success, to uncover currently applicable scientific research results bearing on the question of the short- and long-run price or income elasticity of total farm production or supply. As far as we have been able to determine there are no published results of sound scientific, statistical and economic research of current significance that indicates any connection or relationship between market prices or farm income and the volume of farm production or farm marketing. 70

is what I believe will happen and why it will happen, and before I will consider changing my mind somebody is going to have to come up with more solid explanations than has been the case to date.

Mr. Baker overstated the case. Several papers presented at the same hearings dealt meaningfully with some of the questions he raised and there had been other earlier studies. But while overstating it he had nevertheless touched on a very significant point. The implied challenge he had issued really hadn't been effectively met.

As soon as one begins to probe the professional literature of the period one is struck by a curious anomaly. On the one hand, the

<sup>69</sup>Policy for Commercial Agriculture, p. 462.

<sup>70&</sup>lt;u>Ibid.</u>, p. 463.

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literature exudes implicit faith in the general role of free market pricing. But on the other hand, when confronted with the specific questions of the precise effect of free pricing in agriculture the literature is vague, inconclusive and not infrequently contradictory.

Most of the literature, since the end of the war and through most of the 1954-e0 period, dealing with general role of agricultural prices was devoted to expounding the theme that rising prices get higher production, and that the maintenance of artificial prices above free market levels generates a series of problems, such as helping to perpetuate surplus production, creating and maintaining inefficient resource allocation, and disrupting foreign trade. And all this without solving the farm income problem.

The data and theoretical arguments presented in this literature were valuable to the participants to be sure. But of more pressing significance were the questions as to precisely what problems a move away from artificial pricing would solve and what problems would this create? On this the economists were not particularly helpful. Most of their studies were concerned with arguing the evils of high, artificial pricing; while they condemned the existing supports they implicitly or explicitly judged free market prices to be good. But they did so without documenting why and how free market prices would be useful for achieving what the agricultural policy making participants wanted to accomplish.

As the economic problems of agriculture continued to worsen, and as the debate in Washington concerning what to do about them continued its stalemate course, economists inevitably had to address themselves more specifically to the nature of agricultural supply function. Moving from

generalities to specifics most admitted that their knowledge of the supply curve was not very deep or firm.

For example, Don Faarlberg, a top economic advisor to Mr. Benson and vigorous advocate of freer pricing, stated: "admittedly we do not know as much as we should about supply responses in agriculture." Dohn A. Schnittker put it this way: "The profession is not blessed with many firm conclusions in supply analysis. The question of whether there is less agreement in the field of individual commodities than in respect to aggregate agricultural output appears to be unanswered at this time." To a supply analysis.

Although lacking firm understanding as to why, there was considerable agreement that the supply curve was rather inelastic. Marion Clawson, reviewing the testimony of "nation's leading agricultural economists" before the Joint Economic Committee in 1957, reported that "there was general agreement that the supply function for agriculture is highly inelastic." By the latter part of the decade there was a growing awareness that the curve was more inelastic on the downward side of price than on the unward side.

In short, one finds a paradoxical situation. On the general question of whether or not production responds to price changes either

<sup>71&</sup>quot;Shortcomings in Current Explanations of National Farm Surpluses," Journal of Farm Economics, XXXVIII (December, 1956), 1710.

<sup>72&</sup>quot;The Response of Wheat Production to Prices with Emphasis on Technological Change," <u>Journal of Farm Economics</u>, XL (December, 1958), 1087.

<sup>73</sup> Journal of Farm Economics, XL, 553.

on the upward or downward side, the answer was a loud and an emphatic yes. But on the specific question of how much change, the answer is a quiet, probably not much.

Traditional economic theory postulates that, other things equal, rational economic producers will respond logically to price changes. However, many of the participants of the price policy process have argued, either implicitly or explicitly, that in some sense agriculture is unique and therefore exempt from this theoretically postulated behavior. Much of the confusion and bitterness of the postwar price policy debates can be attributed to the fact that economists have not been able to adequately explain farmer behavior, either individual or aggregate, during periods of falling prices. Economists had dealt with the question of why agriculture "seems" to behave somewhat differently from other industries, but the theoretical explanations of the landmark studies, prior to mid-1950's, were obviously inadequate. 74

Since the mid-1950's the explanation of the supply function has been greatly extended. Several economists have been involved, but the work of two individuals stand out. Willard W. Cochrane's brilliant analysis of the role of technology as a shifter of the supply curve has had a profound effect on attitudes toward agricultural supply both

<sup>74</sup>Two major studies were: John D. Black and John K. Galbraith, "Maintenance of Agricultural Production During Depression: The Explanations Reviewed," <u>Journal of Folitical Economy</u>, XLVI (June, 1938), 305-23; D. Gale Johnson, "The Nature of the Supply Function for Agriculture Products," <u>American Economics Review</u>, XL (September, 1950), 539-64. For a terse but good survey of past attempts to explain the supply function see Glenn L. Johnson, "Supply Function—Some Facts and Notions," <u>Agricultural Adjustment Froblems in a Growing Economy</u>, eds. Earl O. Heady et al., (Ames: Iowa State University Press, 1958), esp. pp. 74-76. This article also sets forth Johnson's own landmark contribution.

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within and outside the profession. The fixed assets theory developed by Glenn L. Johnson is also of landmark proportions, and may well prove to constitute the final link in the chain of explaining agricultural production behavior.

These and other related works are only now being integrated, and much disagreement still exists, but certainly economists are in a much better position today than at any time in the past in regard to their ability to explain the supply response in agriculture. Dale E. Hathaway, whose own work has contributed significantly to understanding the whys and wherefores of agricultural production, 77 makes one of the best integrated statements of the efforts to explain the disequilibrium in agriculture. He identifies five key characteristics of agriculture and their significance in regard to agricultural production:

Several characteristics of the agricultural industry now have been discussed. They are: (1) a highly inelastic demand for products; (2) a low income elasticity for products; (3) rapid rates of technological change which increase the physical productivity of certain inputs; (4) a competitive structure; and (5) a high degree of asset fixity which reduces resource mobility from the industry. No one of these characteristics is unique to agriculture, nor would any one of them alone suffice to explain the large and extended disequilibrium in agriculture. The combination of characteristics does appear

<sup>75</sup>Cochrane's fullest and most complete statement is to be found in his book, Farm Frices, Myth and Reality (Minneapolis: University of Minnesota Press, 1958), esp. Chapter V, "The Agricultural Treadmill."

<sup>76</sup>Johnson's writings are scattered, but the core of his theory is to be found in his article cited in footnote No. 74 above.

<sup>77</sup>See, e.g., "Agriculture and the Eusiness Cycle," <u>Policy for Agriculture</u>, pp. 51-76, and "Agriculture in an Unstable Economy Revisited," Journal of Farm Economics, XLI (May, 1959), 180-85.

<sup>78</sup>Government and Agriculture, Chapters IV and X.

to be unique to agriculture, and the combination will explain a large and persistent disequilibrium... unless at least some of these characteristics are substantially altered total output will not contract and may even expand, despite falling product prices and low earnings on fixed assets. 79

Opponents of free market pricing had long argued that agriculture was somehow unique and, therefore, production would not respond to price changes in accordance with traditional economic theory. As the above statement by Hathaway suggests, these laymen, although they weren't able to present a sophisticated theoretical justification, were basically correct. In short, many laymen, arguing from common sense observation, were right on this issue long before the economists.

Somewhat the same situation has existed in respect to the question of just how far prices would fall if government guarantees were to be removed.

Price and income projections.--One of the truly amazing features of the studies, critiques, and hearing which had grown in massive profusion since the inauguration of the postwar price policy, is the almost complete absence, prior to about 1960, of competent, generally creditable estimates and projections of agricultural price and income under varying price and control policies.

Information of this type was certainly crucial to the decisions that participants had to make about price policy. Thus the subject was endlessly and heatedly debated. But, for the most part, these debates dealt in broad generalities and emotional polemics. The National Farmers Union and the Grain Terminal Association, a Union cooperative, made

<sup>79</sup> Ibid., pp. 126, 128. Italics mine.

attempts to deal with specifics but their studies lacked sophistication and independence. The fact that USDA economists produced little in this area is partly attributable to the Eisenhower Administration's increasingly strong commitment to free market pricing, and its general faith that prices and incomes would hold up reasonably well under such conditions. Land-Grant economists did not show initiative in this area partly because, where they were concerned about price policy, their energies tended to be focused more on describing the effects of high price supports rather than the effects of low support or free market prices. Another reason for the dearth of solid information in this area was that economists simply hadn't developed the sophisticated technical tools necessary for detailed and creditable price estimates. Such work requires highly refined detailed knowledge of demand and supply schedules, massive and accessible basic data, and highly refined theoretical tools. Until the latter part of the 1950's these conditions were rather lacking.

An important consequence of this paucity of creditable information was that a participant could take any number of positions on the possible effects of various price policy proposals and sincerely and properly claim that his supporting evidence was as good as the evidence used to back quite different claims. Given the state of knowledge about the economics of agricultural production and demand, a neutral and objective observer would have been forced to conclude that both the Administration's position that the effects of moving the price props toward the free market level would not be unduly disruptive, and the position taken by the Administration's critics that such a move would have calamatous results, were

equally plausible. It also meant that the paralyzing uncertainty which plagued many of the participants not committed to either position was quite justified.

In this sert of partial information-vacuum, bitter disagreement and confusing uncertainty abounded, and political and value differences were considerably magnified. This is not to say that had better information been available there would have been no technical or political conflicts. In the area of public policy technical knowledge can seldom be that persuasive. But surely the debates would have been different. This is demonstrated by noting the effect of the publication, between 1959 and 1901, of several competent and detailed price and income projection studies.

In 1959 a group of Iowa State University economists concluded that had it not been for the price support program total net farm income would have been a whopping 33 percent lower during the previous five years than it actually had been. Shortly after the Eisenhower Administration proposed the abandonment of the parity price support system, Senator Ellender, Chairman of the Committee on Agriculture and Forestry, requested studies, involving the Senate Committee's staff, Walter Wilcox of the Library of Congress, Department of Agriculture economists, and a committee of the Land-Grant Colleges, aimed at projecting farm price, income, and output over the 1960-65 period under a program of "orderly" transition to free market pricing and no production

<sup>80</sup> Wallace's Farmer, December 19, 1959.

controls. Two other important studies on this subject were published in 1961.

The results of these studies was sobering. It was estimated that by 1905 corn and wheat would be selling at less than a dollar a bushel, cattle at about fifteen cents and hogs at ten cents. Total net income to agriculture would be down as much as 40 percent. Net cash receipts of a typical corn-belt farmer would be off 37 percent. Net cash receipts to the average commercial wheat producer would be down 60 percent. Moreover, Hathaway estimated that under such conditions the value of physical assets in agriculture would be reduced "by some \$00 to 180 billion." Because rising land values have been one of the strong points in the agricultural economy such a devaluation would have disastrous impact.

farm program had caused an increasing number of individuals and groups (for example, the Eisenhower Administration and its major farm ally, the American Farm Bureau Federation) to call for an abrupt return to the free

along with Senator Ellender's requesting letters are in U. S. Congress, Senate, Farm Price and Income Projections 1960-65, Under Conditions Approximating Free Projection and Marketing of Agricultural Commodities, Report from the U. S. Denartment of Agriculture and a Statement from the Land Grant Colleges IdM-1 Advisory Committee, Senate Document No. 77, 86th Cong., 2nd Sess., 1960. The Wilcox study is in <u>Economic Policies for Agriculture in the 1960's</u>, "Agriculture's Income and Adjustment Problem," pp. 1-19.

<sup>82%.</sup> A. Cromarty, "Free Market Price Projections Based on a Formal Econometric Model," <u>Journal of Farm Economics</u>, XLIII (May, 1961), 365-78; Arnold Paulsen and Don Kaldor, "Methods, Assumptions and Results of Free Market Projections for Livestock and Feed Economy," <u>ibid.</u>, pp. 357-64.

<sup>83</sup>Government and Agriculture, p. 243.

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market. The refrain "get government out of agriculture" grew in volume and shrillness. However, the publication of the above studies soon acted to take much of the wind out of this movement. This did not mean that all abandoned the idea of ever restoring free market pricing. But it did mean that virtually no one any longer supported such a return without a fairly long and effectively controlled transition, and without the use of other devices such as massive (and expensive) land retirement programs, aimed at cushioning the blow that most now recognized would be extremely severe if price guarantees were to be withdrawn.

The surplus. -- The above studies reflect the fact that by the latter part of the 1950's the economists had come to recognize that the surplus capacity in agriculture was large and characteristic of virtually the entire agricultural plant, rather than small and limited to the few supported commodities, as has been assumed for so long. The view of a relatively small, limited, and temporary surplus had been held by most of the other participants as well. Ironically, on this technical question where consensus was greatest, all were basically wrong.

but the consensus on this point did not promote agreement, it acted to sharpen the conflict. Belief that the surplus was temporary and limited was a foundation stone in the Eisenhower Administration's position that a lowering of the support toward free market levels would effectively correct the surplus problem without hardship to farmers; farmers could shift their production to other commodities and maintain their

<sup>84</sup>The Farm Eureau, for example, still talks about a return to the free market, but after the publication of these studies it retreated from its position of an abrupt withdrawal that it had taken in 1958 and 1959. Furthermore, it has come to place ever greater importance on a massive land retirement program. The Bureau has been reluctant to put a price tag on such a program, but it would involve several billion dollars annually.

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income position. The Administration's opponents seeing the surplus as limited and temporary were renewed in their belief that an equilibrium could be restored by holding production in line with traditional control methods until demand caught up with supply.

because the surplus is large and not limited to only a few commodities, a removal of price guarantees would generate a wholesale price decline not limited to those commodities that have been protected. Thus farmers would be unable to protect their income position by changing their production patterns as the Administration assumed. The Administration's opponents were confident that the lowering of supports would not solve the surplus problem and were convinced that such an approach would have disastrous effects. This is not because they grasped the true significance of the nature of the surplus problem. But, although they may not have had an adequate explanation they were closer to being right on the ultimate effects of free, or nearly free, market pricing than any of the other participants, as the recent studies have since demonstrated.

## The 1960's

If for no other reason than it has become customary to do so, political observers in 1960 reported that "regardless of which party wins the Presidency, a new farm program seems certain to evolve." There was, of course, good evidence to support such a prediction. The growing dissatisfaction with the existing farm program and the swelling demand for a break in the frustrating stalemate of the post-Korea years forced each party to pledge to try to achieve a breakthrough in agricultural

<sup>85</sup>J. H. Carmical, New York Times, July 17, 1960.

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policy. Richard Nixon declared the farm dilemma to be the "toughest and biggest problem confronting America today." Senator Kennedy stated that "no domestic issue in this election is more important than the farm issue."

The position of both candidates was clearly influenced by the growing recognition that there were no quick, easy, or cheap solutions. Nixon, although going to great effort to dissociate himself from Mr. benson, emphasized the traditional Republican "free enterprise" theme, calling for a continuation of moderate supports and controls for the transitional period after which controls would be lifted and government would intervene in the market only to stabilize free market prices. To make this possible, however, the surplus problem would have to be licked, and to do this he called for a massive land retirement program, which his supporters estimated would cost about a billion dollars a year above the current programs. Senator Kennedy, following traditional Democratic line, emphasized high parity prices, and particularly the achievement of parity income for family farmers. Also, leaning on past tradition, he stressed production control, but he broke new ground by making it the heart of his program.

The supply-management approach, about which Mr. Kennedy generalized during the campaign, became the centerpiece of the new Administration's approach to the farm problem. The traditional acreage restrictions

<sup>86</sup>Speech in Minot, North Dakota, June 21.

<sup>87</sup>Speech in Des Moines, Iowa, August 22.

<sup>88</sup>New York Times, September 25, 1960, p. 10E.

were to be largely supplanted by units-of-production controls. Each farmer would be assigned specific "bushel, bales, barrels" allotments in addition to, or in place of, the old acreage allotments. Moreover, and this was the most novel and most controversial part, the controls were to be made mandatory for all farmers, enforced by fines and penalties. Under the traditional acreage and quota system the farmer always had the option of not participating in the control program. No such option would exist under the Administration's proposed programs.

The intellectual father of the supply-management program was willard w. Cochrane, an agricultural economist from the University of Minnesota. Cochrane had been Governor Crville Freeman's farm expert, he was a Kennedy advisor during the 1960 campaign, and after the inauguration was named director of agricultural economics in the Department of Agriculture. Not since 1933, when several agricultural economists were major architects in the construction of the New Deal's first farm program, have the ideas of an economist been so critical in the development of new policy proposals.

Two factors explain Cochrane's critical role. First, because of the growing frustrations with old programs, policy makers were highly receptive to new ideas. Many were desperately hoping for a "Moses" in the form of an idea or a person to give agricultural policy a new sense

<sup>89</sup>Although the general supply-management approach was almost solely Cochrane's he was assisted by other economists in the development of specific policy proposals. Most notable was John A. Schnittker, of Kansas State University, who went to Washington as Cochrane's second lieutenant, then replaced him as the Secretary's chief economic advisor in 1964 when Cochrane returned to academic life. He was named undersecretary of agriculture in April, 1965.

of direction. Second, Cochrane was virtually the only economist in the postwar era to offer a proposal of substance which broke from the hackneyed nostrums of free market pricing, compensatory payments, speeding up the out-migration of farmers, etc., that his colleagues had been offering up year after year.

Actually Cochrane's major contribution was not the supplymanagement proposal itself, for the idea of tight effective controls had
been tossed around for some time. Rather his contribution was in his
new approach to the analysis of the agricultural problem. His landmark
book, Farm Prices, Nyth and Reality, published in 1958, challenged traditional economic theory shibboleths about supply responses to price,
and constructed an analytical framework which dramatically focused attention on one of the most important features of postwar American agriculture,
the technological revolution. The dogma that Cochrane challenged was the
belief that agriculture was capable, given some temporary emergency
assistance, of adjusting to an equilibrium—the "Myth of an Automatically
Adjusting Agriculture" as he dubbed it. 1 reality, he argued, under
free market pricing, agricultural production could be brought into equilibrium with demand only after a wholesale reorganization of agriculture had

<sup>90</sup>His general proposal is set out in Chapter VIII of his book, Farm Frices, and in "Some Reflections Upon Supply Control," Journal of Farm Economics, XLI (November, 1959), 697-710.

<sup>91</sup>As Cochrane emphasized there was no necessary connection between his economic analysis and his policy proposal. But given his value commitments and his belief that the nonfarm public was approaching the end of his willingness to pay for the costly farm programs, the proposal followed quite logically.

<sup>92</sup>Farm Prices, p. 10.

occurred, including the virtual elimination of the family farm.

Cochrane argued that the disequilibrium in agriculture was chronic, not temporary; aggregate agricultural production is always expanding, and expanding faster than aggregate demand. Agricultural output constantly expands since, due to the competitive structure of agriculture (several million small-unit family farms), the individual farmer is a price taker. The individual farmer knows he can't influence the price he gets, so he tries to protect or increase his income by adopting new technology to lower his per unit cost. But these new technologies also increase output and, as other farmers inevitably adopt the same techniques, total output increases. This increase in the face of an inelastic demand, forces prices down to where the temporary gains are wiped out. Caught in a price-cost squeeze, the farmer again seeks to lower his cost and again the results are the same:

The average farmer is on a treadmill with respect to technological advance.

In the quest for increased returns, or the minimization of losses, which the average farmer hopes to achieve through the adoption of some new technology, he runs faster and faster on the treadmill. But by running faster he does not reach the goal of increased returns; the treadmill simply turns over faster. As the treadmill speeds up, it grinds out more and more farm products for consumers. 93

The treadmill keeps turning and turning because a constant flow of new technologies is virtually assured by the work of agricultural scientists in the land-grant colleges, governmental research agencies and in private enterprise. 94

<sup>93&</sup>lt;u>Itid.</u>, p. 96.

<sup>94</sup>Any work which challenges traditional dogma inevitably attracts controversy. Cochrane's work was no exception. His economic analysis, of course, is onen to criticism. He probably imputes too much of the

Cochrane's picture of a totally inelastic supply curve constantly shifting to the right faster than the totally inelastic demand curve showed that constant downward pressure on farm prices should be expected. This meant that free market pricing would be disastrous, and that the traditional support and control programs would continue to be extremely expensive, an expense which he thought the public would not much longer be willing to bear. Thus he saw two alternatives:

Given the general situation in agriculture described by the theory of the treadmill, and the decision by all of society to discontinue or reduce materially the treasury cost of price and income support in agriculture, commercial farmers are confronted with an inescapable choice; they can either choke off the rate of aggregate output expansion through widestread losses and business failure under the free market approach, or bridle the rate of expansion by the wide spread acceptance and use of production and marketing controls. These are the alternatives, unless all society is willing to continue to underwrite the treasury costs of price and income support in agriculture. 95

increased output in recent decades to technology. He correctly observes that farmers will continue to acquire new technologies in the face of falling prices but fails to give an adequate explanation as to why they do so. The theories of Glen L. Johnson, developed almost simultaneously, help to fill the gap at this point. For a fairly balanced criticism of Cochrane's economic analysis and his proposed control program see Hathaway. Covernment and Agriculture, Charters IV and XII, passim. A great deal of the criticism of Cochrane by his fellow economists has been purely on value grounds. Although identified with the "new" economists he didn't really fit the mold of either the contemporary left or the right in economics. What made him different was his value orientation, which was basically that of a liberal, somewhat romantic, agrarian. He unabashedly expressed his commitment to the family farm goal, for he thought it a valuable social institution which should be saved if at all possible (pp. 129-31). More significantly, he committed near heresy by saying that while he was not opposed to technological advance he did not want it to occur at a "more rapid rate" (p. 132), and once referred to the technological explosion as a "monster" requiring a "new dimension in agricultural policy" (p. 159). For such sentiments he was branded, by one reviewer, as being against "progress" and as standing "against the trend of the last several hundred years. the thing that differentiates man from the animals and plants, and in my opinion the survival of the United States as we know it." George Brinegar, Journal of Farm Economics, XL (August, 1958), 768-769.

<sup>95</sup>Farm Prices, p. 178.

The new Administration saw the supply-management approach as a means to "raise farmer income and preserve the smaller farmers while reducing government surpluses." As originally envisioned by the Administration, virtually all commodities would be brought under the strict control system. However, the new system was not to be imposed immediately. In 1961 Fresident Kennedy asked for legal authority to set up the control system on a commodity basis after producers in each group had approved by referendum. The proposed program would then be submitted to Congress for endorsement or veto. This first Administration proposal was killed in the congressional agricultural committees. In 1962 the Administration dropped the farmer-committee approach and asked for authority to impose tight controls on dairy products, feed grains, and wheat. Congress rejected the dairy and feed grain proposals but accepted one for wheat.

The Administration's proposals had the support of the National Farmers Union, the Grange, and most of the commodity organizers. But opposition was intense from the start. The American Farm Bureau Federation and the livestock associations were adamantly opposed. Most Republicans were also. Part of the opposition was derived from factors of pure economic self interest. The Midwestern livestock-feed grain regions were opposed because the proposed program would limit the amount of feed that could be locally produced and fed and would raise feeding costs. Some Southerners were skeptical of the dairy and feed-grain provisions because of the recent expansion by Southern farmers into those areas. Many urban Democrats were opposed, at least initially, fearing higher food prices. 97

<sup>900.</sup> S. Agricultural Policy in the Postwar Years, pp. 48-49.

<sup>97</sup>Nearly all the urban Democrats who voted against the 1961 proposal supported the Administration in 1962, <u>ibid</u>., p. 52.

The traditional rivalry between Congress and the Executive also was involved. This was particularly important in the 1961 proposal which would have sharply limited Congress' role in policy formation and given to the Secretary of Agriculture the dominating role. This was also a factor in the Farm bureau's opposition. Its influence would have been substantially diluted under such a system.

But the over-riding reason for the opposition was ideological.

Because of their value orientation virtually all Republicans and a good number of conservative Democrats were opposed to such a wholesale expansion of the Federal government's power to control personal and economic freedom. The Republican National Committee branded the proposals as "socialist philosophy."

The president of the Farm Eureau saw it as "regulated peasantry."

General Eisenhower indicated that he would "rather go to jail" than comply with the controls.

The Administration persisted in its efforts. In 1962, with CCC costs breaking new records, Congress approved a tight control program for wheat, where the surplus was the greatest. The program was subject to approval in a referendum of wheat growers in the spring of 1963. Farmer approval of the program would have likely paved the way for extension of similar controls to other areas. The stakes were high and the pre-election campaign intense. The Administration with the vast resources of the Department of Agriculture and most of the affected farm

<sup>98&</sup>lt;u>Ibid</u>., p. 51.

<sup>99</sup>U. S. News & World Report, June 21, 1961, p. 80.

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organizations asked the farmers to vote "yes." The Farm Bureau in a massive campaign called for a rejection.

With a two-thirds majority needed to approve the program the small, 48 percent "yes" vote represented a major defeat for the Administration and effectively killed, at least for the immediate future, the rigid-control approach. Roderick Turnbull after reviewing the proceedings of annual conventions of Midwestern farm organizations in the fall of 1963 noted that the principal effect of the wheat vote is that all organizations apparently now admit that farm programs to be accepted by farmers must be voluntary in nature.... This doesn't mean they /farm organizations 7 all believe in the voluntary approach. They just accept it as a fact of life, for the time being at least." Willard Cochrane, who had seen his brain-child hacked to pieces in Congress and finally thrown out the window by the wheat farmers, ruefully concluded that "farmers will not accept collective, mandatory control programs that have the purpose of reducing program costs; but they are happy with a voluntary type program, where they are free to choose the option of reducing production if it is to their personal advantage."

The wheat farmers in voting "no," voted their hearts more than their pocketbooks. Under the law, the rejection of the rigid controls and high supports was to result in prices supported at 50 percent of parity with the old controls retained. The financial differences were considerable, as a Western Kansas banker says he tried to point out, but without success: "I tried to get them to take a piece of paper and figure

<sup>100&</sup>quot;Frograms Must be Voluntary," <u>Kansas City Star</u>, November 24, 1963.

<sup>101</sup> Kansas City Star, February 14, 1965, p. 5G.

out what a 'no' vote would mean, but they didn't want to do that. They hollered about losing their freedom." 102

This has to be qualified to the extent that many farmers, as Walter C. Fierce, president of the Kansas Farm Bureau observed, <sup>103</sup> believed that Congress would step in with intermediate legislation rather than allowing supports to fall to the 50 percent of parity level. <sup>104</sup> In effect, the farmers "struck a blow for freedom on May 21, but not complete freedom."

As the result of the wheat referendum, the Administration's hope of a breakthrough in policy was thwarted, just as all such efforts—whatever their direction—to break out of the traditional pattern had been stymied since 1949. However, a minor but significant change was achieved in 1964 when Congress passed wheat legislation setting up a combination two—price plan (a 90 percent of parity support for allotment—wheat designated for domestic use and a lower support for export wheat), and compensatory payments. The compensatory payments were in the form of cash certificates paid for by the wheat processors. Actually programs such as this have been proposed in various forms ever since the late

<sup>102&</sup>quot; Wheat Farmers' Revolt," <u>U. S. News & World Report</u>, June 3, 1963, p. 42.

<sup>103</sup> Kansas City Star, June 9, 1963, p. 9E.

<sup>104</sup>Samuel Lubell thinks that this was a major factor in the vote. Farmers were "bargaining;" they expected new legislation with moderate controls and fairly high supports. "Press Release," May 24, 1963, supplied by Mr. Lubell.

<sup>105&</sup>lt;u>U.S. News & World Remort</u>, p. 41. For a statistical interpretation of the vote see Lynn M. Daft, "The 1963 Wheat Referendum," Journal of Farm Economics, XLVI (August, 1964), 588-599.

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1920's. However, they have now become enacted into law. And, although still limited in coverage, they may be extended to other commodities.

The price and control policy debates since 1961 have occurred against a somewhat different background and have differed in several important respects from the 1954-00 debates. The fact that the Democrats have controlled both the White House and the Congress has given the debates a firmer sense of direction, if not actual accomplishments. The fact that the farm income situation has been stabilized and improved slightly has eliminated some of the crisis atmosphere that affected the previous period.

There also seems to have been a subtle but significant change in the attitude on the part of many participants toward the problem at hand. When the post-Korea debates began the leading spokesmen for each of the major opposing camps were quite confident that they had the right answers. By the end of the decade that confidence had been partially shattered:

'I admit I don't know what should be done' says a don't-quoteme GCP wheat-state Senator. Vermont's George Aiken, ranking Republican on the committee and longtime farm policy specialist, shakes his head in confessed bewilderment. Louisiana's Allen Ellender, agricultural committee chairman, mutters, 'I wish I knew.'100

As a result congressional policy makers entered the new decade with a certain humility and a heightened receptiveness to new policy proposals. 107

<sup>106&</sup>quot;Stumped Experts," Time, March 2, 1959, p. 10.

<sup>107</sup>This sense of discouragement was widespread among farmers also. Samuel Lubell reported that in 1959, for the first time since 1950, he found "that a sizeable majority of farmers confessed they thought there might be no solution at all to the farm problem." He reported that in sharp contrast to the past "not a single farmer could offer even a crackpot solution to the surplus problem." "Press Release," August 4, 1959, supplied by Mr. Lubell.

More importantly, by 1961 enough empirical and theoretical evidence had been accumulated that most participants were forced to come to grips with the fact that virtually the entire agricultural plant was producing in surplus and that this surplus was large. Recognition of this fact had considerable impact on the behavior of the participants and on the course of the policy process. For example, no longer could participants seriously quarrel over whether or not the surplus problem could be solved safely through a return to the appealing simplicity of the free market. The growing consensus among economists that a removal of price props would have calamitous effects eliminated this technical-belief conflict which had so plagued the policy process during the previous eight years.

The growing recognition of the extent of the problem made it possible for the supply-management approach to be seriously advanced. But the accumulation of technical data, on which the supply-management program was predicated, did not, of course, assure its enactment. Although most of the participants had come to agree that the surplus was large they did not agree on what to do about it. The supply-management proposal generated a deep seated and intense value conflict. It is this conflict which has been the dominating feature of the farm debates in the sixties. It does seem apparent, however, that this greater understanding of the surplus problem has been a contributing factor to the new direction in price policy that has begun to emerge since the wheat referendum.

The deepening awareness of the complexity of the farm illness also seems to have had a quieting effect on the interested nonfarm public.

By the end of the decade public criticism of the stalemate between the

Administration and the Congress, and the failure to "solve" the farm problem had climbed to a fever pitch. Despairing comments such as the following were not uncommon:

The price support program is like Prohibition. It isn't working. It is unfair and terribly expensive. But our government doesn't deal with the problem. It is a kind of break jown of democracy. 108

This is not pretty. It implies that U. S. politics, perhaps democracy itself, isn't equal to the obvious demands of a technological age.... The repute of our political system is at stake. 109

To a large extent this crescendo of criticism was predicted on the rather widely held assumption that if the policy makers would just rise above narrow (olitical interest a solution could be easily fashioned.

Lut despite the fact that no "solution" has been found, despite the fact that the stalemate persists, despite the fact that net budget expenditures of the USDA have recently averaged about \$7 billion a year, up about \$2 billion from the 1954-60 period, we find little of the type of criticism that characterized a considerable portion of the urban press during the last half of the fifties.

Several factors are involved. First, in terms of legislative accomplishments, Crville Freeman hasn't been much more effective than Ezra Taft Benson, but he has been an infinitely better public relations man. Where Benson talked about agriculture as the country's No. 1 problem, Freeman has talked about agriculture as the country's No. 1 "success story." Secondly, the whole American political climate has changed enough to shift some of the attention away from agriculture. Editors

<sup>108&</sup>quot;Third Largest Expense," <u>New Republic</u>, June 8, 1959, p. 2. Italics mine.

<sup>109&</sup>quot;Farmers and the Space Age Budget," <u>life</u>, January 27, 1958, p. 25. Italics mine.

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have found that such matters as the New Frontier, the Cubas and the Viet Nams, and the Negro revolution were more in need of their solemn advice than matters agricultural.

But probably of greater importance was the recognition that while the old rrograms didn't solve the farm problem their dissolution would have had an intolerable impact on agriculture. By 1961 no one could seriously arque, as the Eisenhower Administration had taken to arguing during its last days, that the old programs were helping only the relatively few very large farmers. This, plus the recognition that there is no quick and simple solution to the problems plaguing agriculture, has had a sobering effect. For example, in 1960 the U.S. News & World Report, in telling the "real story of the perennial farm problem," concluded that "there is much more to it than politics." Roughly translated, the writer was admitting that there is more to this thing than self-seeking liberal politicians trying to curry favor with the voters by trying to enlarge the powers of Big Government. In short, by that time, much of the public could agree with Mr. Nixon that the farm problem "requires the most creative and imaginative thinking the nation can produce," while sympathizing with him for not having any of the "creative" ideas he was calling for.

Another effect of the accumulation of "new" knowledge, which seemed to reach something of a climax during the period roughly from

<sup>110&</sup>quot;Cne Problem that has Both Parties Stumped," August 1, 1960, p. 79.

<sup>111</sup>Speech at Minot, South Dakota.

1957 to 1902, was to dull the cutting edge of the economists' criticism. Not only has there been a slackening in the nonfarm public criticism, but the criticisms by economists have also been muted; the former fact is undoubtedly, to a certain extent, the product of the latter.

The slackening in the criticism by the economists may be due to a greater political sophistication on their part, or to the type of wearied resignation suggested earlier. But most importantly, it is due to the almost simultaneous recognition that (1) an abrupt removal of the price props would generate more problems than it solved, and (2) that the traditional programs had not, in fact, created the great problems that the economists had so long predicted they would.

According to the solemn warnings of the late 1940's and early 1950's, Congress' myopic persistence in retaining the old program should have produced, by 1960, an American agriculture characterized by vast allocative inefficiencies, stagnated technology, and populated by millions of farmers who otherwise would have long since moved to the city, where they would have found a better life and by their leaving made it better for those remaining in agriculture. In addition, world trade would have been thoroughly disrupted during the interim.

Alas, none of these things came to pass. In no other sector of the American economy has the growth rate in productive efficiency been more rapid. Between 1950 and 1960 there was a net migration of 7.2 million people from the farm, and total farm population dropped by more than 30 percent. It is difficult to imagine how the rate of migration could have been faster. If the program had seriously hindered resource

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adjustment within agriculture no one seemed to be able to document it.

If world trade in farm products had been adversely affected it hardly seemed noticeable.

Histhaway was one of the first to specifically point out that the program could not be found guilty of all the old charges. 112 Others followed suit, many of whom had been around long enough to have taken part in drafting the prosecution's original set of specifications. 113 This is not to say that the economists now recommend the continuation of the old program. They do not, because by and large they do not see it as effectively dealing with the problems of agriculture. But they have recognized that the old program did not create the problems they thought that it would. And, furthermore, they have accepted the fact the problem of low farm income would have been much worse in the absence of the program.

## Temporary Folicy for a Fermanent Problem

Recognition that the surplus was large and extensive killed demands for an abrupt return to the free market and generated a series of proposed approaches—from supply-management on the one hand to massive land retirement on the other. However, except for the increased use of

<sup>112&</sup>quot;United States Farm Policy: An Appraisal," <u>Journal of Farm Economics</u>, XLI (May, 1959), 180-85.

<sup>113</sup>See for example, George E. Brandow, "In Search of Principles of Farm Policy," <u>Journal of Farm Economics</u>, XLIV (December, 1962), 1145-55; D. Gale Johnson, "Efficiency and Welfare Implications of United States Agriculture;" Walter W. Wilcox, "The Rationality of United States Agricultural Policies;" John A. Schnittker, "Discussion," <u>Journal of Farm Economics</u>, XLV (May, 1963), 331-358.

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diversionary payments and price support certificates, the political process has generated no fundamental changes in policy to deal with the income problem of commercial agriculture, even though that problem continues to exist and the cost of the old program remains high.

Unable to decide on a long-range, permanent program the participants have continued to renew the old program on a "temporary" basis.

President Johnson has called for a "fundamental examination of the entire agricultural policy" aimed at the development of permanent legislation.

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but it is unlikely that new permanent programs will soon emerge. Until the substantial majority of participants recognize that the problem is a permanent one, the possibility of a permanent program is remote.

Throughout the postwar period the agricultural policy process has produced makeshift legislation, in part, because the participants thought they were dealing with a temporary problem. The general recognition that the surplus problem is large did not bring a general recognition that it was permanent. Cochrane recognized that it was. Some congressmen and National Farmers Union leaders seem to have accepted this. But Cochrane is simply wrong when he says: "We know what the problem is in American Agriculture and we know what different courses of action will do in the way of coping with that problem. What we lack at the political level is the courage to take the action that is known and is required." He has lived with his own view that the disequilibrium is permanent long enough to see that view as orthodox, and makes the

<sup>114&</sup>quot;Farm Message," New York Times, February 5, 1963, 331-358.

<sup>115</sup> Letter to author, September 29, 1964.

rather natural mistake of assuming that all others also accept it as orthodox. But this is not the case. Most farm organizations, particularly the Farm Eureau, and probably most congressional participants still see the surplus as essentially temporary. While the list of economists who support this view is growing, it does not number a majority. Hathaway argues that "only a minority have accepted the view that it the disequilibrium is inherent in the economic structure of agriculture in the market economy." 116

The differences that divide the agriculture political community will continue to result in "temporary" legislation until a consensus is developed based on recognition that the technological revolution and the family farm structure of agriculture makes surplus production permanent rather than temporary. Until this view is accepted as orthodoxy by the majority of the economists, chances for consensus are slim. Even when the consensus develops, there is no guarantee that participants will agree on a permanent "solution." But underlying the differences that currently divide the agricultural community there is a commonality of basic political values and economic interests which would suggest that, with such an understanding, agreement is more likely than continued division.

Come other factor could force unified action—refusal of the nonfarm public to continue to pay for the "temporary" programs. This prospect has been a magging fear among the Agricultural interests for some time. The possibilities of such a revolt are discussed in Chapter XII.

<sup>116</sup> Government and Agriculture, p. 246.

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## CHAPTER XI

## THE CHALLENGE OF EFFICIENCY

"Surely the faster technology advances in any society, the better for that society...."

John D. Black!

"The fact is that the American farmers as a group are capable of producing themselves into bankruptcy, as many already have."

Harold D. Cooley<sup>2</sup>

A signal feature of post-world war II American agriculture is its productivity. Fewer farmers are producing ever greater quantities of agricultural commodities and on fewer total acres. From 1940 to 1963, while the farm labor force was reduced by almost half, total production of food and fiber was more than doubled. Farmers use about 15 percent less cropland today than they did in 1951-53, but, because per acre yields have soared by 35 percent, total crop production has increased by almost 10 percent. Total farm output in 1962, which was the highest

<sup>1&</sup>quot;Societal Obligations to and of Agriculture," <u>Problems and Policies of American Agriculture</u>, Iowa State University Center for Agricultural and Economic Development (Ames: Iowa State University Press, 1960), p. 73.

<sup>7</sup>U. S. Congress, House Committee on Agriculture, Food Costs--Farm Frices, Committee Print, 88th Cong., 2nd Sess., July 1964, p. vii.

<sup>30.</sup> S. Eureau of the Census, <u>Statistical Abstract of the United</u> <u>States</u>: 1964, pp. 242, 243, 643.

<sup>4</sup>Fact Book of y. S. Agriculture, Office of Information, U. S. Department of Agriculture (Mashington: U. S. Department of Agriculture, January, 1965), p. 24.

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in history to that time, was produced on fewer acres than at any time since comparable statistics have been gathered beginning in 1909. Since the latter part of the 1940's the number of animal units of breeding livestock has been rather constant, but total output has climbed as production per animal unit has increased by almost one fifth from 1951-53 to 1963.

Comparing 1900 with 1940, American farmers produce 92 percent more corn per acre with 86 percent less work per bushel, they grow 47 percent more wheat per acre, with 73 percent less work, and they get 57 percent more milk from a cow with 58 percent less work per gallon. In 1940 each farm worker produced enough food and fiber for himself and 11 other persons; in 1903 he supplied 31 consumers. "Productivity of the American farm worker in the 1950's increased by 5.4 percent a year. Output per man-hour in non-agricultural industry increased by 2.1 percent a year."

This spectacular increase in the productive efficiency of American agriculture is primarily the product of what is commonly called the technological revolution. And it is, indeed, a revolution in the fullest sense of the word. Not only has it produced great economic change, but great social and political change as well. It got under way about 40 years ago, but its force has been most dramatic during the past 15 years, and it continues to accelerate. The ingredients of the revolution are

<sup>5</sup>Kansas City Star, January 6, 1963, p. 111.

<sup>6</sup>Statistical Abstract, p. 642, and Fact Book..., p. 24.

<sup>7&</sup>lt;u>Ibid.</u>, pp. 46-47.

<sup>8&</sup>lt;u>Ibid.</u>, p. 45.

<sup>9</sup>Farm Costs--Farm Prices, p. 16.

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fertilizers, pesticides, livestock feed additives, improved cropping and feeding techniques, weed killers, improved crop varieties, and a host of other new efficiency increasing techniques. Improved crop varieties alone have accounted for about 12 percent of increase in wheat yields and about 20 percent of the increase in corn yields over the past 30 years.

because of the technological revolution, production has been growing faster than the demand for agricultural products. Because the public's demand for farm produce is virtually inelastic (the individual consumes very little more even though his income may be up and/or farm prices may be down), the unbalanced growth between production and population has created a constant downward pressure on farm prices since the early 1950's--down 18 percent from 1947-49 to 1963. How whereas the prices the farmer receives have declined, the prices of items he buys for general living and production requirements have risen, thus catching him in a painful price-cost squeeze. With a heavy commitment of productive resources that cannot be shifted to other uses the farmer has tried to protect his income position by adopting more cost-reducing technologies "as long as the family continues to farm." But this inevitably results in greater total production and, thus, continued downward pressure on

<sup>10</sup> John A. Schnittker, "The Response of Wheat Production to Prices with Emphasis on Technological Change," <u>Journal of Farm Economics</u>, XL (December, 1958), 1096, and Zvi Griliches, "Research Costs and Social Returns; Hybrid Corn and Related Innovations," <u>The Journal of Political Economy</u>, IXVI (October, 1958), 421.

<sup>11</sup> Farm Costs--Farm Prices, p. 5.

<sup>12</sup>Economic Policies for Agriculture in the 1960's, p. 5.

prices. As a result returns to agricultural resources have remained low and net incomes to farm families have been stagnated. For thousands of farm families, the price-cost scissors have cut too deeply and they have migrated to the city. The land they leave is consolidated into larger units making more efficient production possible, increasing total production even more.

In most forms of economic production the producer materially benefits from efficiency gains. However, in agriculture, because of the market structure, most of the benefits are lost in the form of lower prices. The consumer, not the farmer, is the greatest beneficiary. Thus is presented a great paradox; the farmer is penalized by his increased efficiency. His capacity to produce in great abundance is the cause of his scarcity of income.

This spectacular increase in efficiency has constituted a great challenge to the participants of the agricultural policy making process, and postwar agricultural policy has been dramatically affected by it.

## Technological Revolution and Policy Making

The myriad of statistical studies which now document the spectacular upsurge in agricultural productivity during the past two decades can be deceiving. The observer can become so engrossed that he fails to note that, generally speaking, the recognition of the efficiency revolution has been ex post factor ather than prescient. Participants in the late forties and early fifties were aware that agricultural productivity was increasing, but none, including the economists, anticipated the extent to which it would continue to grow.

In 1952, thirteen nationally prominent economists judged that the development and adoption of "improved farming techniques" had just about reached its peak. While they expected "certain progress both in equipment and farming methods" they saw no future increase in productivity comparable to the past twenty years. In 1954-55 a group of "scientists and economists met to appraise yield possibilities for each major crop in 1975." By 1963 actual yields for most crops had already surpassed the projected yields for 1975. As the economist Don Paarlberg noted, "The productivity of American agriculture continues to amaze most of us...."

The chronic failure to anticipate the upsurge in agricultural productivity continually upset the expectations of those policy makers who personally hoped that the traditional control program would hold production in line and relieve the pressure on the CX warehouses. But the reality of the revolution guaranteed that the program would not achieve the results that had originally been intended. Simply limiting acres would not limit production.

Take the example of wheat. During the 1930's wheat acreage and production climbed steadily, hitting a prewar peak of around 80 million acres planted and almost a billion bushels harvested in 1938. The growing production in conjunction with other factors forced prices down. 16 The

<sup>13</sup>Turning the Searchlight on Farm Policy, pp. 46-47.

<sup>14</sup> Fact Book..., pp. 25-56.

<sup>15&</sup>quot;Shortcomings in Current Explanations of National Farm Surpluses," Journal of Farm Economics, XXXVIII (December, 1956), 1708. Italics mine.

loHistorical Statistics of the United States; Colonial Times to 1957, p. 296, and Farm Costs--Farm Prices, p. 28.

projuction control provision of the Agricultural Adjustment Act of 1938 established a 62 million acre national allotment for 1939 through 1941. Frimarily because of this, seeded acreage was reduced by 18 million acres each year. With yields increasing only slightly, total production was cut by nearly 200 million bushels each year. 17 The reduced production contributed significantly to a rise in prices, and the incomes of wheat farmers were considerably improved. The recent record is quite different. With controls removed and under the stimulus of high war-induced prices farmers were again planting around 80 million acres of wheat by the early 1950's and producing somewhat over one billion bushels. Controls were imposed again in 1954, with a basic national allotment of 55 million acres in effect since 1955. Again, as in the period 1939 to 1941, wheat acreage has been correspondingly reduced. But in sharp contrast to the explier period, total production has not been cut. Although acreage has been slashed by around 10 percent from 1951-55, total production since 19t6 has averaged about 12 percent more. 18 Acreage yields, which during 1961-65 had been only slightly greater than in the previous ten years, jumped 30 percent in 1956-60 and another 7 percent in 1961-63. Thus the planners were confounded and the CCC was forced to purchase millions of bushels of wheat.

<sup>17</sup>John A. Schnittker, Wheat Problems and Programs in the United States, 1933-1960, Research Bulletin 753, North Central Regional Publication 118 (Columbia: University of Missouri, 1960), p. 15.

<sup>18</sup>Statistical Abstract, 1964, p. 650.

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wheat is but one example of what has happened across the board.

By continually underestimating the thrust of the revolution in productivity, the calculations of participants have inevitably missed the mark.

The high support block overestimated the potential for curtailing production via traditional controls. The low support group block underestimated the extent to which the inexorable upward thrust of total production would force down farm prices and incomes.

This underestimation of the growing flood of agricultural productivity goes a long way toward explaining why farm income has been consistently lower than expected, and why costs of efforts to bolster sagging farm income have been much higher than intended. Participants have been trapped between rising production on the one hand and falling prices on the other. About all they have been able to do is to hold on to the old program; a program which solves neither problem to anyone's satisfaction, but a program which will seemingly have to do as a stop-gap measure until a fundamental change occurs somewhere, somehow.

The challenge of the technological revolution goes deeper than simply past and present failure to adequately measure it. Its existence has created a great challenge to the participants in regard to what they can or should do about it. Agricultural policy makers, knowingly or unknowingly, have been caught up in a great dilemma, a dilemma which cannot be easily resolved, but which if not, will surely guarantee that agricultural policy will continue to drift in the foreseeable future much as it has in the past. To understand the nature of this dilemma it is necessary to discuss the meaning of efficiency and the general attitudes toward it.

The word efficiency is used in various ways. However defined, it is highly valued both as a means and as an end. Allocative efficiency (also called economic efficiency) concerns the utilization of scarce resources in such a way that, given the state of technology and resources available, the greatest total production is achieved. This is measured by the economic returns to employed resources. Feak allocative efficiency is achieved when returns to comparable resources are the same regardless where they are employed in the economy. Froductive efficiency (also called technical efficiency) states the ratio between inputs and output in the production cycle. The productive efficiency of an individual, a firm, an industry, a nation can be said to be increasing if the growth of outputs is more rapid than the growth of inputs. While not ignoring the latter, economists tend to be more concerned with the former. The public at large treats efficiency primarily in the latter sense, which it generally translates as technological advance. "Americans prize technological advance highly, expect it, and demand it in all segments of the econ-Apparently Americans often value technology in and of itself. More generally it is valued because of its contribution to economic progress.

Both allocative and productive efficiency are intimately tied up with the idea of <u>economic abundance</u> and high standards of living. Efficient allocation assures the greatest possible abundance from given resources

Also see Robin M. Williams, American Society: A Sociological Interpretation (New York: Alfred C. Knopf, Inc., 1951), Chapter XI, and almost any standard dissertation on American values.

and techniques. Growth in productive efficiency assures ever greater abundance. Expanding economic abundance may be valued as an end or as a means, but whatever the case it is closely associated with the notion of "progress."

Nowhere has the concern with economic abundance been stronger than in America. The economic wealth available to Everyman in the form of relatively cheap but productive land was seen by the eighteenth and nineteenth century American as one of the primary characteristics which made the New world infinitely better than the Old World. This economic base helped to make the American a free man, and his desire for social and political equality a reality.

was characterized by glaring inequality in wealth. Reacting to these inequalities many Americans, particularly the political left, became concerned with the redistribution of wealth, not simply the production of more wealth. But with the cataclysm of the 1930's even this changed. The Great Degression stalled the production processes and generated social chaos and economic deprivation. To revitalize the production process became an all important goal. Redistribution of income via welfare programs could be helpful and was demanded, but the over-riding concern became that of increasing production. Increased economic production became a panacea for all ills:

To increase production was to ameliorate unemployment, agricultural insecurity, the threat of bankruptcy to the small businessman, the risk of investors, the financial troubles of the states and the cities, even the wretched overcrowding which results when people cannot afford to own or rent their own homes and must double up. Scarcely a single social problem was left

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untouched. And within a few years after Keynes the level of production became the critical factor in war mobilization.... Here was perhaps the nearest thing to alchemy that had ever been seen in the field of politics. Increased production solved, or seemed to solve, nearly all of the social problems of the day. I

In the post-world war II era the dedication to the goal of increased production has been complete. A constantly expanding economy is supposed to solve economic insecurity and eliminate deprivation, but also to mitigate such things as racial discontent as well. Across the political spectrum politicians stress the need for achieving the fastest possible economic growth rate. Indeed, economic growth has become a central issue in the cold war. We have accepted Khruschev's challenge, confident that the Soviets can never "bury" us but, rather, that the flood of economic goods that they seek to generate will bury the communist ideology itself. And most believe that through the stimulation of the production processes of the poor nations, Communist dreams of expansion will be stymied.

general tradition placing a high value on abundant production, on the achievement of ever higher standards of living. This emphasis in eighteenth and nineteenth century agrarianism was dealt with in Chapter II. Albert S. Goss, former master of the National Grange, expresses a typical contemporary view:

We believe in an economy of abundance. Especially do we believe in an abundance of food and fiber, man's chief necessities. Every step of progress that civilization

<sup>21</sup>John K. Galbraith, The Affluent Society (Boston: Houghton Mifflin Company, College Edition, 1958), pp. 188-189. Italics mine.

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has made has been marked with increased consumption of goods and services, and, unless we produce these goods and services in abundance, we stop progress. 22

This production-mindedness is further reinforced by a belief--held less strongly today than in the past--that producing to the utmost of one's capacity is morally right, not to do so is morally wrong. This attitude stems, in part, from what one observer has called the "Work-Imperative," which derived from Puritan thought and influence. 23

The proponents of the family farm have also placed a high value on efficiency because they have seen it as an important instrument for promoting and preserving the family farm. As long as the family farm could be kept as efficient as non-family units, then its survival, if not assured, was at least greatly enhanced. It became a widely and persuasively accepted view that one of the best ways to "improve the condition of the farmer was by the simple process of teaching him 'efficiency'--how to grow two blades of grass where but one grew before:"

The "make-all-farms-efficient approach" today emphasizes not only the use of new technologies but the proper combination of resources and their management. 25

<sup>22</sup>U. S. Congress, Senate, Committee on Agriculture and Forestry, Hearings, Iong-Range Agricultural Policy and Program, 80th Cong., 1st Sess., 1947, p. 67. Italics mine.

<sup>23</sup>John M. Brewster, "Technological Advance and the Future of the Family Farm," Journal of Farm Economics, XL (December, 1958), 1596-1613; "Society Values and Goals in Respect to Agriculture," Goals and Values in Agricultural Policy, Iowa State University Center for Agricultural and Economic Adjustment (Ames: Iowa State University Press, 1961), pp. 114-37. Also see Arthur M. Schlesinger, "What Then is the American, This New Man," American Historical Review, XLVIII (January, 1943), for a description of what he calls the "work habit," about which he says, "probably no legacy from our farmer forebears has entered more deeply into the national psychology." p. 232.

<sup>24</sup>Henry C. Taylor, "The New Farm Economics," <u>Journal of Farm Economics</u>, XI (July, 1929), 362.

<sup>25</sup>Cochrane, Farm Frices, pp. 141-46.

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In his book, <u>Farmers at the Crossroads</u>, Ezra Taft Benson raised the distinctly loaded question, "Should Efficiency be Outlawed?" His answer, of course, was in the negative. He implied, however, that high government price supports and production controls did just that. Echoing the charge long used by economists, he argued that the program froze production patterns and trapped too many resources in agriculture and prevented "desirable adjustments to changing technology and shifting demands. This nearly always means less efficient utilization of resources than would occur under a system with less government control."

in justifying their demands for lower and more flexible price supports. This sparked an erratic and sometimes heated dialogue among the participants as to the importance and proper value to be placed on efficiency in policy determinations. This exchange was closely tied up with the charges and counter charges as to who was or was not defending the family farm as described in Chapter VIII. Although the oratorical excess is obvious, the general theme expressed by Senator Nubert Humphrey is fairly typical of the response by Administration critics:

We can look through the Cld Testament and the New Testament, the Sermon on the Mount, and the Ten Commandments; we can look through every book of holy Scripture, or the writings of Thomas Aquinas or John Locke, we can go back to the writings of Socrates and Cicero, and come down through the Declaration of Independence, the Emancipation Proclamation, and the Constitution of the United States, but we will never find the word "efficiency." That word has been made 'holier than thou' by the Republican National Committee.

<sup>₽6</sup>p. 40.

<sup>&</sup>lt;sup>27</sup>Ibid., pp. 40, 41.

Mr. Fresident, I have never defended the family farm on the basis that it can produce a commodity at less cost than a big oreration.... We do not seek efficiency as our main goal. We seek the good life: we seek a sound social structure and a good social order. 28

Lut just as the charge that the Eisenhower Administration was anti-family farm was basically groundless, so was the Administration's charge that the opponents of its program were anti-efficiency without any real basis in fact. As in the family farm exchange, the efficiency exchange brought out differences of emphasis within the agricultural political community rather than fundamental disagreements. The criterion of efficiency tends to loom larger in the minds of the conservative agrarians, who see the family farm primarily as an institution of free enterprise, than among the liberal agrarians who see the family farm first as a rural social institution and only secondly as a unit of free enterprise.

This difference of emphasis is not totally inconsequential. It has contributed to the divisions within agriculture. But the conflict is not a fundamental one. For example, from the debates of the 1950's one might have expected to hear less about efficiency in agriculture under Democratic Administrations in the 1960's. Such has not been the case. From the beginning the Kennedy-Freeman Administration endeavored to build a more favorable image of American agriculture—an image which it believed was baily tarnished during the Benson tenure. Reversing the Benson charges that much of the farm program was breeding inefficiency, the new Administration emphasized the marvelous efficiency of agriculture. The farmer

<sup>28</sup>U. S. Congressional Record, CII, 1956, 3581.

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was pictured as the "unheralded hero of the American economy." <sup>29</sup> Agriculture was repeatedly described as America's "No. 1 success story," because, in the words of Fresident Kennedy," as a provider of food and fiber, American agriculture is a highly successful and highly efficient industry. In no other country and at no other time in the history of our own farm economy, have so many people been so well provided with such abundance and variety at such low cost." <sup>31</sup>

This emphasis on the efficiency of the family farmer was a part of a public relations effort to improve his image and, thus, did not represent an obsessive concern with efficiency as such. But as a public relations theme it was well chosen, for virtually all relevant participants are for both the family farm and efficiency. While it may be true that Senator Bumphrey "never defended the family farm simply on the basis it can produce a commodity at less cost than a big operation," most defenders of the family farm have pointed with pride to the fact that the institution could produce a commodity as cheaply. Moreover, most participants, to date at least, have generally assumed that the preservation of the family farm is closely linked with its capacity to remain a reasonably efficient economic institution. Crville Freeman noted:

<sup>29</sup> New York Times, March 26, 1961, p. 49.

SCFor an elaboration of this theme by Freeman see U. S. Congress, Senate, Committee on Agriculture and Forestry, <u>Hearings</u>, <u>Hon. Crville L. Freeman, Secretary of Agriculture-Designate</u>, 87th Cong., 1st Sess., January 13, 1961, p. 13.

<sup>31</sup>Fresident John F. Kennedy, "Farm Message," March 16, 1961.

I believe the family farm system is worth preserving lecause it has social worth as well as economic value. But if we are <u>realistic</u>, we must recognize that the family farm will continue only if it is an <u>efficient</u> producer of agricultural products in terms of carrent scientific, technological, and management practices. 32

That the family farm must pass the test of efficiency is not a standard created by the present principal of the Department of Agriculture nor peculiar to him. He may state it a little more openly and forcefully than many charmions of the family farm care to do, but it is a test that generally has been accepted by all except the more romantic agrarians.

Fromoments of the family farm have stood by the efficiency test tecause they have always believed—and most still do—that it would pass the test. One of the key tenets of the family farm creed is that, while the family farm may need some assistance from government, it is just as efficient or more efficient than any other type of farm unit and that it will remain so. Typical of this belief is the judgment of the House Subcommittee on Family Farms:

This is not to manifest or intimate, however, that this rural order can be maintained solely for the values heretofore supplied. The <u>hard test</u> now is in the growing competition within agriculture due substantially to technical evolution. It is the judgment of this subcommittee that the family system of farming, in adequate production units, <u>can continue to be</u> the most efficient, the most economic, and the most satisfying operation in a prosperous agriculture.

Indeed, the family farm has been declared efficient by law; the preamble of the Agricultural Act of 1961 declares it to be "the policy of Congress"

<sup>32</sup>U. S. Congress, House, Subcommittee on Family Farms, <u>The Family Farm</u>, 88th Cong., 1st Sess., 1963, p. 141.

<sup>33</sup>U. S. Congress, House, Subcommittee on Family Farms, <u>The Family Farm</u>, 84th Cong., Committee Report, August 1, 1956, p. 23.

to...recognize the importance of the family farm as an efficient unit of production."

## Policies at Cross Furnose

The persuasiveness of the belief in efficiency as an end and as a means for assisting the family farmer is demonstrated by the continued emphasis on research efforts to develop ever more production-increasing technologies and educational programs to assure these new technologies are adopted by farmers. As Lauren Soth noted in 1957, "all officialdom and the major farm organizations are alike...on this point. The Farm bureau, the Grange and the Farmers Union all are in favor of increased appropriations for farm research...Secretary Benson asks for bigger funds for research in farm production at the same time he asks for a soil bank program to cut output. He complains that the high price supports passed by Congress provide incentives which work against the acreage limitation programs. But he seems not to see that new technology has the same effect." That assessment applies equally today.

Reflecting this widespread support, postwar Administrations have asked for increasingly larger research budgets, and the Congress has generously responded. From 1953 through 1960 the net budget expenditures of the Agricultural Research Service, the Department of Agriculture's chief research agency, <sup>36</sup> grew from \$81 million to \$175 million, an increase of 115 percent. Since 1960 ARS's expenditures have increased

<sup>34&</sup>lt;u>U. S. Statutes at Large</u>, LXXV (Washington: U. S. Government Printing Office, 1961), 294.

<sup>35</sup>Farm Trouble, p. 136.

<sup>36</sup>Research is also carried on by such agencies as the Agricultural Marketing Service, Forest Service, Farmers Cooperative Service, and Foreign Agricultural Service.

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60 percent, to \$278 million (est.) for fiscal 1965. About 20 percent of the ARS budget appropriations are transferred to the State agricultural experiment stations as grants-in-aid. The States generally match this with about \$3.50 for each \$1 received from the federal government, thus considerably expanding the total of public expenditures for agricultural research.

Thus you have the unusual situation of the government increasing—
ly concerned, since the Korean War, with trying to get farmers to curtail
their production on the one hand and on the other hand pouring more and
more money into programs which, by ultimately contributing to the increased
productivity of agriculture, make such control efforts all the more difficult and expensive and, to date, largely futile.

Through the institutions of the Department of Agriculture, the Land-Crant Colleges, and the Experiment Stations we have created in this country an enormously large and enormously effective apparatus for scientific research in agricultural production. Through the institutions of the Extension Service and the vocational education program the farmer has been informed of the technologies resulting from these research efforts and encouraged, even cajoled, into adopting them.

Finance, United States pepartment of Agriculture, March 21, 1960; Budget Extenditures, Fiscal Years 1957 through 1964, and Estimated 1965 and 1966, Office of Budget and Finance, United States Department of Agriculture, March 9, 1965. Not all the AAS extenditures can be charged to research as the agency administers several non-research programs. We do not have precise figures, but the increase in expenditures for actual research have generally paralled the upward trend in the overall budget of the ARS. The trend is also evident in the other agencies which engage in research.

<sup>38</sup> juestions and Answers on Agricultural Research, Agriculture Information Lulletin No. 224, Agricultural Research Service, U. S. Department of Agriculture (Rashington: U. S. Government Printing Office, 1960), p. 4.

<sup>39</sup>It also needs to be emphasized that not all the activity which is described as "agricultural research" has the ultimate effect of

In their inception these institutions were intended to "serve the interests of the family farmer." Generally speaking they have done so, without question the services of these institutions helped to strengthen the position of the family farmer against his potential competitors. Fowever, in recent years a great paradox has arisen. An ever more progressive family farm agriculture is an ever more productive agriculture. But the single greatest problem of family farm agriculture, as a whole, in recent years is not that it has been inefficient, but, in a very real sense, that it has been too efficient.

agricultural production. Decause this upsurge in production has outstripped effective demand, there has been a more or less constant downward pressure on farm prices and incomes. What was originally intended as subsidy to farmers has increasingly become a subsidy to consumers in the form of cheap food and fiber. A subsidy which once served to strengthen the family farmer now has become his stalking horse. The family farmer may well be buried beneath the growing avalanche of the commodities that the government has taught him to produce so effectively.

The basic tension between the efforts of the government to deal with the surplus problem--an effort which is intimately tied to the

increasing productivity. It is probably the case that non-production increasing research has taken a somewhat larger share than formerly. But again the basic trend is clear. More money and effort than ever before is being spent on research projects which will ultimately lead to greater production.

<sup>40</sup> Mayne D. Rasmussen and Gladys L. Baker, "The Department is Built," After a Hundred Years, The Yearbook of Agriculture, 1962 (Washington: U. S. Government Frinting Office, 1962), p. 7.

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family-farm policy goal--and the increasing expenditures and efforts aimed at increasing the productive efficiency of agriculture has not been totally unrecognized. As early as 1927 Henry A. Wallace suggested that it "would seem wise to take something of a breathing spell...in efforts along the lines of increasing agricultural efficiency...."

Rexford G. Tugwell pinpointed the dilemma in 1936:

All this has been done by Government aid--for research, for experiment, for education, and for extension work. No effort of the like sort ever got its results quicker or was more difficult to handle once the results arrived. For by it we have jeopardized the traditional family farm which is the only form of agricultural organization with which we feel secure.

He went on to point out that this

illustrates the dilemma which progress—or perhaps I should say change—always creates. It begins as one thing and ends up as quite another, creating problems of adjustment—usually unforeseen, and therefore difficult. Most of the difficulty lies in the fact that our minds have not been prepared to recognize new facts and the necessity of new accommodations.

He urged a major reassessment of the overall agricultural research program to take account of these "new facts."

Almost three decades later the "new facts" have not been generally recognized and the "new accommodations" have not been made. In the postwar period only a few scattered voices have raised questions about the rationale of continued increases in publicly subsidized agricultural research and education at a time when the albatross of

<sup>41&</sup>quot;Standards of Economic Efficiency in Agriculture and Their Compatibility with Social Welfare," Farm Income and Farm Life, Dwight Sanderson, ed., (Chicago: University of Chicago Press, 1927), p. 121.

<sup>42&</sup>quot;Down to Earth," Current History, XLIV (July, 1936), 36.

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surplus production has grown heavier and heavier around the neck of the farmer. One such voice was raised by Willard W. Cochrane. In an article published in 1959 Cochrane noted:

The time has come, I believe, to realistically appraise and analyze the allocation of research and educational resources among different sectors of the economy. Certainly economists who earn their keep fussing over resource allocation problems should be recentive to the study of another allocation problem. And certainly there is <u>rring</u> facie evidence of too heavy a concentration of new knowledge-creating resources in agriculture; the chronic surplus is not at "unduly high" farm prices and the constancy of conventional resources committed to agricultural production provides such evidence. Rational behavior in the field of agricultural policy suggests that careful consideration be given to a withdrawal of some research and educational resources from agriculture and their transference to other activities. This is not a case of turning the clock back. Nor is it a case of being against progress. Lut it is a recognition that there can be too many new knowledge-creating resources allocated to a particular sector of the economy--an allocation of new knowledge-creating resources that causes that sector to grow too fast relative to the expansion in demand for the products of that sector. 43

Not unexpectedly Cochrane found little support but considerable criticism among his professional colleagues. 44 Nor were his proposals received any more warmly after he became an economic advisor to Secretary of Agriculture, Crville Freeman. Cochrane described the reception given his proposals this way:

<sup>43&</sup>quot;Some Further Reflections on Supply Control," <u>Journal of Farm Economics</u>, XLI (November, 1959), 713.

<sup>44</sup>For comments addressed openly or implicitly to the questions raised by Cochrane see: T. W. Schultz, "Why Continue to Add to the Excess Capacity of Agriculture Through Research," The University of Chicago Office of Agricultural Economics, Research Paper No. 6107, May 15, 1961, prepared for the White House Agricultural Panel on Science and Technology, May 24, 1961 (mimeo); T. W. Schultz, "A Policy to Redistribute Losses from Economic Progress," Journal of Farm Economics, XLIII (August, 1961), 554-55; Earl C. Heady, "Public Purpose in Agricultural Research and Education," ibid., pp. 566-31, and Dale E. Hathaway, Government and Agriculture, pp. 311-12.

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In my role as Economic Advisor to Secretary Freeman I often suggested that we were spending too much on research and development in the production phases of agriculture. But I have to say to you that those ideas were never well received by anyone in the Department of Agriculture. There is a strong belief on the part of almost all Americans that research is good and more research is even better, and to suggest that we do less research and develorment work in the Agricultural Department is to profess a lick of faith in modern gragness. Thus it is fair to say that I never got anywhere with the politicians or the bureaucrats or the special interest groups with the idea that we should rerhans slow down or even reduce our research effort in agriculture. And since there is a limit to how many lost causes that an advisor can advocate regardless of how rational such causes may te, I eventually stormed trying to influence the inflow of research in development resources in agriculture. 45

no way a suggestion that we pursue a policy of inefficiency. A reduction and redirection of publicly supported research would be intended only to slow down the rate of productivity growth in agriculture. There are, of course, additional policy innovations that could be taken to stem the tide of production-increasing technologies into agriculture. But to date, none have been seriously advanced, and if advanced they would not likely be warmly received.

The failure of the agricultural policy makers to seriously come to grips with the paradoxical and immensely complicated problem of agricultural productivity is partly the result of the fact that economists

<sup>45</sup> Letter to author, September 29, 1964. Italics mine.

<sup>&</sup>lt;sup>46</sup>In recent years there has been a great increase in basic and applied agricultural research by private industry. Thus even if all public research were to be halted we would still be assured of a considerable flow of new technologies. Because of the continuing expansion of privately financed research the justification for continual increases in public research seems all the more questionable.

have only recently been able to measure its full force, and to explain the possible consequences for family farm agriculture. This failure is also the product of the persuasive belief that to tamper with efficiency is to tamper with progress, and the equally persuasive belief that the promotion of more efficient family farming is one of the test ways to assure its survival.

Correcting the drift in agricultural policy depends to a large extent upon a fundamental re-thinking of these notions. But such a reappraisal will not come easily. And without some rather dramatic development, such as a sharp downturn in the farm economy or a revolt among city voters, such a reappraisal is not likely to occur in the near future.

Fresident Johnson noted in his "Farm Message" in 1965 that "the farm program will be necessary as long as advance in agricultural technology continues to outpace the growth of population at home and at markets abroad." Implicit in this statement is a notion widely held among the nolicy making participants. It is the notion that the problem of excessive agricultural production is a tough but temporary problem. It is the notion that the technological revolution has just about spent its force and will soon taper off. Each year these beliefs are shown up as mere euphemisms, but each year they are renewed.

Given the present policy conditions, the flood of technology will continue, the surplus capacity of agriculture will persist, and the policy planners will continue to be confounded. We might cite one example to illustrate this. In 1957 John A. Schnittker, specialist on wheat problems and wheat legislation, and later a principal economic

<sup>47</sup> New York Times, February 5, 1965, p. 16.

advisor in the Kennedy and Johnson Administrations, noted that, while the development of improved wheat varieties had contributed greatly to the increase in wheat yields in the past, "varietal improvement" would not likely be a major source of yield increases in the foreseeable future. At about that time agricultural scientists at Kansas State University, where Schnittker was employed at the time, began work on the development of a hybrid wheat. Kansas State scientists announced in 1905 that the hyurid wheat, which "promises increases of 20 to 30 percent in yield," will be ready for "field use within three to five years." And, as the director of the experiment station noted, "hybrid wheat is certain to be adopted by all progressive wheat farmers." As

maxing roetic on one of his favorite subjects, the spoofing of the notion of perverse supply function in agriculture, Don Paarlberg once observed that:

A negatively sloped supply curve would be a kind of sorcerer's apprentice who keeps fetching water until everything is engulfed. Or it would be like the magic mill that was commanded to grind out salt and did so, the command to stop having been lost, until in time it turned the sea itself to salt. These concepts belong in our poetry and in our folklore, not in the councils where serious matters of farm policy are being resolved."50

whether or not there actually does exist a perverse supply function within the confines of the economists' theoretical definitions we do not know. But what is abundantly clear is that agricultural production has been increasing for the past fifteen years in the face of sagging prices. Discounting the end of the technological revolution as a pipe

<sup>48</sup> Journal of Farm Economics, XL, 1096.

<sup>49</sup>Kansas State University Trumpet, May, 1965, p. 1.

<sup>50</sup>Journal of Farm Economics, XXXVIII, 1711.

dream, and assuming no radical change in policy, production will continue to increase. This may well result in the family farm structure of American agriculture being engulfed. If that should happen it will be salt in the mouths of the policy makers who initially gave the command that initiated the revolution, but then lost the ability to issue the command that could control it.

## CLAFTER XII

## THE PUBLIC AND THE FARMER

"There is the sociologically unprovable but instinctively American feeling that the little town and the countryside are the source of civic energy for the nation." \( \)

## The Spectre of an Urban Revolt

In 1947 Senator George Aiken, chairman of the Senate agriculture committee, in urging the adoption of a flexible price support program, argued that "if we continue the high level of 90 percent support the time will not be far distant when the American people will rise up and say they will no longer have any farm price support programs whatsoever." In 1954 Ezra Taft menson, making his first appeal to Congress to shift away from the high, rigid price support system to a lower and flexible program, pointedly asked: "At what point will the 140 million Americans who do not live on farms rise up...and demand not revision but outright elimination of all direct aid to agriculture?" During his tenure Mr. benson rather frequently pointed to the spectre of an urban revolt against the high costs of the federal price support program.

<sup>1&</sup>quot;Smalltown, U. S. A., <u>Mewsweek</u>, July 8, 1963, p. 20.

Congressional Quarterly Almanac, IV, 1948, 57.

<sup>3</sup>U. S. Congress, Senate, Committee on Agriculture and Forestry, Hearings, Agricultural Catlook and the Fresident's Farm Program, 83rd Cong., 2nd Sess., 1954, p. 5.

As surpluses piled up, and as the Congress consistently refused to give the Republican Administration the type of program it wanted, both Eisenhower and benson increasingly sought to call attention to the cost of the price support programs and its heavy burden on the tax-payer. For example, when Fresident Eisenhower asked Congress in 1959 to abandon the traditional parity price support system he went to such pains to dramatize the expensiveness of the current programs that he considerably exaggerated actual costs. Wereover, he declared that most of the billions expended had gone to only a "relatively few large producers."

The rising cost of the farm subsidy, and the Administration's tactics inevitably encouraged critical comment. John Fischer was one of the first major editors to attack the farm program. His editorial, "Country Slickers Take us Again," was probably the most slashing attack of the period. The received extra attention because due to a snafu on the part of a Department of Agriculture staffer, Harper's received and printed a letter over the signature of Ezra Taft Benson stating that the Secretary had read the article and found it to be "excellent." By the

<sup>&</sup>lt;sup>4</sup>For example, he cited the gross budgetary outlays for the operations of the Commodity Credit Corporation rather than net costs. During the previous years the CX had recovered an average of about 50 percent of its original outlay through surplus disposal. President Eisenhower estimated the cost of the price support program for 1959 at \$4.3 billion. This was indeed approximately the actual gross outlay but after disposal operations the net cost was \$2.7 billion.

<sup>5</sup> Herrer's, December, 1958, pp. 21-24.

The publication of this letter produced another in a series of outbursts from Democratic congressional leaders demanding Benson's resignation. Mr. benson was ultimately able to convince his critics that neither he nor his assistant who wrote the letter had actually read the Fischer editorial (New York Times, January 28, 29, 30, and 31). However, the affair is rather symbolic of the Secretary's frequent public relations pratfalls.

latter part of the decade the farm program was coming in for increasingly heavy criticism by several of the national newsmagazines and metropolitan newspapers. Three months after President Eisenhower's 1959 "Farm Message,"

Life magazine published its most inflammatory editorial criticism and issued a call for a voter's revolt:

You can prove the cynics wrong. In this country, the voter is king. When he squawks loui enough, Congress listens--even more so in a political year. So start squawking loud and long enough to put an end, for good and all, to this incredible Farm Scandal that is getting worse every year.

Symbolizing this discontent, Representative Edward P. Boland (Dem., Massachusetts) placed in the <u>Congressional Record</u>, with sympathetic introductory remarks, an article by Roscoe Drummond, which contained the following prophesy:

What is going to happen, if the farm bloc doesn't join with the rest of Congress to halt the Frankensteinian monster of mounting surpluses, aggravated by price supports which pile up bigger surpluses, is that as sure as a hangover follows a lost weekend, there will be a massive political revolt by the voting consumer.

The voting behavior of Representative Boland and many of his big-city colleagues over the past half dozen years does, indeed, indicate that there has been a hardening in the attitude of urban representatives toward the farm legislation, particularly those schemes that threaten to have the effect of raising both food prices and tax requirements. 9

<sup>7&</sup>quot;A Tax Cut You Can Aid," April 20, 1959, p. 39.

<sup>8&</sup>quot;Anti-farm Revolt; Rebellion Unless Workable Program is Found," Washington Post, March 25, 1989, entered in the Congressional Record, 1989, CV, 5373.

<sup>9</sup>See <u>Congressional Quarterly Almanac</u>, XIII, 1957, 637-38; XV, 1959, 241; XVI, 1960, 331; XVII, 1961, 354.

Secretary of Agriculture, Crville Freeman, in attempting to drum up support for his supply-management approach, took note of this trend by declaring that "there is an increasing disenchantment, particularly among Congressmen from urban areas, with costly farm programs that continue to build up surpluses. If we drift along the way we have been, we will end up with a revolt in Congress and have no farm program at all."

but the fact that proposed farm legislation was being more carefully scrutinized by urban congressmen does not mean that they were preparing a major anti-farm revolt, nor was there much evidence to indicate that their constituents were demanding such a revolt. At about the time Roscoe Drummond was predicting that the "lost weekend" was about over, and the editor of Life magazine was trying to encourage the sobering up process. George Callup was asking a national cross section of voters if they thought there was "anything for which the Government should be spending less money than it is at present?" About 50 percent of the respondents identified areas in which they thought the government should be spending less money but only four percent suggested that farm subsidies should be cut. A Gallup poll conducted in January, 1959 asked a national sample the following: "If the time should come when the government income cannot pay for all the things in the budget, would you favor cutting back on certain things, or increasing taxes?" Not unexpectedly, about three fourths of the sample favored "cutting back"

<sup>10</sup> Mew York Times, February 6, 1962, p. 14.

<sup>11</sup>Conducted March, 1959. Tabulation provided by the Roper Fublic Opinion Research Center.

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rather than increasing taxes, but of these only six percent pointed to "farm subsidies" as an area in which such a cut should be effected. 12

that we have surveyed, fail to reveal any significant, spontaneously expressed hostility to the federal farm program. <sup>13</sup> This view is supported by the independent pollster, Samuel Lubell, who reports that while he has found a certain "potential for indignation...there is no evidence of a real taxpayer's revolt against farm legislation."

There was no "massive revolt" in 1947, nor in 1954, nor in 1959, nor in 1962. Considering the sharp increase in federal tax monies spent in the name of the former in juxtaposition to the relative and absolute decline of the form community the failure of the long predicted revolt to materialize is one of the more interesting features of the postwar American political scene. It is all the more significant considering the stalemated bickering among the farm interests and the continuing failure of the farm program to "solve" the farm problem.

<sup>12</sup>Conducted January, 1959. Tabulation provided by Roper.

For the period prior to 1947 we used Hadley Cantrill's <u>Public Crinion</u>; 1935-1946 (Frinceton: Frinceton University Press, 1951). For the period 1947 through 1950 we searched the issues of <u>Public Opinion Quarterly</u>. These two sources reproduced most of the published, national-sample surveys taken from 1935 through 1950. For the period since 1950 we consulted the koper Public Opinion Research Center. As their files are not complete and as we were not able to personally do the library search we cannot claim to have a complete compilation of pertinent public opinion data for this period. However, we believe that our public opinion data is fairly representative.

<sup>14&</sup>quot;The Impact of Changing Public Opinion on Farm Policy," Agricultural Policy Review, III (January, 1963), 16.

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As noted in Chapter I, the lack of a concerted campaign against the firm program has been attributed by several observers to a general ignorance and indifference on the part of the urban voter. Undoubtedly it is the case that much of the urban public is not fully conscious of the magnitude of the farm subsidy. However, there is data that suggest that the public has a fairly strong image of the farmer receiving considerable favors from the government. A Gallup poll in 1950 asked people to indicate which of the major socio-economic groups they thought received the "best treatment from our Government?" Thirty-eight percent of the respondents named farmers, 23 percent named labor, 14 percent selected business, 8 percent designated the white-collar groups and 18 percent had no opinion. At that time, the costs of the various farm programs were relutively small compared to the costs of the past 8 to 10 years. And as George Gallup reports, by 1960 such terms as "surplus," "soil bank," and "subsidy" had become "household words in many quarters."

Those commentators who have stressed the urban voter's ignorance and indifference implicitly assume that if the urban voter were better informed a revolt would likely occur. This raises two basic questions. Why haven't urban politicians and other opinion leaders done more to inform and arouse their constituents, and if such a campaign were conducted would it generate a mass protest?

<sup>15</sup>Reported in <u>Fublic Opinion Quarterly</u> (Spring, 1951), p. 172. A similar question was asked in 1949 and produced essentially the same results, see ibid., (Winter, 1949-50), p. 724.

<sup>16</sup>From a Gallup article with a release date of January 3, 1960, supplied by the American Institute of Public Opinion.

while farm-state congressmen have been very liberal in their voting on farm legislation they have been notoriously conservative in their voting on city-orientated legislation. Rural congressmen and farm pressure group leaders have been highly vocal in arguing that this country can't afford to spend more money on such projects as unban transit and slum clearance and have vigorously stated the case against such things as minimum wage laws and repeal of Taft-Hartley's right-to-work clause. Why, then, haven't big-city congressmen and labor leaders reciprocated in kind? Part of the answer is to be found in the politics of national political parties. The majority of the big-city congressmen are Democrats, and ever since the New Deal the national Democratic party has stood four-square behind federal aid to farmers.

but the Democratic party is not disciplined monolith. It is most unlikely that big-city congressmen would continue to follow the national party's line if they thought that such a strategy would seriously endanger their own political position. They apparently have not found the issue of farm subsidies to be a critical one with their constituents. This is partly because leaders of organized labor have not taken an anti-farm subsidy position. This is noteworthy considering the massive fact—unknown to no one, least of all labor leaders—that most of organized agriculture is one of organized labor's most implacable foes. Because of its ideological commitment organized labor is not opposed to government subsidies as such. This, plus the perennial hope that at some future date labor and agriculture might join forces, and also labor's tie with the Democratic party, partly explain the unions' position on farm legislation. But the explanation is partial.

The criticism in the urban press during the late fifties has been noted. However, this was sporadic and temporary, hardly a massive campaign. It is also significant that the editorial criticism was not directed against the lifea of firm subsidies as such, but against subsidies that supposedly weren't needed. For example, the bitterness of Fischer's criticism was obviously related to his ill-informed belief that furners were enjoying great prosperity: "The ordinary lows farmer ...has a minimum of two new cars and they are usually brand new Buicks or Clasmobiles or Cadillacs." Arguments by the bisenhower Administration to the effect that farmers could get along without price supports, and that most of the price subsidies went only to the large farmers anyway were cited by several editors as evidence the price support frogram was an unneeded excesse.

The press criticism of that period was partly due to the fact that Mr. benson was fairly successful in casting the battle over farm price supports into a "good guys versus bad guys" drama. Benson quite sincerely saw himself in the role of honest, dedicated, and unsullied states an who desired nothing more fervently than to take agriculture "out of politics." This sincerely inspired strategy had its effect. Even the editors of the <u>Yew York Times</u> succumped:

<sup>17</sup>This bit of information was originally reported by Harrison Salisbury, a New York Times reporter, after a quick trip through the Iowa countryside. New York Times, July 24, 1955, IV, p. 6. Mr. Fischer did not acknowledge a mallace's Farmer and Homestead survey, reported in the magazine's September 3, 1955 issue, showing that the average age of Iowa farmer cars was 5.4 years and that 72.3 percent of these were Fords, Chevrolets, and Flymouths.

loIn Mr. Lenson's first book, <u>Farmers at the Croscroads</u>, Mr. Carlisle rargeron makes the following observation in his prefatory note: "When Fresident-clect Eisenhower offered Ezra Taft Benson the post of

The critics of Lenson are "members" of a group "who having made political careers of posing as "friends of the farmer," bitterly resent the efforts of Mr. Benson to take the farm problem out of politics....<sup>19</sup>

## Union Tolerance

they seemed to have stirred few city voters to protest. This fact taken in conjunction with the past disinclination of urban congressmen to mount a concerted anti-firm campaign indicates that the food-consuming, taxpaying, nonfarm public has shown considerable tolerance toward the American farmer and the massive government programs that have been enacted in his name.

What is the basis of this tolerance? We believe that part of the answer was pointed to by a writer in the labor magazine, New Leader.

After noting the enormous cost of farm subsidies to the taxpayer and to the consumer, Nr. Scott observed: "It seems strange that a nation subjected to inflationary pressures and heavy tax burdens should behave in this masochistic way." He suggested that a major reason for this behavior is that traditionally "the farmer has enjoyed a highly respected

Secretary of Agriculture in Movember, 1952, he demurred, explaining that he was a clergyman and doubted whether he could engage in politics, where expediency is often the rule. Mr. Eisenhower replied that the American people had given him a mandate to restore their faith in the integrity of the United States government and surely that was a spiritual job. From that time on, frank and honest dealings were to mark the relationship of the Department of Agriculture and the American farmer." p. v.

<sup>19&</sup>quot;Mr. Benson and His Critics," editorial, December 7, 1957, p. 20.

20 Roger Haney Scott, "How to Solve the Farm Problem," December 19, 1960, p. 8.

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place in society.... It is, therefore, not with equanimity that society anticipates the possibility of widespread poverty among farmers. They have society's sympathy."

That the farmer should have urban society's sympathy may appear a bit paradoxical considering that the feeling is not mutual. It also appears contradictory considering that the <u>individual</u> farmer is often seen by his city cousin as a "hick" and a "hayseed," and that farm life in the <u>concrete</u> is commonly viewed as physically too demanding and demeaning and socially stultifying. In any rating of social status the farmer always ranks far down on the list, and the urban parent who advises his child to take up farming as an occupation is rare indeed.

lective abstract is a rather different thing. At the collective level a significant portion of the urban public accepts, with various degrees of sympathy, many of the stock beliefs of the family farm creed. This is partly due to the fact that America was born on the farm, and to the eighteenth and nineteenth century belief that the farmer "built the nation." America long since moved to the city, but for many individuals this was only a physical move, not a spiritual one. Well into the twentieth century, as has been noted in Chapters IV and V, many outside the immediate agricultural community continued to hold to the belief that the nation still depended on the farmer for its moral virtue, its political democracy, and its economic prosperity.

<sup>21</sup>Due to the considerable "urbanization" of the countryside, the image of the hick farmer and culturally deprived farm life is probably less widespread today than at any time in the past.

the 1940's most urban Americans had come to recognize that the continued vitality of the nation was more dependent upon the urban-industrial community than upon the farm community. In the postwar era this recognition has been broadened and deepened. Still, the venerable tradition of assigning to the farm and the farmer a special and unique status in the life of the nation appears to possess considerable vitality. Certainly that tradition has weakened during the past two decades, but the weakening process has been slow. As the editor of the New York Times noted, somewhat ruefully, in 1950, "the farmer image is as old as American life.... Cur traditions as well as some of our practical arrangements and devices, including the fine art of gerrymanJering, reflect the popular telief, or the bill to believe, that the farmer is more virtuous than the rest of us."

This tradition is nourished by the propensity of childhood recollections to conveniently weed out the unpleasant aspects of youthful days on the farm, or in the small town, magnifying the most blissful. It continues to draw sustenance from the magging and half-serious fear that "kome fell" because her "family farms" were displaced by the latifundia. Southern political orators are not the only ones to predict a Roman fate for modern Americal should the family farm be wiped out. The urban and urbane Alsop brothers have also pointed to the lessons of history:

The decay of Rome quite certainly began when the hardy farm citizen, whose valor made Rome great, ceased to be able to maintain themselves and their families by farming their small holdings. In hardly more than a generation, over great areas of Italy, the family sized farms were swept away. They made way for vast,

<sup>&</sup>lt;sup>22</sup>January 29, 1956, IV, p. 8.

consolidated, slave-operated, absentee-capitalist holdings which were the equivalent in those days of what we now call industrial-ized farms.

The same social change, whenever it has come over any great nation of the past, has invariably marked a beginning of an ending. All around might be the evidence of the most hectic prosperity, except on the little farms. But when the little farms went, it was as though the nation's healthy roots in native soil were stricken and withered; and in the end the nation was stricken, too.

The warnings of history need to be remembered, at the moment, for the rather simple reason that there would be no really grave American farm problem if it were not for the plight of the family-size i farms.

when wright Fatman had finished his 1954 speech 24 detailing the threats to the family farm, Representative Barratt C'hara, of Chicago's 2nd congressional district, was the first to rise and pay tribute to the discourse, proclaiming that it was "perhaps the most timely address made in the 83rd Congress." He endorsed Fatman's thesis that "every great nation of the past has fallen when land fell into possession of the few," and noted that "the growth of tremendously large agricultural corporations and the diminishing number of independent farmers must raise in every thoughtful mind grave fears of what may be in the future unless the trend is halted." C'Hara also appealed to another tenet of the family farm creed when he declared: "City people are now acutely aware that recessions are farm led and farm fed." 27

<sup>23</sup>Joseph and Stewart Alsop, "Gloomy Parallel to the Farm Ailment," <u>Maskington Post</u>, March 11, 1956, p. E 5.

<sup>24</sup>See Chapter VIII.

<sup>25</sup>U. S. Congressional Record, 83rd Cong., 2nd Sess., 1954, C, 8781.

<sup>26</sup> Ibij.

<sup>-7&</sup>lt;u>II 11</u>.

For the liberal, urban Democrat considerable justification for farm subsidies can be found in this latter argument. There was considerable concern that the sag in farm income during the 1950's might spark an economy-wide recession. This concern is clearly evident, for example, in the New Republic's persistent editorial opposition to the bisenhower-penson farm proposals. This concern over the possibilities of a farm-induced recession also has been a factor in organized labor's position of farm subsidies. As a 1955 CIO resolution stated: "There can be no lasting security for industrial workers if the farm families of the Nation are insecure."

Another reason for the broad-based support for subsidies to protect the family farm stems from the fact that the family farm is a prime example of small business enterprise and thus its fate is of concern to all those who seek to protect small business in general. As the Senate committee studying the problems of small business noted:

The family farm is the classic example of the American small-business enterprise.... Moreover not only does the small farm itself constitute small business, it supports flourishing small commercial business.

we find this theme represented in the words of James Roosevelt in his testimony before the House Agricultural Committee on behalf of a

<sup>28</sup>See, e.g., "Has a Depression Begun Here?" January 25, 1954.

<sup>29</sup>Cited by malter Reuther in U. S. Congress, House, Committee on Agriculture, Hearings, Frice Supports for Basic Commodities, 84th Cong., 1st Sess., 1915, p. 273.

American Small Eusiness, Small Eusiness and Community; Study in Central Valley of California on Effect of Scale of Farm Operations, Committee Frint No. 13, 79th Cong., 2nd Sess., December 23, 1946, pp. 1, 5.

form bill he had introduced with George McCovern:

iecause I am a member of the Small rusiness Committee, I am tremendously interested in seeing, as I am sure Mr. Hill has also been, that the same thing is happening in agriculture that has harrened in industry and being a tremendous believer in individual enterprise, and in the right of the small individual fellow to have his opportunity in the economy I think that this bill will go a long way to stopping the concentration and restoring vigor to the small independent or erator who, I think, is the backtone of our Mation, both economically as well as politically. Sl

In the postwar period, the Church has been one of the most vocal and positive forces outside the agricultural political community acting to keep the family farm creed alive and to re-affirm the protection of the family farm as the overarching goal of agricultural policy. The most active and the nost aggressive of the various religious rural-life organizations in the Matienal Catholic nural Life Conference (MCRIC). Since its incomption in 1923 the MCRIC has made "the family farm the cornerstone of its produce." The zeal with which it has pursued this goal has been strengthened by a belief in the fundamental role of the farmer in society: "The farmer is the foundation of the nation, whether considered for his outstanding economic contribution, or his sanity, or for his vigor and

<sup>310.</sup> S. Congress, House, Committee on Agriculture, <u>Hearings</u>, <u>Family Farm Income Increwerent</u>, 85th Cong., 2nd Sess., March, 1958, pp. 20-21.

For a general history of the organization, see Raymond Philip Litte, Twenty-Five Years of Crucading: A History of the National Catholic Rural Life Conference (Des Moines, Icwa: N.C.R.L.C., 1948).

<sup>20</sup>g. L. Masse, "Program for the Family Farm," America, November 10, 1956, p. 145.

morality." Cardinal Cushing, addressing the annual session of the NUMIO in 1905, stated:

So long as a nation is strong in its rural communities and intact in its agricultural life, ruined cities might be rebuilt and metropolitan areas reclaimed from whatever damage might befall them. Lut once the rural areas disintegrate or decline, the great cities, surerficially so nowerful and impressive, are dooned to starvation and extinction.

The reasons the MCRIC prefers the family farm pattern to any other form of agricultural organization have been clearly stated:

Agreement has been universal that it is a bulwark of Christianity and democracy, as well as the most efficient way of farming. The family farm was the soil from which the American way of life, the Constitution, the laws of the United States took root. It affords the family an opportunity to work and pray as a unit sufficiently separated from neighbors to assure a close knit unity among its members. Children reared on such a farm find natural opportunities to develop skills and a sense of responsibility conducive to the formation of good character and citizenship.

Through this socio-economic pattern the family is assured its rightful position as the basic unit in the community and nation. Communities in which family farms predominate are characterized by an equality of opportunity and position, by a recognition of the rights and dignity of persons, and by emphasis upon individual initiative and responsibility. This is the atmosphere in which wholesome family life, Christian ideals, and democratic principles thrive best.

The NCRIC carries on a limited educational and advisory program aimed at assisting Catholic family farmers adjust to changing economic conditions. To encourage the adoption of family farm orientated legislation the organization maintains a permanent lobby in Washington. In the

<sup>34</sup>Pope Pius XII, quoted in <u>Fregram for the Family Farm</u> (Des Meines, Iowa: WCKIC, 1950), p. iv.

<sup>35</sup> Mew York Times, October 22, 1955, p. 20.

Súprogram..., p. 7.

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words of Edward A. C'Rourke, "we constantly urge legislation which will preserve the family farm." <sup>67</sup>

Most of the major Protestant denominations also have rural-life departments and programs. SB All of them support the family form goal. Cenerally speaking, however, they do not approach the subject with the crusading zeal of the NOALS. Probably the most extensive Protestant program is that of the Committee on Land Tenure of the Department of Town and Country Churches of the National Council of the Churches of Christ. The committee came into being in 1940 after delegates to an interdenominational meeting of rural church leaders agreed that it was vitally necessary for churches to "work more systematically than in the past on the crucial problems of land ownership and farm fenancy." The committee has conducted numerous conferences, seminars, and study groups dealing with the problems of the family farmer and his place in the church and the Nation. The attitude of the committee toward the family farm is summarized by Narris and Ackerman as follows:

<sup>37</sup>Letter to author, June 22, 1964.

Frotestant Churchmanship for Rural America (Chicago and Los Angeles: The Judson Fress, 1901), pp. 35-56.

<sup>39</sup>An excellent contrast in the tenor of Catholic and Protestant approach is provided in group of four papers by spokesmen for the two religious groups presented at a recent conference sponsored by the Iowa State University Center of Agriculture and Economic Development and printed in Farm Goals in Conflict (Des Moines: Iowa State University Press, 1963).

<sup>40</sup> Marshall Harris and Joseph Ackerman, Town and Country Churches and Family Farming (New York: Department of Town and Country Churches, National Council of Churches, 1956), p. v.

<sup>4]</sup>For a brief survey of the work of the committee, see <u>ibid</u>., pp. v-x.

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The moral, social, economic, and political values that the church seeks to achieve find a peculiarly fertile ground on the family farms:

FOR THE INDIVIDUAL: Family farms stimulate the development of craftsmanship, provide creative work experiences for children, furnish opportunity for making managerial judgements, offer moral security for the individual, and provide a favorable environment for the development of a rich religious life.

FOR THE FAMILY: Family farms promote the development of family unity, offer excellent opportunity for discipline and character training, provide economic security for the family, and levelor family stability as witnessed by low divorce and delinquency rates.

FOR The CommUNITY: Family farms furnish canable youth for both rural and urban enterprises, provide a bulwark for genuine "free enterprise," give support to democracy and its institutions, produce efficiently the nation's food supply, tend to conserve natural resources, contribute to national and international programs of relief and reconstruction. 42

Thus, Reverend Henry A. NcCanna, director of the Department of Town and Country Churches, declared in 1963 that the "preservation and extension of the efficient family-type form as the predominant pattern of American agriculture should be a conscious goal of our national policy."

This support of the family farm by the church has probably been more vigorous than prior to the forties because it has been better organized. In contrast, however, the support for the family farm creed has clearly declined in other areas of society. In our surveys of the public press we found far fewer expressions of the unique contribution of the family farmer. The fewer references to the family farm is undoubtedly

<sup>47</sup> Itid., pp. 17-18.

<sup>43</sup>U. S. Congress, House, Subcommittee on Family Farms, Hearings, The Family Farm, 88th Cong., 1st Sess., 1903, p. 71.

<sup>44</sup>For the postwar period we made a detailed survey of the Agricultural Index, which in addition to its coverage of the farm press, makes extensive listings of articles on agriculture appearing in nonfarm publications, and the Readers' Guide for the years 1944 through 1963. The

partially the result of the fact that the crisis facing the family farm today is not as dramatic as it was during the twenties and thirties.

More significantly, this is unquestionably a reflection of the steady erosion of "will to believe" in the special virtues of the farmer and farm life.

Farm policy deliberations continue to receive extensive coverage in the press but with the general coverage of farmers and farm life has steadily declined. Not only is there less coverage, but also there appears to be less sentimentalizing about the "good life on the farm." We did not attempt to count column inches or agrarian adjectives, but the trend seems clear. By way of illustration we might point to the editorial pages of the New York Times. During the last half of the 1940's there usually appeared each year about a half dozen editorials on farm life under such rustic headings as "Dacke From Farm Chimney's," "Farmers Day," "Digging Fost holes," and "Fall Flowing." One still sees occasional references to the pleasing "picture of the little white house; the big red barn; the contented cows," and to the sense of security one gets from physical contact with land, and even to the "fact" that the heart of America is "not in New York, nor Chicago, nor Detroit, but...wherever...

Fuhlic Affeirs Information Service was sampled, but a full survey was not made as the listings appeared to duplicate the other two indexes. A similar survey of the New York Times Index was made. Due to the propensity of Congressmen to have all manner of things entered into the Congressional Record, the index pages of that publication provided useful leads. Of the hundreds of articles and editorials which we read, the more significant and representatives are listed in the bibliography.

<sup>45</sup>January 29, 1956, IV, p. 8.

<sup>46</sup> August 12, IV, p. 8.

the corn grows tall...and milk cans clang."

But, on balance, the words are fewer and less sentimental, less capable of evoking nostalgic yearnings.

Coccasionally the family farm creed has been criticized when it has been used in its more extreme forms, for example, in attempting to justify the claim that there should be no further reduction in the farm population. The editor of <a href="Life">Life</a> magazine had such claims in mind when he reminded "Jeffersonian idealists and the urban sociologist who consider even the <a href="Ceconomically/">Ceconomically/</a> disadvantaged farm family a prolific ground for staunch citizenry" that such families also may produce such offspring as "John Dillinger and 'Pretty boy' Floyd." The <a href="Mew York Times">New York Times</a> editor noted that even "virtue in any positive sense requires a bit of leisure," something the submarginal farmer has too little of, and goes on to note that concerning the ratio between farmers and nonfarmers "it is not apparent that we behave any worse than we did when more of us were farmers."

The editors of the <u>New Republic</u> have occasionally expressed concern that our agricultural policies were failing to stop the decline of the small farm. The editor of <u>Nation</u> took the Eisenhower Administration to task for approaching the farm problem only in terms of a "narrowly defined 'efficiency'," and asked: "Ey what terms should efficiency be measured? Are we interested in social as well as economic efficiency....

<sup>&</sup>lt;sup>47</sup>June 24, 1956, IV, p. 8.

<sup>43&</sup>quot;The Farmer," May 5, 1947, p. 34.

<sup>&</sup>lt;sup>49</sup>"Farm Foculation Decline," March 11, 1953, p. 28.

Is the elimination of the family-sized farm accially desirable? [No]."

Generally speaking, however, the decline of the farm population has been judged to be "progress not decadence." A major reason why the loss of farm population has been judged to be progress is that the commentators have not considered this trend to constitute a threat to the basic family farm pattern. It has been taken to mean simply fewer family farms and, hopefully, more prosperous ones.

However, we found no challenge to the family farm goal, no call for the transformation of American agriculture into large-scale, industrial farming. The belief of the New York Times editor that "the family farm is the best and most desirable type of farming in our democratic society" continues to be a widely shared sentiment.

farm is that which has occurred among the spokesmen for the Big Business community. During the 1920's and 1930's, as previously noted, Big Business spokesmen often echoed many of the tenets of the family farm creed. Today an occasional warning is still made that the complete subordination of the rural community may spell disaster for the nation:

Today the greatest threat to democratic institution...and ultimately to freedom itself, lies in our big cities. They are populated for the most part with the mass man, devoid of intelligence, and devoid of civic responsibility... Our one hope of survival as a free country is that rural and semi-rural

<sup>&</sup>lt;sup>50</sup>July 16, 1955, p. 69.

<sup>51</sup> New York Times, March 11, 1953, p. 8.

<sup>&</sup>lt;sup>52</sup>"Family Farm," January 23, 1947, p. 22.

areas will dominate most of the state legislatures through representatives and still dominate the House of Representatives in Washington.  $^{5\,\circ}$ 

regret over the disintegration of the traditional rural community and the type of life it supports, but most hard-boiled businessmen necessarily recognize this as nostalgia—a nostalgia which cannot be allowed to get in the way of progress. The great revolution in America's rural community is generally accepted as not only inevitable but basically healthy: "It is true that the farm environment is spiritually and morally valuable to our national society, but the farmer is not a museum piece. He, too, must go along with the changes which are inevitable in our type of economic or fer." Ine practice of justifying public policies in the name of saving the "old family farm" has been rebuked by some spokesmen. 55

Fortune magazine, for example, has looked forward with eager anticipation to the industrialization of agriculture which promises to "bring American agriculture into its golden era." Gilbert Burck, in 1988, surveyed the "Magnificent Decline of U. S. Farming" and concluded that, "cooner or later, rising efficiency will bring the day when farm colicy addresses itself to what must be its real aim in a dynamic America.

<sup>50</sup>A statement by a former head of the National Association of Manufacturers, quoted in Andrew Macker, "Voice of Ninety Million Americans," New York Times Magazine, March 4, 1962, p. 84.

<sup>54</sup> mrvin D. Canaham, President, U. S. Chamber of Commerce, 1959 sneech in Kansas City, quoted in <u>Life</u>, "Mostalgia vs. Progress," October 16, 1959, p. 38.

<sup>55</sup>Ladd Flumley, president of the U.S. Chamber of Commerce, New York Times, October 15, 1902, p. 14. Italics mine.

<sup>50&</sup>quot;The Machine and the Farm," Fortune, October, 1948, pp. 97, 208.

The transformation of every genuine farmer into a highly capitalized, highly productive, highly specialized, prosperous professional entrepreneur." Folicies that might interfere with this "Magnificant Decline" were to be avoided. In a 1956 Fortune editorial, President bisenhower was criticized for saying that 'we want to encourage them Tyoung people? to stay on the farms of Omerica, and America needs them on the farms.' "America," of course, ammonished the editor, "needs nothing of the sort... the Nation already has too many farmers."

The "dional Insistrial Conference Loard, which conducted the most significant furisescenen's studies of agriculture during the 1910's, had explasizes the social and political importance of the farmer to the nation's well-being. The Consistee for Economic Development (CED), which has probably presented the most competent studies of the farm problem in the present period, has made no such plains. The CED has never specifically called for the elimination of the family farm. Indeed, as at least one speckeshan for the CED said, "the approach we recommend holds out the greatest hope for the family farm." but, generally speaking, neither the CED nor other voices of tig pusiness have been raised to proclaim the necessity of saving the family farm. This is partly due to the conviction that the basic family farm pattern is not threatened. The development of a granatic threat to this pattern might act to bring forth

<sup>57&</sup>quot;Magnificent Decline of J. S. Farming," Fortune, June, 1955, p.180.

<sup>53&</sup>quot;how Can You Keep 'em Off the Farm," June, 1956, p. 102.

<sup>&</sup>lt;sup>59</sup>Kansas City Star, August 26, 1962, p. 16 E.

defenders from the ranks of mig husiness, but they would likely be few in number.

Schewhat symbolic of the general urban public's attitude toward the rural world in the postwar period is the record of the so-called tack-to-the-land movement. At the close of the war there was widespread concern that in the shift to a peace time economy millions of persons would be thrown out of work. This prospect brought forth numerous predictions, reminiscent of the 1930's, that the unemployed would flock to the countryside, prompting Congressman Stephen Face to express the fear that "they are going to use the farm as a dumping ground for the unemployed." The Farm Eureau echoed this concern by going on record in its 1946 Flatform against "any attempt to use the farm as a dumping ground for the unemployed."

The discussion of the back-to-the-land movement, which appeared "to be just around the corner," was also promoted by what the currently employed were talking of doing. As early as 1944 the New York Times was reporting on what it thought to be a significant trend among city residents moving to the country, and was giving advice on how these urbanites might best enjoy the benefits of country living. Secretary of Agriculture

COU. S. Congress, House, Committee on Agriculture, <u>Hearings, Long-Range Agricultural Folicy</u>, Fart 3, 80th Cong., 1st Sess., 1947, p. 421.

<sup>61</sup>Resolutions Alorted at 28th Annual Convention of the American Farm Eureau Federation, December, 1946, p. 27.

Clarch, 1944), p. 71.

<sup>63</sup>September 18, 1944, p. 18; September 24, 1944; IV, p. 10; November 7, 1945, p. 20; October 28, 1946, p. 26.

Claude Wickard felt it necessary to warn the city resident that he had best think twice before actually purchasing a farm. 64

When a 1940 Fortune public opinion poll asked a national sample "if there were nothing to keep you from living wherever you wanted to, in what kind of location would you choose to live," 50 percent of those persons currently living in cities of over 100,000 said that they would rather live in a "small town" or out in the "country." That many of these individuals were at least giving passing thought to making such a move is indicated by the brisk sales of how-to-do-it books on farming. The sociologist, Paul H. Landis, reported that "one of the interesting findings" of a survey of Spokane defense workers was "the common desire to seek security on a small piece of land after the war." Another sociologist reported that surveys of soldiers showed that many reflected this same desire—"they want a small farm and, what they believe, is independence."

In 1949 a Gallup roll question—"In general which do you think is happier today, the man who lives on the farm or the man who lives in the city?"—produced these results:

Country Gentleman, October, 1944, p. 114.

Country Gentleman, October, 1944, p. 114.

Country Gentleman, October, 1944, p. 114.

(Summer, 1946), p. 209.

<sup>60</sup>Clayton S. Ellsworth, "Ares and the American Men of Letters Since 19.9," Agricultural History, XXIV (October, 1950), 178.

<sup>67</sup> ucted in King, p. 71.

CBnelease date, June 24, 1949, reported in <u>Public Crinion</u>
<u>Cuarterly</u> (Fall, 1949), p. 545.

	I'm on the firm	in in the city	Don't know
Mational total	Ct ,s	215	14,5
Fireers	73	15	12
Residents of towns			
under 10,000	૯ કે	13	]4
10,000 to 100,000	<b>6</b> ;	10	16
1 0,000 to 500,000	70	<b>1</b> 3	$1_{\mathcal{E}}$
500,000 and over	55	29	10

The same rull reported that 55 percent of the nation's nonfarm public hai, at one time or another, "thought they would like to live on a farm."

As it turned out, however, there was no significant number of "unhappy" Americans actually willing or able to abandon the prosperous cities. The back-to-the-land movement was mostly talk. There was, of course, during this period the beginning of an exodus from the core cities, but it never not as far as the country—it petered out in the suburbs. The dream of a place in the country, however, has not ceased to tantalize many city dwellers in their more harried moments, but few have either the will or the means to act on it. But afterall, it is only a dream and dreams aren't supposed to come true.

A significant portion of America's urban leadership and general public share in a tradition that assigns to the farm and the farmer a special and unique status. This is a product of an overall view of the rural world, and the fact that this view may not square with hard reality is entirely beside the point. Lecause of this view, the urban public has been extremely tolerant while its tax monies have been appropriated by farm representatives in the name of protecting the family farm and the rural community which it supports. The reservoir of tolerance is not as deep as it was forty, twenty, or even ten years ago. Still it has proven deep enough to accept 45 and 46 billion Department of Agriculture Eudgets, and there is little evidence to suggest that this will change suddenly.

## ChAPTER XIII

## SUMMARY AND CONCLUCIONS

Frobably no domestic public policy in the post-world War II period has been subjected to such extensive and sustained debate as has the federal government's agricultural price support and production control policy. Despite numerous and concerted efforts to change it, few economic policies have been more immune to significant alteration.

The debate got under way during the closing days of the war, and from the very beginning policy makers were confronted with a barrage of advice from professional farm experts—ranging from Land-Grant College presidents to individual agricultural economists—urging the abandonment of the parity pricing system. The great volume and unanimity of these expert analyses constituted a massive assault on a public policy probably unequaled in recent history except for the great outpouring of critical commentary which greeted the enactment of the Smooth-Hawley Tariff Act in 1932.

In view of the vigorous unanimity with which the professional farm experts were criticizing the existing policy, and because of the war-induced farm prosperity, there was widespread expectation among political analysts that Congress would abandon or substantially alter the depression-inspired and war-modified policy.

Rowever, Condress did not follow the recommendations of the professional farm experts. Although some of the wartime price guarantees were allowed to expire, the farm legislation of 1948 and 1949 committed the government to regulating farm prices and production on a substantially larger scale than had the Agricultural Adjustment Act of 1938. After the Korean conflict the debate over agricultural price and control policy was renewed. It was continued to the present. There have been numerous amendments to the policy but few major changes. The agricultural price and control policy of 1964 was not substantially different from what it was in 1947-49.

while the basic policy has changed little, the cost of implementing it has changed greatly. By the mid-1950's the cost of the price support and related programs was averaging from \$2 to \$4 billion annually. Moreover, excenditures for other agricultural programs were also increasing rapidly. From 1958 to 1960 the net budget expenditures of the U.S. Department of Agriculture averaged about 25 percent of all federal government excenditures for "civil" functions.

The massiveness of the farm subsidy takes on added significance in view of the relative and absolute decline of the farm sector. Farmers constituted 18.3 percent of the total population in 1950, but only 6.8 percent in 1964. During the same period agriculture's contribution to the national income declined from 7.2 percent to 3.9 percent.

This suggests that farmers are a formidable force in American politics, and, indeed, the political power of farmers is widely celebrated in the professional and popular literature. Contemporary analyses emphasize three factors as accounting for the political power of the American

famour. First, the farm vote is described as playing an important rivotal role in tresidential and congressional elections. Thus, despite the fact that the farm vote is small and decreasing, the farmer is assiduously courted by tresidential narties and individual congressmen. Another factor stressed by analysts is the effectiveness of farm pressure groups in making their demands on Congress. Third, most analysts point out that congressional organization and representation is eschewed toward the farm conscriby. This magnifies the power of the farm vote and generally increases the weight of the farm interests in the writing of agricultural legislation.

The formidate political power of the farmers takes on an added dimension in the contemporary literature as most analysts have assumed that the price support and projection control policy has been against the notional interest and the long-runge interests of farmers as well. The perjectuation of the policy has often been described, either implicitly or explicitly, as the result of narrow short-run economic self interest on the part of farmers and political expediency on the part of politicians. As a result there has been a general image of the farm interests wielding raw political force and riding roughshod over nonfarm interests to maintain a costly and basically unsound economic policy. Thus there is a common implication that the great political struggles over agricultural price and control policy have been between farm and nonfarm political interests.

In actual fact, however, the great battles of the postwar period have not been between farm and city, but among the individuals and groups

of the farm political community. Increasingly in the postwar period the agricultural political community has divided against itself. The recent conflicts among farm interests have been as bitter as any in history. Concerning the price and control policy these conflicts have resulted in stalemated policy making process since the mid-fifties, a situation that few in the agricultural community find to their liking. Most political analysts who have analyzed these conflicts trace them to competing economic interests, reflecting generally different commodity groupings.

Considering the enormity of the farm subsidy, the decline of the farm sector, and the sharp divisions among the farm interests the fact that the nonform political community has not made a concerted effort to exercise greater control over form legislation is particularly significant. Those analysts who have addressed themselves to explaining the lack of a major urban revolt against the farm program have pointed to ignorance, apathy, and indifference on the part of the urban political community toward farm problems and policies as primary factors. In much of the literature there is also the implication, at least, that the lack of an urban revolt is due to the resigned respect that nonform political leaders have for the entrenched power of the farm interests.

All the factors enumerated above are certainly a necessary part of any attempt to describe and explain the making of agricultural price and control policy in the postwar period. However, we found that neither individually nor collectively do they provide a sufficient explanation.

Che of the major reasons for the inadequacy of the existing literature stems from its general failure to adequately account for the fact that the over-arching goal of virtually all agricultural policy has been the promotion and preservation of the family farm.

An analytical unity within which the behavior of the policy making participants can be described and explained is achieved by focusing on this goal. Farm voters and members of farm pressure groups are overwhelmingly family farmers. Of added significance is the fact that the vitality and persuasiveness of the family farm policy goal is sustained by more than calculations of simple economic self interest and political agarandizement. An extremely important ingredient of this policy goal is an adherence to that set of beliefs termed the family farm creed. This creed embraces the social, economic, and political characteristics of the family farm. Decause of the existence of these persuasive beliefs, the farm and the farmer have long been ascribed a unique role in the life of the American nation.

The family firm creed helps to make understandable the underlying rationale of the demands made by the farm interests, as well as the fervor with which these demands are precised. But the significance of the family firm creed and policy goal goes far beyond their impact on the behavior of those participants directly responsible for the formulation of agricultural policy. The family farm creed—or, more properly, certain aspects of it—has long been accepted by a significant portion of the non-farm political and opinion leadership of this country. While there has been substantial positive support for the family farm goal, there has never been a significant demand from the nonfarm public or its leadership that agricultural policy should be aimed at fostering a different form of agricultural organization.

For these reasons there has been a broad acceptance of the promotion and creservation of the family farm as the legitimate, over-arching

goal of national agricultural policy. As a result probably no other socio-economic group in America has had as free a hand in the writing of legislation directly affecting its own welfare as have the farmers and their political representatives.

Throughout the nineteenth century, agrarians sought to promote family farming through the enactment of land laws which gave land hungry settlers easy access to the vast public domain. These land laws, culminating in the Homestead Act of 1862 and its later amendments, assured the settlement of the great American interior by family farmers.

Liberal land policies early assured the family farm a dominating position in American agriculture, but easy access to land was not enough to guarantee the preservation of the family farm system. From 1862 through the 1920's Congress enacted a series of laws which brought into being a vast system of agricultural research and education unparalleled anywhere in the world. A primary objective of these institutions and programs was to make family farming as efficient as possible, thus assuring the growing nation an abundance of food and fiber, and, at the same time, strengthening the economic position of the family farm relative to its potential competitors.

The commercialization of agriculture and the development of monopoly capitalism during the last half of the nineteenth century generated new problems for family farm agriculture. Farmers needed more than cheap land and technical advice from the Department of Agriculture and the county agents on the efficient production and marketing of farm products. New programs ranging from rural free delivery to federal farm

credit were enacted, but the agricultural depression of the 1920's and 1930's dramatized the economic plight of American farmers, and forced the realization that the entire system of family farming faced possible collapse.

Family farmers had first experienced major economic difficulty during the last quarter of the nineteenth century. Under the influence of rising prices, farmers enjoyed considerable prosperity during the first two decades of the twentieth century. However, since that time commercial family farm agriculture has experienced an almost continuous price and income problem, relieved only by wartime conditions.

Although several factors have contributed, the fundamental cause of the farm price and income problem is surplus production. Farmers have persistently produced more than they could sell at prices that yield a return to their resources and sustain a standard of living roughly comparable to nonfarm sectors.

The several million family farmers have no control over prices, thus they can only react to prices set by the purely competitive market in which they sell. Farmers tend to react rather quickly to rising prices by expanding their production. But cutbacks in agricultural production are made very slowly when prices decline, particularly when such a decline affects most of the major commodities.

The major effect of a general price decline seems to be merely to halt or at least slow down the expansion in production. While the growth in agricultural production is slowed or halted, a growing population and other factors can act to increase demand and thus may lead eventually to better prices. In the meantime the farmers have suffered considerably.

The problems of the farmer are compounded by the fact that while he sells in a purely competitive market, he ordinarily buys in a restricted market. This means that there is generally little relationship between the fluctuations in the prices he receives and the price he has to pay. During periods of general price increases, such as those induced by war, the farmer usually enjoys a relative advantage. Yet this advantage is likely to be of short duration. When the demand situation changes the producers of the products the farmer has to buy are able to rapidly adjust their production to that demand, thus maintaining prices. The farmer, being unable to adjust his production, will receive sharply lower prices. As a result, he is caught in a price-cost scissors.

It was such a price-cost squeeze that underlay the agrarian revolt of the last quarter of the nineteenth century. There was little or no recognition at the time that the major cause of the farmers' difficulty was overproduction. However, many recognized that part of their economic difficulty stemmed from the ability of nonfarm industries to control prices. Therefore farmers adopted a political program calling for government to break up and/or to regulate the market power that had been acquired by industrial capitalism and thus restore competitive conditions throughout the economy.

Following the failure of agrarian populism to destroy the market power of industrial capitalism, the idea began to develop that agriculture itself needed market power to control its prices. Many thought that this could be achieved through the organization of farmer cooperatives. However, the inability of farmer cooperatives to redress price imbalances

became clear during the earthquake in price relationships that occurred after norl+ war I, and farm leaders began to look to governmental authority as a means of achieving equality of market power.

Most of the agricultural political community had come to believe, by the late 1910's and early 1930's, that the major solution to problems of American agriculture was to be found in parity pricing guaranteed by the government. This system promised price equality, without undue overt subsidization, and it seemed eminently fair to most farmers. All that was being asked was that a degree of control be afforded over agricultural prices to match the control which business and industry exercised over their prices, as well as the control that unions had achieved over wages. Coreover, the program was designed to operate at little net cost to the government.

when the first marity price law was enacted, it was declared to constitute a "new man" for agriculture. After this parity pricing program was notified and extended through the legislation of the late 1930's and early 1940's, it was hadled as the "finest farm program in the world."

which the agricultural policy making participants undertook the writing of new fare legislation in 1947-49, agricultural economists urged them to restore free market pricing in agriculture. The economists argued that, by and large, free market pricing had worked well in the past and that it would do so again. In contrast, they argued, the perpetuation of the price support and production control policy would create a formidable list of economic evils; allocative inefficiencies would arise, productive efficiency would be retarded, American consumers would

Suffer, and world trave in agricultural products would be thoroughly disrupted. Moreover, these evils were totally unnecessary because the future prospects for the farm economy were so bright that farmers didn't need the protestion of price supports.

The arguments of the economist were heavily laden with moral principles and theoretical generalizations but were light on empirical first. Thuse participants who remembered the 1920's and 1930's vigorously discented from the view that free market griding had worked well for farmers in the fast. The unaccmented arguments concerning the inefficiencies in agriculture were not nearly as impressive to most particicants as the great wartime productiveness of American farmers. there was a need for subsidizing low income consumers, farm leaders thought this could and should be achieved through some other means than low prices to farmers. The arguments that farmers didn't need price protection were cased on highly conditional assumptions about future foreign and Jonestic demand. ...ith full knowledge of the great crash in farm prices that followed world war I, many participants judged these assumptions to be too tenuous. As a result, during the critical and formative remind of the postwar era, the majority of the participants decided to renew, with certain modifications, the price and control policy they had inherited from the pre-war period.

Most collitical analysts were convinced that the policy makers made this decision in the face of an overwhelming abundance of economic fact and theory which clearly demonstrated the folly of their action. In actual fact, however, despite the great outpouring of critical commentary,

the quantity of reliable empirical data supplied by the economists was surprisingly slight, and their theoretical arguments were open to reasonable questioning. Discounting the ideological content of the arguments advanced by economists, the decisions of the policy makers were a natural and logical reflection of the reliable economic information then available.

The Korean conflict further stimulated the farm economy, but by 1953-54 a general rrice and income decline had set in which persisted throughout the decade. In the face of this price decline—and despite the application of controls—agricultural production continued to expand. By 1955 the price support program was costing several billion dollars, while government storage facilities were overflowing.

The long-cherished price and control program was not working in the intended fachion, nor was it achieving the hopefully anticipated results. Folicy makers were caught up in an exquisite dilemma created by the deterioration in the farm income situation and the mounting cost of the surplus purchase and disposal program. Although these conditions were satisfactory to no one, the participants divided sharply and bitterly over the question of what policy course should be followed.

The Eisenhower Administration, supported by the American Farm

Eurest Federation, took the position that war-induced demand and high

price support levels had acted to create a surplus in only a few major

commodities. Since the existing control program was failing to adequately curtail production, and since the Administration was ideologically

Opposed to the adoption of more rigid control measures, they argued that

a low price policy should be pursued to bring about the needed adjustment between supply and demand. In 1959 the Administration proposed that the historic parity price program be abandoned entirely. Decause they believed that the surplus was limited to a few commodities and because they believed that farmers would readily respond to lower prices by shifting to the production of those commodities not thought to exist in surplus quantities, they argued that all but the marginal farmers could survive the adjustment and then prosper under essentially free market pricing. The general thesis of the Administration's position corresponded closely with the arguments that had long been advanced by most economists.

The Administration's approach was vigorously opposed by many of the farm organizations and a majority of congressmen. The Administration's opponents argued that farmers would not readily cut production in the face of lower prices. Therefore, the needed adjustment between supply and demand would be achieved only after an extended period of disastrously low prices. While they generally agreed with the Administration that the surplus was limited to a few commodities and essentially temporary in nature, unlike Secretary Lenson, they believed that the existing control program, with a few modifications, would act to keep production down at least to the extent that eventually an expanding demand would catch up with production and thus restore an equilibrium.

Growing dissatisfaction with the existing policy assured that with the election of a new Administration in 1960 renewed efforts would be made to break out of the stalemated policy pattern. The Kennedy

Administration proposed the sigly-management approach with its mandatory and highly restrictive production control scheme. The proposal was opposed by all but the strunchest of the Administration's supporters. A majority in Congress was finally mustered to approve the adoption of the control program for wheat. But in the 1902 wheat referendum farmers, refusing to believe that the only alternatives were depression-level prices or iron class and recressive controls, rejected the program and thus killed the supply-management approach. As a consequence the price support and recression control program was left about where it was a decree earlier.

The hitter conflicts and the stalemated policy of the past decade are a project of several factors. Competing economic commodity interests, as has been noted, have been significant. But probably no other factor has so greatly affected the policy making process of the past decade as has the sharp conflict in reliefs converning the nature of agricultural production and demand and differing views about the consequences of alternative policy approaches. The sharp disagreements, noted above, were no mere political rationalizations. These beliefs were sincerely and fervently held. That such divergent beliefs were prevalent may be largely explained by the fact that the economic data and theory available to the participants was so limited and uncertain that virtually all major arguments appeared equally defensible.

Written about the farm problem than any other domestic economic problem. This is true. But what most observers have failed to recognize is that for all this massive study, the farm problem has been one of the least

understood domestic economic problems of the postwar period. Contrary to wilely held assummations, the information base for agricultural policy making has been inadequate.

In recent years, however, there has been an improvement in the quality of the informational base. A much improved theoretical understanding of the nature of the agricultural supply function has been developed, and new empirical studies have forced the realization that the surplus is not limited to a few commodities, but is characteristic of virtually the entire agricultural output. The publication of a series of price and income projection studies between 1960 and 1961 revealed what many participants had believed all along but had been unable to document; viz. that an abrupt return to free market pricing would have disastrous consequences throughout agriculture.

The sharp disagreement concerning the nature of the farm problem and the consequences of alternative policies have magnified the value conflicts among the participants, further increasing the divisions within the agricultural political community. There have always been tensions between the liberal and conservative agrarian traditions. Both traditions have given support to the family farm goal, and they continue to do so. However, the differing ideological orientations have resulted in differences of emphasis as to what are the most valuable characteristics of the family farmer. Also they have often differed over the means that should be a ofted to promote and protect the interests of the family farmer. Conditions since the early 1950's have been such as to bring these differences into direct and increasingly bitter conflict. This value conflict has been

most intense in regard to the issue of government controls over the individual farmer.

At the inception of this study we hypothesized that one of the principal reasons for the continuing stalemate in price support and production control policy was due to the breakdown in the consensus around the family farm goal. Subsequent investigation proved this not to be the case. It is true that some of the participants in the agricultural policy making process, such as the agricultural economists, no longer give positive support to the family farm goal. Still, a working consensus retains. The fierce conflicts which have divided the agricultural policy makers do not reflect a challenge to the family farm goal, but, rather, they are a measure of the sharp disagreement among the participants as to how that goal can and should be realized.

The parity price support and production control program has not created any of the evils that had been so universally predicted by the economists. On the other hand, it has not lived up to the original bright promise envisioned by its authors. Because of this, concerted efforts have been made to change the direction of agricultural policy, but no major reorientation has been achieved.

Assuming a continued consensus around the family farm goal, what are the prospects that a unity in agricultural policy making can be achieved and, if achieved, can the participants then come up with a program(s) capable of assuring the preservation of the family farm? They are not good, for the American agricultural policy making process has fallen into an intellectual and political dilemma, incapable of recognizing and responding to the meaning of the accumulating evidence concerning

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the nature and permanence of the deep economic ills that beset family farm agriculture. In response to the failure of the old price control program, the agricultural leadership has responded not with new policy ideas, but with old slogans done up in new ribbons.

American Farm curear Reportation has assumed an ideological commitment that blinus itself to the meaning of the new evidence. It continues to offer the same off programs and denounces with increasing vehenence the proposals of others. Noneover, in its fedicated campaign to save agriculture from "socialization and collectivization" the pareau has taken increasingly to attacking existing and proposed policies for their high cost to the tax-payor and the food consumer. If continued, such attacks by the "nation's largest farm organization" can only help to discredit the entire form program, and the Farm i reput itself will find it difficult to justify its own jet scheme for a multi-tillion follar land retirement program.

The political left has been more responsive to recent developments in economic theory but its proposed policy solutions have acted only to increase the bitterness of the ideological division in agriculture. The continuing seterioration of family farm agriculture has confirmed, in large part, the earlier prochesies of the National Farmers Union. But while its warnings of impending disaster have increased in fervor, it has proposed no new program capable of rallying support beyond its staunch band of supporters, on the farms and in Congress.

Down the political center of the agricultural policy making process plods the Orange, old, tired, and confused. The political center is also political by many of the lesser form organizations and a great many

fare-state condression of both parties. Their willingness to see the "good one the bad" in proposals from the left and the right stems too often not so much from their idealogical flexibility as from their own fuzzy understanding of the fare problem and their lack of ideas as to how it might be solved.

has been affected by the belief that the farm samplus was temporary and limited to only a few condities. Since four 1900 a majority of the participants have recognized that the sumplus capacity characterized virtually all of agriculture. The findings of some economists now suggest that under present conditions the samplus is a permanent characteristic of family farm agriculture. Until a majority of the participants come to accept this view no major change in the agricultural policy making process is likely. But even if this view comes to be widely accepted there is no assurance that the policy stalenate will be broken or that the problems of family farm agriculture will be solved.

The new evisence makes it possible to measure the nature of the economic ills which plague family farm agriculture with more precision. At the same time this evidence rensers the possible policy choices all the nore difficult. This is so because the new evidence raises the question of whether or not the family farm is compatible with the modern economic and social forces which are re-shaping this nation's life. It is quite likely that agricultural policy will continue to be an after-the-fact response to these forces, and, thus, ultimately the farm problem, as now defined, will be "solved" by the disappearance of American family farming.

SELECTED BIBLICGRAPHY

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## SELECTED BIBLIOGRAPHY

## Explanatory Note

The following bibliography consists of those sources cited in the text plus a select number of other sources which we found particularly useful. This listing does not include all the sources consulted, nor is it intended as a complete bibliography of the subject matter.

An important source of data for this study was the public hearings of the House Committee on Agriculture and Senate Committee on Agriculture and Forestry for the period 1947 through 1963, and the hearings of the House Subcommittee on Family Farms for the period 1955 through 1963. Due to the vast number of separate documents involved we have not made an individual listing here.

The listing under <u>Books</u> includes, in addition to the standard categories, those Government and University publications which have a designated author(s), and also booklets by various pressure groups, research foundations, religious organizations and other private organizations.

Under the heading of Articles and Periodicals we have listed only those articles appearing in professional journals and books. The listing under General Press is limited to non-professional publications. It includes, in addition to the articles cited in the text, a small representative sample from the hundreds of other articles that we consulted. Only editorials and signed articles are listed. Some of the articles are by professional economists, historians, and political scientists, but most of them are by political journalists and editors.

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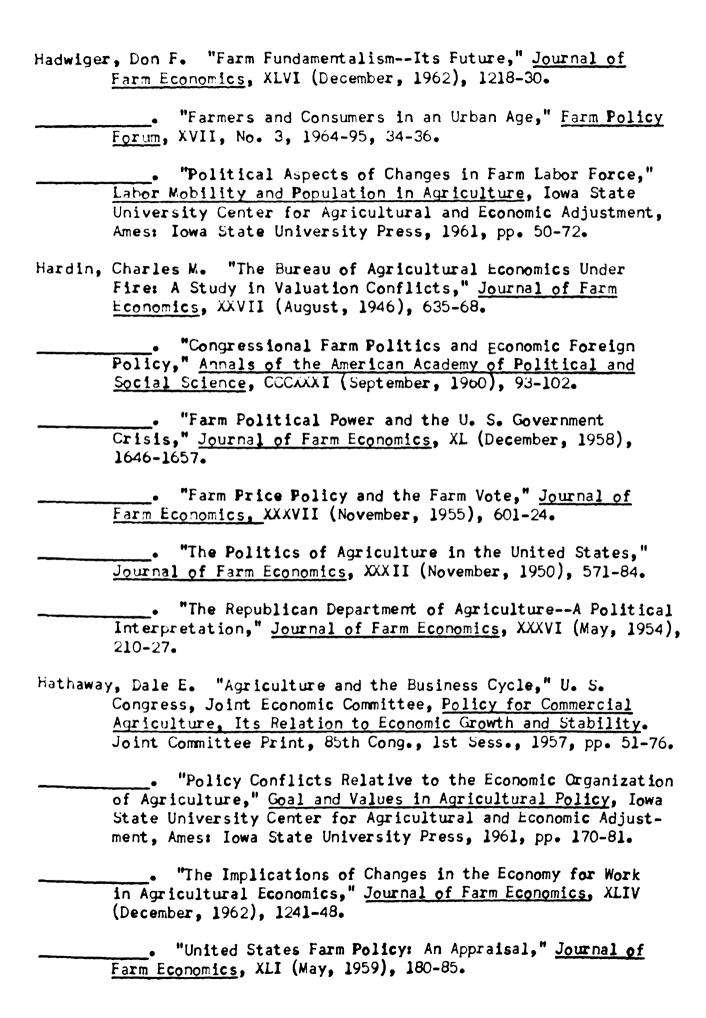
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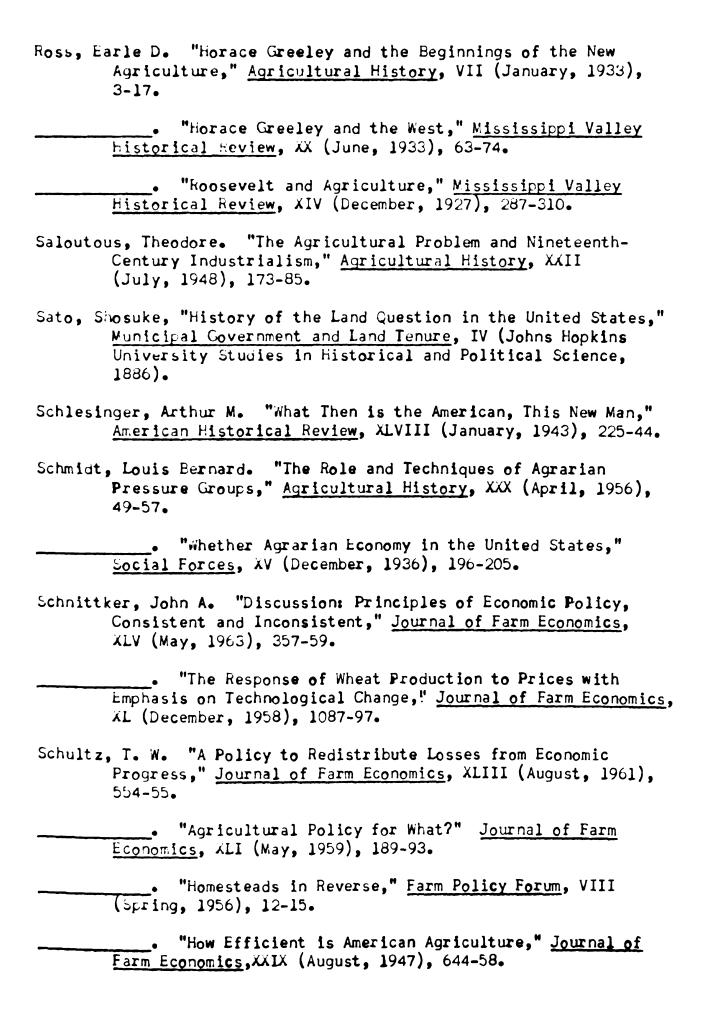
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Federation, the National Farmers Union, and the National Grange a

complete set of their respective Resolutions adopted at their annual

national conventions from 1946 through 1963.

The Roper Public Opinion Research Center, at Williams College, provided us with a listing of the public opinion polls in its library dealing with public attitudes toward farmers, farming and the farm program for the period 1950 through 1964. From this listing we obtained the tabulated results of fifteen of the most pertinent polls. Mr. Samuel Lubell supplied us, on a loan basis, press release copies of all the polls that he had taken of Midwest farmers from 1956 through 1963.

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APPENDIX

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### AFFENDIX

### REDEARDH PROCEDURES AND DEFINITIONS

Full knowledge of the available literature on agricultural politics and policy making is essential to any understanding of the price support and production control policy making process. However, techuse professional and political analysts have relied upon an insufficient list of explanatory factors, description and explanation of the political process which has generated the agricultural price and control legislation since world war II is inadequate and often misleading.

he believe there are four principal reasons why the agricultural policy making process has not been adequately described and explained. First, analysts have denerally failed to properly account for the influential role that the family farm creed and the family farm policy goal have played in all agricultural policy making.

Second, political analysts have shown little awareness of the fact that due to an inadequate informational base the policy making participants have disagreed sharply in their perception concerning the actual characteristics of agricultural supply and demand functions and other economic characteristics of the farm problem and the possible consequences of alternative policy approaches. These belief conflicts, which have flowed inevitably from the inadequacy of the economic informational base, have been a powerful determinate in shaping the course of agricultural policy making in the postwar period.

 Third, in concentrating on the conflicts generated by competing commodity interests, analysts have too often ignored the intense value conflicts among the policy making participants—conflicts which trans—cend but do not supersede the commodity conflicts.

A fourth factor which helps to explain the inadequacy of the contemporary literature is that most analyses have been lacking in historical perspective. Angus Comptell and associates have pointed out the need of historical perspective in the analysis of contemporary political events. The following passage applies to the matter of party identification among voters:

Thus prior party attachments form the great watershed for public reaction to current political events. With the examination of this phenomenon in Section III it was natural to ask what conditions lead to the formation of partisan allegiances initially...such a tracing leads with surprising (italics mine) frequency to events lying years or even generations behind us, such renote circumstances as a ravaged Georgia plantation or a job for a bewildered moston immigrant. It is such roots of current choice that provide a strange commentary on the view of the democratic process as a periodic re-evaluation of contemporary events. Hence we have stressed in building our metaphor of the causal funnel, the importance of a 'political' core running backward in time, which more often than not provides the clearest explanation of current behavior.

Not all political scientists would find it "surprising" that a significant part of the explanation of contemporary political behavior is to be found in historical antecedents. Unquestionably, however, many political analysts have forgotten history, so to speak. In no area of political study is the need of relevant historical context more important than in the study of the policy making processes. Fublic policies grow over time, they do not spring forth fully matured. Just as we cannot

<sup>1</sup> The American Voter (New York: John Wiley & Sons, Inc., 1960), p. 292.

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here to a segmently understand an individual without knowing something of his childhood, we cannot a sequencely understand a given policy and the folitics surrounding it without knowing something of its formative growth.

In this study, therefore, we have concentrated on identifying the relevant beliefs and values of the policy making participants and explaining how these affect their behavior in the policy making process. In addition, we have placed considerable emphasis on developing a proper historical context necessary to the understanding of the contemporary scene. A definition of key analytical terms and a brief statement of the political process incorporating these concepts follow:

what has been, is, and is likely to be) of the subject universe. They may be held with varying degrees of certainty and may or may not be consistent. They may be absolutely or conditionally right or wrong. Whatever the case, they go to make up the individual's conception of the realities of the environment in which he lives and which he may wish to exert influence over. Teliefs may pertain to strictly factual conditions, such as the belief that declining farm prices will act to bring about a reduction in production. Or, beliefs may pertain to situations involving value concepts, such as the belief that individualism is promoted by the institution of the family farm.

desirable. Every individual holds a complex set of values. The set of values held by an individual will reflect a degree of hierarchial ranking, but the relative importance of any number of values is often only vaguely conceived by the individual. Some values may be competitive and some may

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actually conflict with each other. Whatever the case they are the things that man attempts to strive for or to avoid.

Fublic rolicies are government programs of action generated by the political process and intended to maximize the achievement of some goal(s), which may be explicitly or implicitly stated.

Policy goals are statements of those conditions which it is believed ought to prevail. These conditions ought to prevail because it
is believed that by creating, or maintaining these conditions, a value
or series of values will be maximized. A goal is not simply the product
of values bought, rather it is a product of an interaction of values and
teliefs. A value may be highly regarded but may not lead to an effort to
establish a goal through which that value might be realized because it may
be believed that the realities of the environment are such that the achievement of that value is impossible, or it may be believed that the conditions
necessary to realize that value may be such as to impinge upon the realization of another value of equal or greater importance.

cal purposes; however, caution is needed. Beliefs, for example, are not simply the product of the facts available to the observer, but are a groduct of the facts he chooses to digest and the interpretation he gives those facts. The facts he digests and the interpretation he gives them is influenced to a very considerable extent by the observer's values. Also, values, of course, are influenced by beliefs. In actual practice, the individual rarely consciously separates these three concepts.

In regard to public policies the political process must generate two decisions, the goal to be sought, and the means of achieving that goal.

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The beliefs and values of the participants of the process are vital commonents in both decisions. The interaction between the beliefs and values occurs at two levels. First, the narticinant (defined either as a smecific individual or a smecific group) must, by making some attement to correlate his beliefs and values, decide what he thinks should re the goal and the means of achieving that goal. Second, there must be an interaction between the relevant marticipants in an effort to determine what in fact will be the policy--its goal and the means of achieving it. This is, of course, a two-way process in which the beliefs and values of the marticipants influence the shape of the interaction and which the interaction acts to influence the beliefs and values of the individual participant. As the participant rarely holds his beliefs and values with absolute certainty and clarity and as no two participants hold exactly the same beliefs and values, there will always be political conflict as to the goal to be sought and the means of achieving that goal. Fablic rolicies are created or maintained only if there is sufficient accommodation to generate a decision.

As note; a considerable portion of this study is devoted to an historical analysis of the family farm creed and the relevant political and economic antecedents to the contemporary price support and production control policy. In our discussion of the origin and nevelopment of the family farm creed in the eighteenth and nineteenth centuries we have necessarily relied heavily on secondary sources, particularly the works of Chester E. Lisinger, Taul H. Johnstone, Henry Nash Smith, Richard Hofstadter, and A. whitney Griswold. 2

Wee Bibliography for full citations.

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The egro riste portions of Smith's <u>Virgin Inni</u>, hofstalter's Age of the firm, and driswolli's Farming and Democracy are the most valuable because of their greater commrehensiveness and because they identify sche of the general relationships between the creed and agricultural policy making. However, only the Criswold work deals with the creed in the twentieth century, and it is limited to the pre-World War II period. but the most serious limitation of these works is the authors' attitude toward the creed: they aroue that the conditions which gave rise to the cree i and which gave it a certain sense of legitimacy have long since mish rement therefore the creed itself should be exorcised from the American political scene. Specifically they argue that as the creed proce during an era when family farming was to a large extent selfsufficient farging, the commercialization of agriculture in the last half of the mineteenth century has rendered it quite meaningless. This suggests, then, that continued agreals to the family farm creed in the twentieth contary are nothing more than coloulated appeals to a popular tribition for the sole purpose of bolstering demands for public policies aimed at protecting the economic interests of an agriculture that no longer exhibits any of the qualities assigned to forming by the family form creed. In short, they argue that continued references to the creed are wholly propagandic in nature.

Ihese analysts err in their interpretation that the originators of the American family form creed thought that the major virtues of family forming stemmed primarily from its economic self-sufficiency.

They also err in not recognizing that the creed could change over time and move away from its earlier fundamentalistic thesis without losing its

colitical vitalit, and legitimacy. Therefore, one of the purposes of our historical analysis is to correct these common distortions in the interpretations of the family form creed.

trior to the second war is arawn, to a large extent, from primary sources.

The have concentrated on an analysis of the country life movement, which among other things, revitalizes the creed and re-defined it in accord with existing conditions. For the remod between the wars we have drawn from extensive survey of the public press and from the writings of leading relitical figures and social analysts of the period. The have been carticularly concerned with ressuring the impact that the agricultural decression of the 17.0's and 1900's hallon the creed.

The data for our analysis of the cost-World war II period has been drawn from a variety of areas. A major source has been the extensive hearings on crice and control policy conducted by the House Committee on Agriculture, the Senate Committee on Agriculture and Forestry and the general housings of the house Subcommittee on Family Farms, as well as a special studies conducted or sponsored by these committees. These hearings yield a wealth of data on almost every aspect of the postwar period with which we are concerned.

affected by the quality of the analytical models and empirical data available to the policy makers regarding the nature of the micro and macro acricultural supply and demand functions and other economic characteristics of agriculture, it was necessary to conduct an exhaustive survey of the

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literature of professional agricultural economists. Cur former training in agricultural economics both at the undergraduate and graduate level was most valuable in this respect.

The used the following guides in our survey of the public pressoring the postwor period: Agricultural Index, Congressional Record index, Eurlic Affairs Guide, New York Tires Index, and Readers Guide.

Public of inion data was obtained from several sources. For the period 1947 to 1951 we relied on the <u>Fublic Opinion Quarterly</u>. The Rober Fublic Orinion Research Center provided us with a considerable volume of opinion acts for the years since 1950. Ar. Samuel Lubell provided us with press release conies of all his published newspaper columns dealing with farmer orinion. The American Institute of Fublic Opinion also supplied us with some valuable tabulations.

The three major farm organizations—Farm bureau, Grange, Farmers Union—supplied us with complete sets of their respective platforms for the years 1947 through 1964. Correspondence with farm organization leaders, church leaders, and several congressmen prominent in the agricultural policy making process provided a great deal of valuable data.

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