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## PRESIDENT HOOVER'S FARM POLICIES

1929–1933

Having recently set aside the extremely adverse view of the Hoover presidency, many students are turning their attention to an array of themes which that presidency reflected—decentralization, voluntarism, cooperativism, and individualism—perhaps best understood as an attempt to blend corporatist formulas with liberal traditions.<sup>1</sup> Hoover's view of American corporatism and his administrative and political implementation of it is well illustrated by examining the development of his farm policies.<sup>2</sup> Although my paper will emphasize Hoover's presidential use of such policies, it is essential to understand the roots of

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<sup>1</sup> See "Introduction," *The Hoover Presidency: A Reappraisal*, Martin L. Fausold and George Mazuzan, eds. (New York: State University of New York Press, 1974) for complete and generally favorable reappraisal. Also see Fausold and Mazuzan "Introduction" notes for a complete description of historical research on the Hoover presidency from 1932 to the present. Some historians have not set aside their combative view of Herbert Hoover, e.g., Arthur Schlesinger, Jr., in New Deal seminar, 27 June 1974, Geneseo, New York, reiterated his conflict/combatative and traditional view of Herbert Hoover as president. Several historians recently have developed a concept of corporatism. For subthemes and Hoover's relation to them, see note 6, below.

<sup>2</sup> Ellis W. Hawley, "Herbert Hoover and American Corporatism, 1929–1933," in *The Hoover Presidency: A Reappraisal*; Albert A. Romasco, in *The Poverty of Abundance* (New York: Oxford University Press, 1965), refers to Hoover's agricultural policy as best representing his economic and political thought. I am particularly indebted to Ellis Hawley for his suggestions regarding Hoover's concept of corporatism. For recent views of the development of corporatism see William A. Williams, *Contours of American History* (New York: Quadrangle Books, 1961); James Weinstein, *The Corporate Ideal in the Liberal State* (Boston: Beacon Press, 1968); Grant McConnell, *Private Power and American Democracy* (New York: Nash Publishers, 1967); Murray N. Rothbard, "Herbert Hoover and the Myth of Laissez-Faire," in *A New History of Leviathan* (New York: Nash Publishers, 1972). The most persuasive arguments regarding Hoover's role in corporatism are those of Ellis W. Hawley in "Herbert Hoover and American Corporatism, 1929–1933," and Peri Ethan Arnold, "Herbert Hoover and the Continuity of American Public Policy," *Public Policy* 21 (Fall 1972). Hawley correctly cautioned me to qualify Hoover's corporatism: "There are distinctions to be made between him and people like Robert Wolf and Mark Requa in 1920 or Gerard Swope and Hugh Johnson in 1933. Yet it is also clear that his system had corporatist aspects, that he was neither a laissez-faire antitrust, or statist liberal."

Hoover's corporative thought and its implementation in his prior experience in American government—from his World War I days as U.S. Food Administrator through his tenure as secretary of commerce to the presidency. The paper argues that the inimical relationship between Hoover's concept of corporatism and its political implementation explains to a large degree a failure in farm policymaking which might apply to other policy areas in his presidency.<sup>3</sup>

On the evening of 29 March 1924, Secretary of Commerce Herbert Hoover sent to Representative Arthur B. Williams a draft of his cooperative marketing plan which shortly would be the Coolidge administration's answer to the McNary-Haugenites and eventually would be the basis for Hoover's integral agricultural policy as president. "It is founded," wrote Hoover to Williams, "on ideas developed during the Food Administration and a very definite organized investigation by the Department of Commerce's staff during the last ten months, including extended conferences with existing cooperatives and leaders in terminal marketing distribution."<sup>4</sup>

It is little wonder that Hoover was so confident about his cooperative marketing plan, based as it was on his immensely successful experience in government over the previous decade. His tenure as Food Administrator during the late war particularly taught him that a combination of power, exhortation, and cooperation could accomplish many things—such as the tripling of American exports of foodstuffs to Europe. He did that by organizing the efforts of many interests—the grain dealers, the millers, the farmers, and the consumers.<sup>5</sup> Little wonder that the

<sup>3</sup> See Joan Hoff Wilson, "Hoover's Agricultural Policies, 1921-1928," in this issue of *Agricultural History*, for full development of Hoover's agricultural policies preceding his presidency. See also Jordan A. Schwartz, *The Interregnum of Despair* (Chicago: University of Illinois Press, 1970) and his "Hoover and Congress: Politics, Personality and Perspectives in the Presidency," in *The Hoover Presidency: A Reappraisal*, for a discussion of Hoover's dislike of broker state and nonelectoral politics that has influenced my views.

<sup>4</sup> Herbert Hoover to Arthur B. Williams, 29 March 1924, Commerce Department Papers, Herbert Hoover Presidential Library, West Branch, Iowa (hereafter HHP).

<sup>5</sup> For a general description of the Food Administration and Herbert Hoover's role see William Clinton Mullendore, with "Introduction" by Herbert Hoover, *History of the United States Food Administration, 1917-1919* (Stanford, Calif.: Stanford University Press, 1941); Murray R. Benedict, *Farm Policies of the United States, 1870-1950* (New York: Twentieth Century Fund, 1953); James H. Shideler, *Farm Crisis, 1919-1923* (Berkeley: University of California Press, 1957); Barry D. Karl, "Presidential Planning and Social Science Research: Mr. Hoover's Experts," *Perspectives in American History*, vol. 3 (Cambridge, Mass.: Harvard University Press, 1969); Craig Lloyd, *Aggressive Introvert* (Columbus: Ohio State University Press, 1972). For the tone of the Hoover-Wilson relationship in connection with the Food Administration see Wilson-Hoover Correspondence, HHP (Original Wilson-Hoover correspondence, Hoover Institution on War, Revolution and Peace, Stanford, California). See also Francis W. O'Brien, ed., *Hoover-Wilson Wartime Correspondence, September 4, 1914-November 11, 1918* (Iowa City: Iowa State University Press, 1974).

themes of individualism, cooperatism, voluntarism, and decentralization would agitate his fertile mind and that he would write about them in a book, *American Individualism* (1922), as a blueprint for America, including its farmers. Having particularly observed the farmers' plight, he urged the cooperative rather than the statist approach to the problem of agriculture. His cooperative marketing plan became the basis for a Presidential Commission Report in 1924 which established cooperative marketing as the Coolidge administration's basic solution to the farmers' problems. The cooperative marketing plan also became Hoover's plan in his campaign for the presidency and for his administration. The plan, in microcosm, manifested Hoover's concept of an American corporatism.<sup>6</sup>

Gilbert Fite has correctly pointed out that the 1928 presidential election brought farm problems "into sharper focus than in any campaign since 1896." Indeed, from the early days of the Harding presidency "the wild jackasses of the desert," as George Moses unaffectionately called them, thrashed about for relief—from speculators, tax collectors, railroad magnates, commission men, bankers, and, most importantly, from the whole society which denied them tariff relief and a purchasing power equal to other segments of America. Agrarian leaders called for 100,000 farmers to march on the Republican Convention in Kansas City to demand positive federal aid to farmers. Instead "a small denim-clad contingent bearing hoes, rakes, and shovels" was turned away. The McNary-Haugenites had no chance. Their favorite candidate, Governor Frank Lowden of Illinois, withdrew from the race when the McNary-Haugen plank lost 806 to 78. It was Hoover easily on the first ballot. George Peek, the father of McNary-Haugen proposals, called the Republican nominee the "arch enemy of a square deal for agriculture" and turned to the Democrats and Alfred E. Smith. He achieved some satisfaction although both Republican and Democratic platforms and candidates were very vague and wobbly on the equalization fee demanded by the McNary-Haugenites. Although Peek stayed with Smith, by election time most farm organization leaders and politicians would not bolt the Republican Party. They were in fact less impressed by Hoover's or Smith's stand on agriculture than the pervading issues of prohibition and Catholicism. Rural America couldn't take the Catholic wet Smith.<sup>7</sup>

<sup>6</sup> Herbert Hoover, *American Individualism* (Washington, n.d., first published New York: Doubleday, 1922), 20. See William Appleman Williams, "What This Country Needs . . .," *Some Presidents, From Wilson to Nixon* (New York: Review Books, 1972) for a discussion of the balance of industry, labor, and government as Hoover outlines it in his *American Individualism*. See also Raymond W. Miller, *A Conservative Looks at Cooperatives* (Athens: Ohio University Press, 1964), 18–19.

<sup>7</sup> Gilbert C. Fite, "The Agricultural Issues in the Presidential Campaign of 1928," *Mississippi Valley Historical Review* 37 (March 1951): 653–72; Roy V. Peel and

So the 1928 election was far from a referendum on agriculture. Yet it had profound consequences for agriculture. While Hoover, as Donald McCoy has said, conducted a superb campaign for the nomination and the election, it is important to note that he did it in spite of the serious reservations of many Republican politicians and farm organization leaders.<sup>8</sup> Indeed, Hoover's supporters advertised his nonpartisan history and his distaste for ordinary political methods.<sup>9</sup> Craig Lloyd describes the campaign as his last great public relations effort.<sup>10</sup> So, contrary to the wishes of much of the large agrarian constituency which voted for him, Hoover again articulated his solution to pressing problems. Out of his *American Individualism* of 1922 he saw in his forthcoming presidency a new harmonious economic system, the dominating idea of which would be a steady increase, through the cooperation of capital and labor, of the efficiency of production and distribution. Out of his cooperative plan of 1924 he held up the idea of the Farm Board as the most "far-reaching . . . proposal ever made by a political party." It would assist farmers in their establishment of marketing cooperatives, clearinghouses, warehouse facilities, and farm owned and controlled stabilization corporations. It was to Hoover a logical culmination of twenty-five years of an evolving "higher sense of organized cooperation than has ever been known before"—American corporatism, by another name.<sup>11</sup>

The election of 1928 could not be considered by the major contenders as a referendum on American agriculture. In fact, agriculture's depression was considerably abated by the time of Hoover's election. Parity prices for farm products in 1928, based on most indexes, had gradually improved during the decade and were only slightly behind the base 1910–1914 period.<sup>12</sup> Yet, the momentum for action, born of a real postwar agricultural depression, accentuated by previously high

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Thomas C. Donnelly, *The 1928 Campaign, An Analysis* (New York: Richard R. Smith, 1921), chap. 2; see also Lawrence H. Fuchs, "Election of 1928," in *History of American Presidential Elections*, vol. 3 (New York: Chelsea House, 1971); David Burner, *The Politics of Provincialism: The Democratic Party in Transition, 1918–1932* (New York: A. A. Knopf, 1968), chap. 7; David B. Miller, "Origins and Functions of the Federal Farm Board" (Ph.D. diss., University of Kansas, 1973), chap. 5, discusses particularly the ambiguity of the major candidates regarding agriculture and the equalization fee.

<sup>8</sup> Donald R. McCoy, "To the White House: Herbert Hoover, August 1927–March 1929," *The Hoover Presidency: A Reappraisal*.

<sup>9</sup> Karl, "Presidential Planning and Social Science Research: Mr. Hoover's Experts," discusses generally Hoover as a nonpartisan.

<sup>10</sup> Lloyd, *Aggressive Introvert*, chap. 7.

<sup>11</sup> See sources in notes 7–10, above. See also *New York Times*, 12, 22 August, 3 November 1928.

<sup>12</sup> Murray R. Benedict, *Farm Policies of the United States, 1870–1950*, 239. Indexes worked out by Professor Lawrence Smith, State University College, Geneseo, New York, confirm relative parity price stability of farm commodities.

wartime farm prices, continued late into the decade. The president-elect in 1928 made known his intention of calling a special session of the Congress early in his administration to address the problems of that vital segment of America.<sup>13</sup> It was his first grand opportunity to employ in agriculture the cooperative approach he had succeeded with in industry over the previous eight years.

Hoover's handling of agriculture in the months preceding the special session is revealing of his corporatist approach and its nonpolitical implications. Having expressed for a decade his commitment to farm-controlled marketing mechanisms as a principal long-run resolution of the agricultural problems, and having reiterated such commitments in the recent campaign, the president-elect was reluctant to intrude on the congressional role of constructing his own administration's farm legislation.<sup>14</sup> (He respected the constitutional checks and balances of the federal system as he did the corporatist balance between industry, labor, and government enunciated in his *American Individualism*.) Yet Congress cried out for direction, for agreement there regarding the need for tariff revision, reduction of transportation costs, and the curbing of gambling on the grain market was far overshadowed by vast disagreement on how farm surpluses should be controlled to stabilize the industry. The very word "stabilization" created confusion. Having come into prominence in the fourth McNary-Haugen Bill as an adjectival substitute for equalization fee, it implied a government surplus control quite inconsistent with Hoover's concept of stabilization by voluntary farmer cooperative marketing.

Arthur Capper, the president's friend, believed that Hoover favored "the setting up of stabilization corporations and other agencies to deal at once with the problems of seasonal and annual surpluses of farm products."<sup>15</sup> Smith Brookhart, who supported Hoover in the election because he believed Hoover would control the surpluses, called for a 1.5 billion dollar stabilization fund "to take care of the surpluses, . . . [as the president-elect] did while Head of the Food Administration during the war."<sup>16</sup> The farm bloc, not given to seeking presidential direction, did so in this case, to no avail. Even Secretary of Agriculture

<sup>13</sup> Miller, "Origins and Functions of the Federal Farm Board," 116, discusses the arrangements Hoover made with Senator Smith Brookhart to call a special session "to handle the 1929 crop" if Brookhart did not press for farm legislation in special session.

<sup>14</sup> Herbert Hoover, *The Memoirs of Herbert Hoover: The Cabinet and the Presidency, 1920-1933* (New York: Macmillan, 1952). "I felt deeply that the independence of the legislative arm must be respected and strengthened. I had little taste for forcing Congressional action or engaging in battles of criticism."

<sup>15</sup> *New York Times*, 20 January 1929.

<sup>16</sup> *New York Times*, 12 March 1929.



Arthur M. Hyde refused comment.<sup>17</sup> So Smith Brookhart appeared instead of Hyde as the Senate Agriculture Committee's first witness, and plunked for his 1.5 billion dollar stabilization fund. When he couldn't assure his colleagues of the president's support, George Norris cried out, "What's the use of going ahead with a farm bill unless we know the President will sign?" Some White House insiders prodded the president to speak up and support stabilization.<sup>18</sup> Theodore D. Hammatt of the Commerce Department interceded to have A. E. Huff of the National Farmers' Union and Ralph Snyder, a Farm Bureau officer, present to the president their argument for a stabilization corporation plan. Hammatt was elated that the officials of the two national organizations agreed on what he thought was a logical plan. There is no evidence that the president received them.<sup>19</sup>

The president's message to Congress on agriculture, 16 April 1929, did little to allay the confusion regarding stabilization.<sup>20</sup> While from today's perspective Hoover's call for cooperation "for the purchase and orderly marketing of surpluses occasioned by climatic variations or by harvest congestion" is understood as a secondary instrument to the building up of marketing cooperatives, Senator Henry Allen of Kansas thought differently then. In defending Hoover, he supported what he thought was the president's suggestion that a 500 million dollar fund regulate surpluses.<sup>21</sup> The special message also equivocated on the export debenture idea, causing senators to think the president might accept it. The old Grange idea in recent months had gained ascendancy over the McNary-Haugen approach, and although Hoover did in time make known his opposition to it, his "hands off" approach to Congress considerably aided the Democratic and Republican insurgents in putting the export debenture proposal in the Agriculture Marketing Act where it stayed until, after a debilitating period of weeks, it was finally deleted from the act as finally passed.<sup>22</sup> Republican leaders pointed out to the president that had he placated Senators W. B. Pine of Oklahoma and Thomas P. Schall of Minnesota with some political patronage and assurance, export debenture would never have got into the bill. The president, however, wasn't in the habit of "trading." He felt that he represented the welfare of the people; that Congress represented the

<sup>17</sup> *New York Times*, 22 March 1929.

<sup>18</sup> *New York Times*, 25, 26 March 1929.

<sup>19</sup> T. D. Hammatt to George Akerson, 16 March 1929, Presidential Papers, HHP.

<sup>20</sup> *Message of the President of the United States, April 16, 1929* (Washington: GPO, 1929), Presidential Papers, HHP.

<sup>21</sup> *Congressional Record*, 71 Cong., special sess., 30 April 1929, p. 678.

<sup>22</sup> *New York Times*, 4, 8, 17 April, 4, 9, 10, 13, 27, 28 May 1929. See Hoover to Charles L. McNary, 20 April 1929, Press Relations, HHP.

politicians.<sup>23</sup> Hoover's good friend Mark Requa wrote Lawrence Richey that "the great weakness of the President is that he . . . has no time . . . for petty politics." "Notwithstanding the President's marvelous ideals," concluded Requa, "there seems to be a broad feeling that he is too much of a machine."<sup>24</sup> Former Secretary of Agriculture William M. Jardine complained that there "is some very bad leadership from the bottom of 16th Street [the White House]."<sup>25</sup>

Although vaguely drawn, the Agriculture Marketing Act was passed. On 15 June the president made the signing of the act "an event," in the presence of talking-picture cameras, stating "We have made at last a constructive start at agricultural relief with the most important measure passed by Congress in the aid of a single industry." McNary and Haugen were less enthusiastic, the former calling the act "progress" and the latter commenting ominously "the farmers must cooperate."<sup>26</sup> Norris and Borah were little impressed. Norris in an eight-page single-spaced letter to an important constituent lamented the lack of provision to "take care of the farmer's surplus."<sup>27</sup> Borah thought it "only postponed the day of execution."<sup>28</sup> But Hoover stayed on course. Persuading Alexander Legge, Bernard Baruch's first War Industries Board assistant in those good World War I days, to chair the Federal Farm Board, the president proceeded with other appointees, making sure all were safely opposed to the equalization fee. Then the president plotted the Farm Board's course, spending a long weekend with Legge in constructing a memorandum of direction. He made it clear that the organization of integral marketing cooperatives, on a commodity basis, and not the stabilization of farm prices, was the principal objective of the act. He suggested that the Board attack the wheat problem first, that a midwestern conference of farm leaders form a national "company" to lend money (allotted by the Farm Board) to cooperatives for the construction or lease of facilities and for marketing advances to the membership of the cooperatives. He insisted that any marketing advances for any purpose of price stabilization be approved by the Farm Board.<sup>29</sup>

Throughout the summer and fall of 1929 the Board valiantly set up

<sup>23</sup> *New York Times*, 13 June 1929.

<sup>24</sup> Memorandum, Mark Requa to Lawrence Richey, 27 May 1929, Presidential Papers, HHP.

<sup>25</sup> Miller, "Origins and Functions of the Federal Farm Board," 132.

<sup>26</sup> *New York Times*, 16 June 1929.

<sup>27</sup> George Norris to T. E. W. Possiter, 19 June 1929, Norris MSS, Library of Congress.

<sup>28</sup> William E. Borah to W. W. Brown, 31 July 1929, Borah MSS, Library of Congress.

<sup>29</sup> Early implementation of the Agricultural Marketing Act is most thoroughly covered in Miller, "Origins and Functions of the Federal Farm Board," chap. 6.



its divisions and initiated the implementation of the Agricultural Marketing Act, although Legge confessed to one congressional committee in September, “I have read . . . the Act twenty times, and if you understand it . . . you have got me beat . . .”<sup>30</sup> Still, central marketing facilities and services were established; education work on the value of cooperative marketing was pursued; funds were allotted to cooperatives for advance payments to farmers; and national commodity organizations were set up. The Farmers National Grain Corporation was cautioned to engage in any stabilization operations only with Farm Board approval. Hoover’s informal corporatism seemed at last launched.<sup>31</sup>

Although stabilization of commodity prices dominated much of its deliberations, the Board primarily emphasized organizational efforts. In doing so it ran into tough Senate committee critics like Smith Brookhart of Iowa and T. C. Caraway of Arkansas, who wanted stabilization in a large way. Even though Legge still wasn’t sure whether he understood the bill, on the whole he did Hoover’s bidding and held off on marketing advances of a stabilization nature. Marketing loans, supplementary to other credit sources, were permitted. When, however, the Board established a price floor in wheat, it in effect found itself in the price-fixing business. By late October it pledged supplemental loans to permit cooperatives to make marketing advances on a fixed-price basis, something Hoover had said should only happen in a time of war.<sup>32</sup>

The supplementary loan program implemented by the Farm Board in late 1929 was not motivated by the Wall Street crash but rather by political pressures from the South and from the West—the South because it lacked representation on the Farm Board, and the West because of the higher prices of Canadian wheat; and by the Board’s interest in it as a recruiting device. But as prices plunged in early 1930, the farm leaders were insistent upon a formal stabilization program. The Farm Board consented and on 10 February 1930 announced the formation of the Grain Stabilization Corporation to begin the direct purchases of wheat. Hoover’s friends in the grain trade, already exercised by the supplementary loans, were distraught by the formation of the Grain Stabilization Corporation.<sup>33</sup>

<sup>30</sup> *Ibid.*, 147.

<sup>31</sup> *Ibid.*, chap. 6, *passim*.

<sup>32</sup> *Ibid.*, chap. 7. Miller argues persuasively that by late October 1929 the Farm Board committed itself to wheat and cotton supplementary loan policies at a fixed price, in the case of wheat “one hundred per cent of current market value, . . . well beyond President Hoover’s optimistic belief that the board’s supplemental loans could be based on eighty-five percent of market value.”

<sup>33</sup> *Ibid.* The Grain Stabilization Corporation was announced on 11 February 1930.

The president and Hyde opposed the price-stabilization efforts of the Farm Board which exceeded the former's corporatist ideas of balance. Hyde suggested a vague land-withdrawal program as the best solution to reduce surpluses and increase prices. Presidential Secretary Walter Newton, presumably at the president's request, wired Hyde, who was in Chicago, complaining about the Farm Board's direct purchases as discriminatory and market disturbing and suggested that "to alter the present marketing practice . . . is a very delicate matter to be handled with utmost circumspection."<sup>34</sup> On 15 March the president directly informed Legge that stabilization should come only after marketing cooperatives had been given a chance to correct conditions. "That this should be first accomplished is the whole difference between private initiative and the government in business and it seems to be a prerequisite of any success in permanent relief to agriculture."<sup>35</sup>

Hoover, of course, defended Legge against Julius Barnes's criticism of the stabilization program, although not insincerely, for by April of 1930 he could say that commodity prices had steadied.<sup>36</sup> In fact the president was sufficiently pleased by the apparent success of the stabilization effort to be angry when the USDA's Bureau of Agricultural Economics publicly made reference to only "a slight recovery" in agriculture prices. Always conscious of propaganda as an administrative device, he complained to Hyde that the Department of Agriculture "seems to miss a great opportunity in that it gives no credit whatsoever to the Farm Board for emergency action which unquestionably stemmed the tide of panic in agriculture prices."<sup>37</sup>

If the president was very reluctant to intervene in Farm Board affairs—perhaps because of the Board's quasi-executive status—he firmly continued his reluctance to write Congress's bills for it. By withholding his power and influence in Congress's 1930 tariff building of high schedules on manufactured items which would have the effect of increasing costs to the farmers, he undid much of the good which might have accrued from high schedules on agriculture commodities. The president didn't like the bill, but, except for the flexibility provision, made no public comment as protectionists incorporated revisions which transformed the bill from the agricultural reform measure it was intended to be.<sup>38</sup>

<sup>34</sup> Telegram, Walter H. Newton to Arthur M. Hyde, 28 February 1930, Presidential Papers, HHP.

<sup>35</sup> Miller, "Origins and Functions of the Federal Farm Board," 205-6.

<sup>36</sup> Hoover to Julius H. Barnes, 1 April 1930, Presidential Papers, HHP.

<sup>37</sup> Hoover to Arthur M. Hyde, 21 April 1930, Presidential Papers, HHP.

<sup>38</sup> The best coverage of the relationship between the Smoot-Hawley tariff and agriculture is Duane Guy, "The Influence of Agriculture on the Tariff Act of 1930,"

By the end of April 1930 the Farm Board held one-third of the wheat supply in the country and discontinued its stabilization program in the commodity. Presumably the price was stabilized. While attempting to educate Kansas farmers to cut their wheat acreage the Farm Board proceeded with the establishment of a Cotton Stabilization Corporation.<sup>39</sup> There was no respite for the president. Problems, agricultural and otherwise, compounded. Wheat prices didn't hold, except in August. Then the drought descended upon 300,000 farm families in fifteen states. The president's corporatist approach to that problem was consistent with his grave reservations about the Farm Board substituting stabilization for cooperative efforts. "The drought," Mark Sullivan wrote, "lent itself to cure by an American method in accord with an American tradition that . . . the President cherished, i.e., through community generosity and mutual self-help." Again Hoover exhorted Americans—governors, railroads, the Red Cross, and banks—to cooperatively aid the drought victims. Only reluctantly did he eventually sign a twenty-million-dollar seed loan program—insisting that aid to individuals must come only after all voluntary efforts were expended.<sup>40</sup>

While 1930 ended on no propitious note for agriculture, the Democratic governor of New York, Franklin Roosevelt, suggested that "farmers should not be quick to criticise the Administration and the Farm

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(Ph.D. diss., University of Kansas, 1964), 28. Guy states that Hoover justified increased tariff schedules on agricultural commodities affected by economic conditions since the passage of the Fordney-McCumber Act. Hoover believed that high tariffs wouldn't hurt U.S. farm sales abroad because "foreign trade was no longer a direct barter between one single nation and another. World trade had become more of a common pool, into which all nations pour goods or credit and from which they retake goods or credit if needed" (p. 28). Also, Hoover argued that high tariffs would encourage imports into the United States because of the prosperity caused by it (p. 28). Statistics seem to support Hoover on maintenance of exports and imports with Fordney-McCumber 1922 tariff increases. Exports and imports held up fairly well after Fordney-McCumber. Decreases after Smoot-Hawley might be attributable to world depression.

<sup>39</sup> Although Farm Board supplementary loans during the first half of 1930 served the purpose of stabilization loans, the Cotton Stabilization Corporation was established on 30 June 1930.

<sup>40</sup> Robert Cowley, "The Drought and the Dole," *American Heritage* 23 (2 November 1972), 119. See also *Address of President Hoover at the Opening Meeting of the Annual Convention of the American Red Cross, April 13, 1931* (Washington: GPO, 1931), Presidential Papers, HHP. In addressing the convention Herbert Hoover said the following about voluntarism: "In problems of this kind [the drought] we are dealing with the intangibles of life and ideals. We are dealing with the highest thing in our civilization, that is, the sense of personal responsibility of neighbor for neighbor, the spirit of charity and benevolence in the individual, the holding alight the lamp of voluntary action in American life. A voluntary deed by a man impressed with the sense of responsibility and brotherhood of man is infinitely more precious to our national ideals and national spirit than a thousandfold poured from the Treasury of the Government under the compulsion of law. . . ."

Board, but should give them every opportunity to work out the problem."<sup>41</sup>

The nation's farm conditions worsened significantly toward the end of 1930. Although it put conditions in the context of the worldwide depression and the U.S. government's efforts to alleviate conditions at home, the USDA's *Yearbook of Agriculture* admitted to a 37 percent drop in farm commodity prices in 1930; a decrease in income from sale of grain in the year from \$1,281,000,000 to \$760,000,000; and a drop in cotton income from \$1,387,000 to \$748,000. Such data were grimly reflected in ruinous human conditions. The twelve Federal Land Banks reported a near one hundred percent increase of delinquent installments from March 1930 to March 1931.<sup>42</sup> Pessimism, however, was not rampant. The federal government optimistically responded with more credit measures and more cooperative programs. And Governor Roosevelt was encouraging. "I would urge you," he wrote to a constituent, "not to yield to the counsels of despair because depressions always come to an end and business also eventually adjusts."<sup>43</sup> Borah, of course, closer to greater agriculture distress reflected both in Idaho and in the Senate, despaired of talk of loans and of cooperation. "You see," he wrote an Idaho farmer, "you can get about anything you wish for the farmer, except that which would raise the price of his products."<sup>44</sup>

Although the administration continued its offer of loans and cooperative efforts, on 14 November 1930 it renewed its Grain Stabilization Corporation efforts. It gambled to stabilize the price of wheat and save the industry as well as such ancillary agencies as banks. It effected some stability, but not without severely depleting the revolving fund and adding to the government's already massive wheat supply. In March 1931 the Farm Board was forced to stop its wheat stabilization.<sup>45</sup> Suggestions again abounded—the equalization fee, debenture, cost-of-production, and particularly the idea of domestic allotment. The president's ideas were basically twofold. For one, he suggested, plausibly, a plan to enable farmers voluntarily to reduce their wheat production in exchange for wheat held by the Grain Stabilization Corporation. For the other, he reverted to a favorite administrative ploy, public relations: "In order to save the Farm Board, it is going to be necessary for us to organize substantial support throughout the country. I have asked some of our friends to join in this effort. It is fundamental in order to

<sup>41</sup> Franklin D. Roosevelt to Alvin L. Nichols, 20 December 1930, Roll 61, Records of Office of Governor, Franklin D. Roosevelt Presidential Library, Hyde Park, N.Y. (hereafter FDRP).

<sup>42</sup> U.S. Department of Agriculture, *Yearbook of Agriculture, 1932* (Washington: GPO, 1932), 11–13.

<sup>43</sup> Roosevelt to N. E. McIntosh, 7 January 1931, FDRP.

<sup>44</sup> Borah to John Wessink, 20 April 1931, Borah MSS, Library of Congress.

<sup>45</sup> Miller, "Origins and Functions of the Federal Farm Board," 248–56.

protect the American farmer." The Farm Board ignored the first consideration (and the president acquiesced) and accepted the second, preparing movies for nationwide distribution.<sup>46</sup>

By late spring of 1931, criticisms of Hoover's farm policies were widespread though mixed with some faint praise. Farm Board members, many of whom abandoned the organization, praised the stabilization efforts for keeping the Farmers National Bank in the black. Some few congressmen still supported the cooperative approach: "Uncle Sam has made his . . . contribution; . . . the farmers have not made theirs."<sup>47</sup> Criticisms, however, mounted. Private commission men screamed about government interference with their trade. Senators criticized the Board's liquidation of its commodity holdings. The National Farmers Union wanted more stabilization. Western progressives wanted the whole Farm Board operation eliminated. New schemes were devised as substitutes for the Farm Board.<sup>48</sup> The Board itself took comprehensive interest in land-utilization schemes as a means of attacking the farm surplus problem. By 2 May 1932 only \$2,000,000 was left in the revolving fund, and some months later Congress gave the Board a crippling blow with a meager \$800,000 appropriation for the Board's ongoing operation.<sup>49</sup>

Consistent in his belief in voluntaristic corporatism, the president turned to the expansion of credit programs to aid the farmers with loans. Twelve agriculture credit corporations were set up. Federal Land Banks were given \$125,000,000 to increase their capital stock; \$64,000,000 was appropriated to increase the lending power of the intermediate Credit Banks. Production loans were extended to farmers on the basis of need rather than physical catastrophe. And in late 1932 the administration required the farmers to pay only 25 percent of their production loans.<sup>50</sup> But the general conditions were too horrendous.

<sup>46</sup> Ibid. Miller correctly assesses Hoover's role as one of suggestion and not dictation to the Board.

<sup>47</sup> John D. Clarke to Walter H. Newton, Presidential Papers, HHP.

<sup>48</sup> *Yearbook of Agriculture, 1932*, 461; Miller, "Origins and Functions of the Federal Farm Board," 259-304. Specifically in regard to land utilization, recommendations for a recent National Conference on Land Utilization were examined. They called for retirement of marginal lands, extensive reforestation projects, and the resettlement of rural populations from marginally productive lands.

<sup>49</sup> See Miller, "Origins and Functions of the Federal Farm Board," chaps. 10, 11, for diminution of revolving fund and congressional appropriations.

<sup>50</sup> For discussion of credit efforts, see William R. Johnson, "Farm Policy in Transition, 1932: Year of Crisis" (Ph.D. diss., University of Oklahoma, 1963), chap. 2, "Agriculture Credit: The Crop Loan System." While Hoover administration credit efforts in 1932 mark some stabilization of credit, New Deal loan efforts, especially in the Farm Credit Administration, were significantly larger. See *Agricultural Statistics, 1937* (Washington: GPO, 1937). Of course, the \$500,000,000 revolving fund under the Agriculture Marketing Act was in itself considered at the time a mammoth credit program. See V. P. Lee, "The Federal Farm Board and the Agricultural Credit System," *Social Science Quarterly* 2 (June 1930): 47-54.

"Agriculture," reported the USDA in its 1933 report, "was in fact thoroughly insolvent. . . . The depression robbed farmers of their independence . . . and thereby weakened the foundation of our whole economic system."<sup>51</sup> The domestic allotment program, with the support of Farm Board economist Mordecai Ezekiel and many farm congressmen, passed the Senate, but the president, rejecting it out of hand, successfully urged the House Rules Committee to defeat it.<sup>52</sup> By late 1932 the president agreed that agriculture could be helped only by lifting up the whole economy.<sup>53</sup>

During the presidential campaign, the Democratic candidate, Franklin Roosevelt, appeared almost merrily flexible on agriculture as compared to Hoover. In his Topeka address, his principal farm speech, his six points offered for the relief of agriculture—the increase of farm income without overproducing; a self-financing of the plan; an avoidance of "dumping"; decentralization of the plan; the strengthening of the cooperative movement; a voluntary plan—seemed superficial as compared to Hoover's lengthy farm exposition at Des Moines.<sup>54</sup> There the president listed the dozen contributions his administration had made and would continue to make to agriculture. The Federal Farm Board and the tariff measures addressed immediately upon his inauguration in 1929 were listed first, followed by such additional administration efforts as land-use proposals, the St. Lawrence Seaway, drought loans, tax reduction, farm credit, mortgage relief, the RFC, improved world markets, the diversion of European debt payments to agriculture, and tariff protection.<sup>55</sup> Creditable as were many of Hoover's voluntaristic corporatist efforts, none came to grips with the basic problem of overproduction. Strong statist medicine such as export debenture, McNary-Haugenism, the cost-of-production, or the domestic allotment would have violated Hoover's attempts to blend corporatist and liberal traditions.

Behind Roosevelt's seemingly bland Topeka address was a large dialogue with farm leaders and an academic constituency which Hoover would not have politicized. While few presidents utilized social scientists in office as did Herbert Hoover, few presidential candidates consulted them as vigorously in a presidential campaign as did Franklin

<sup>51</sup> U.S. Department of Agriculture, *Yearbook of Agriculture, 1934* (Washington: GPO, 1934), 2.

<sup>52</sup> Johnson, "Farm Policy in Transition, 1932," chap. 6, "The Domestic Allotment Plan," *passim*.

<sup>53</sup> Hoover to Herbert S. Crocker, 13 May 1932, Presidential Papers, HHP.

<sup>54</sup> "Roosevelt's Farm Program," *New York Times*, 15 September 1932, Presidential Papers, HHP.

<sup>55</sup> "President Hoover's Des Moines Address," 4 October 1932, issued by Republican National Committee, Presidential Papers, HHP.



Roosevelt.<sup>56</sup> Mainly through Rexford Tugwell, Roosevelt listened to the agricultural social scientists who so frequently found little audience in Hoover's inner circle. M. L. Wilson, the Montana State College agricultural economist, was particularly influential in the Roosevelt camp with his domestic allotment plan.<sup>57</sup>

In the 1932 election, Republicans held only Kansas and North Dakota in the great corn and wheat belt. The "solid South" returned to the Democratic Party and Republicans held New England. While the election posed no mandate for immediate action by the president-elect, agricultural conditions were such—gross farm income to 5 billion dollars from 17 billion in 1917—that Roosevelt felt compelled to act in the interregnum. The Domestic Allotment Plan fitted best his broad Topeka speech specifications, although the president-elect had little real understanding of the Wilson plan. Predisposed to support it in the lame duck session, Roosevelt, nevertheless, would not urge a program until consensus jelled on a farm policy among farm leaders in and out of Congress. Farm organization leaders were still vague, most adhering to their traditional programs.<sup>58</sup> Farm congressmen seemed comparably vague. Borah, for example, was for farm credit expansion, an increase in currency, and a resolution of international problems.<sup>59</sup> Marvin Jones, the Democratic chairman of the House Agriculture Committee,

<sup>56</sup> See Richard S. Kirkendall, *Social Scientists and Farm Politics in the Age of Roosevelt* (Columbia: University of Missouri Press, 1966). Kirkendall discusses the impact of social scientists in the New Deal and election of 1932. He discusses particularly how M. L. Wilson (the principal architect of the domestic allotment plan) worked in the world of pressure politics. The author revealingly notes that "although the Hoover Administration accepted the suggestions of some social scientists, its leaders did not give much encouragement to him" (p. 39). Karl, "Presidential Planning and Social Science Research," discusses Hoover's utilization of social scientists from World War I days down to the appointment of the committees on social and economic trends in his administration. A reading of the two works reveals a difference in relating social scientists to the political process, particularly its partisan phases, Hoover seeing science and politics as antithetical and Roosevelt viewing them as congenial. Miller, "Origins and Functions of the Federal Farm Board," correctly concludes that, ironically, the Federal Farm Board served as a training ground for New Deal social scientists such as Mordecai Ezekiel, John Black, and Stanley Reed. Miller seems to see this accomplishment as more important than the growth of cooperatives per se, but less important than the creating of the necessary climate for the forthcoming Agriculture Adjustment Act. After 1930 numbers of selling and buying associations decreased as follows: 11,950 (1931), 11,900 (1932), 11,000 (1933), 10,900 (1934), 10,700 (1935), 10,500 (1936) (*Agricultural Statistics, 1937* [Washington, 1937], 465).

<sup>57</sup> For discussion of Wilson's role see Kirkendall, *Social Scientists and Farm Politics in the Age of Roosevelt*, and several memorandums on the subject by Samuel Rosenman, Rexford Tugwell, and M. L. Wilson in the Roosevelt Papers, FDRP.

<sup>58</sup> Kirkendall, *Social Scientists and Farm Politics*, and Rosenman, Tugwell, and Wilson memorandums.

<sup>59</sup> Borah to Herbert Magleby, 1 April 1933, Borah MSS, Library of Congress.

mentioned the elimination of trade barriers and freight-rate discrimination along with "sound" currency and tax reduction.<sup>60</sup> The Farm Board, at Mordecai Ezekiel's urging, now favored domestic allotment. President Hoover dusted off Hyde's land-use proposal. In late December Tugwell, with FDR much in the background, talked many farm organization leaders into accepting the domestic allotment plan with a parity price goal. Hoover, however, was adamantly opposed. "The Plan is wholly unacceptable," he wrote.<sup>61</sup> His advisers, including Julius Klein, Sydney Anderson, and James Beck, raised questions about the involuntary nature of the measure, the necessity of a large bureaucratic organization to implement it, its potential for political chicanery, and most important, its unconstitutionality.<sup>62</sup>

"The balance between agriculture and industry," wrote Sydney Anderson, "for the past 100 years has been maintained largely by farmers leaving the farms and engaging in gainful operation in trade and industry, thus becoming consumers of agriculture products instead of producers of such products."<sup>63</sup> Faced with lack of unanimity among farm leaders and Hoover's adamant opposition to domestic allotment, Roosevelt turned to educating farm leaders in and out of Congress for the day when he could impose a presidential discipline and secure the Agricultural Adjustment Act.

Herbert Hoover's farm policies reveal in bold relief much of his political ideology and style. First conceived in the corporatist context of Progressivism and war, his belief in cooperative efforts in industry, including agriculture, was honed in his *American Individualism* written in 1922. Simultaneously, as Food Administrator and Secretary of Commerce, he avoided where possible the partisan route in achieving agricultural goals, relying more on a scientifically organized bureaucracy and mass-media proselytizing. As president he frequently avoided political partisanship and executive intrusion in implementing his farm policies, depending instead on what he perceived to be a popular mandate in support of the cooperative solutions which he had so long espoused. His administrative style thus often insulated him from a dialogue which might have produced viable options to his cooperative

<sup>60</sup> Marvin Jones to Franklin D. Roosevelt, 29 November 1932, Papers of the Democratic National Committee, FDRP.

<sup>61</sup> *New York Times*, 21 February 1933.

<sup>62</sup> Julius Klein, "Memorandum Regarding Farm Subsidy Plan," undated; Sydney Anderson to Everett Sanders, 22 September 1932; James J. Beck to Walter H. Newton, 11 January 1933, Presidential Papers, HHP.

<sup>63</sup> Anderson to Sanders, 22 September 1932.

marketing approach.<sup>64</sup> As it was, his long-run solution was not suited to the short-term needs of depressed farmers. While he indeed initiated numerous important efforts to relieve the farmers, he refused to veer substantially from the course of voluntarism, cooperativism, individualism, and balance which consumed his life. In rural America, of all places, the thirty-first President was determined not to submit a profound way of life to the whims of chance and the moment.

While New Deal agricultural policies afforded necessary relief to farmers, Hoover's abortive efforts at melding quasi-corporatist and liberal solutions to the problems of farm production might yet prove more salutary than statist answers.<sup>65</sup>

<sup>64</sup> James David Barber, *The Presidential Character; Predicting Performance in the White House* (Englewood Cliffs, N.J.: Prentice Hall, 1972), passim. Barber's thesis is that Hoover was an active-negativist president—active in his operation of the office but negative in his political relations with people.

<sup>65</sup> See Hendrik S. Houthakker, *Economic Policy for the Farm Sector* (Washington: American Enterprise Institute for Public Policy, 1967), for defense of a Hoover-like long-view program of a federal agency to handle farm commodity supply as the Federal Reserve Board handles currency supply. Hoover, of course, expressed the hope that the Federal Farm Board and the Federal Reserve Board would be analogous in control of their respective commodities. Houthakker suggests a judicious stabilization through federal agency purchase of commodity futures at one of five price levels. If the supply of a commodity were too large the federal agency would purchase at lowest price level to bail out the farmer but discourage further overproduction, and if the commodity was in short supply the government, if necessary, would purchase the commodity at a high level to encourage increased production.