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Eisenhower and Agricultural Reform:

Ike's Farm Policy Legacy Appraised

By EDWARD L. SCHAPSMEIER *and* FREDERICK H. SCHAPSMEIER*

ABSTRACT. The federal government began to manage American *agriculture* in the 1930s as a way of alleviating the economic plight of farmers during the *Great Depression*. The various programs of the *New Deal* set up the mechanism for both curtailing production and storing agricultural surpluses. During World War II, these same mechanisms were used to increase the supply of food and fiber. Before 1948, the *Truman* administration sought to cut back federal *subsidies*, but reversed this policy due to campaign promises. The *Eisenhower* administration initiated a change in *farm policy* aimed at promoting a free market orientation. Subsequent Republican presidents have built upon this by seeking the free trade of agricultural commodities on a world scale.

I

Initiating Federal Management of Agriculture

ALTHOUGH THE HOOVER ADMINISTRATION resorted to federal intervention to aid farmers, it was during the New Deal era that agriculture was transformed from its basic *laissez faire* orientation to one of central management by the government. Originally justified as a temporary means to remedy economic ills caused by the Great Depression, farm programs were increasingly politicized and thus became a permanent feature of the evolving welfare state. The Eisenhower administration sought to reverse this process by redirecting the agricultural sector towards more reliance upon the operation of the free market.

The first attempt to implement a plan for the federal management of agriculture, the Agricultural Adjustment Act of 1933,¹ began during the first term of President Franklin D. Roosevelt (FDR). Production of key farm commodities was curtailed by federally imposed acreage allotments and marketing controls. The following products were designated as basic: wheat, corn, cotton, hogs, rice, tobacco, and milk (including items made from milk). Participating farmers were guaranteed minimum price levels via federal subsidies computed on the

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basis of a parity ratio of about 50%. The base period for the calculation of parity, *i.e.*, a period when a reasonable equality existed between agricultural commodity prices and the prices farmers paid for manufactured goods, was August 1909–July 1914 (except for tobacco which used the period August 1919–July 1929).

A deliberate shift in direction occurred in 1938 with the passage of a new Agricultural Adjustment Act.² Since FDR's Secretary of Agriculture, Henry A. Wallace, feared a food shortage due to the prolonged nature of the drought in the farm belt, the emphasis was shifted from inducing scarcity to one of storing surpluses. The Commodity Credit Corporation (a federal agency) became the vehicle for storing agricultural commodities so that they would not be dumped on the market all at once. Farmers were given the option, through so-called nonrecourse commodity loans, of either selling their stored food and fiber on the open market which they would do if prices were above price support levels or letting the government assume ownership, if the relationship was unfavorable. The result was that by 1941, government storage facilities were bulging with federally owned agricultural commodities.

World War II resolved the surplus problem. During the war years, in fact, the Triple-A mechanism was utilized to promote full production. The prime incentive (beyond patriotism) came when price support levels were raised to 90% of parity. Coverage of the original basic commodities was enlarged to include turkeys, dry peas, soybeans for oil, peanuts for oil, American Egyptian cotton, and such perishables as Irish and sweet potatoes. In addition such nonbasic crops as barley, oats, rye, dried fruit, and various seed crops were included in the price support program. High federal subsidy guarantees kept a profitable floor under farm prices and spurred output at record levels.

By 1948, it was apparent that federal farm policy was contributing to overproduction. President Harry Truman's Agriculture Secretary, Clinton Anderson, recommended that price supports be made flexible so that they could be reduced below the 90% level. He wanted farm production to reflect actual market conditions instead of being pegged arbitrarily at high and unrealistic levels. President Harry Truman followed Secretary Anderson's advice and asked Congress for flexible price supports. Most congressional Republicans favored a flexible support system and some Democrats supported the President. But high, rigid supports were favored by farm state representatives of both parties. The high support system was championed traditionally by Southern and Western Democrats and by Midwest Republicans with large rural constituencies. The Republican-controlled 80th Congress passed, and Truman signed, the Agriculture Act of 1948.³ It established a formula for gradually reducing the fixed 90% parity ratio for price supports to a more flexible range of from 60 to 90 percent.

But then came the presidential election of 1948. Harry Truman needed issues to win the election. Agricultural policy became one of them. While on the campaign trail, Truman resorted to a bit of political demagoguery by berating the “good for nothing 80th Congress” for scuttling the Democrats’ farm program even though he had requested flexible price supports.⁴ In one of his “give ‘em hell” speeches at the National Plowing Contest in Dexter, Iowa, Truman claimed the Republicans had “stuck a pitchfork in the farmer’s back”⁵ by reducing appropriations for the Commodity Credit Corporation. He promised more money for storage and a return to high, rigid price supports. This campaign ploy worked. The farm vote contributed much to Truman’s “miracle victory” in 1948.

In 1949 Truman’s new Agricultural Secretary, Charles Brannan, proposed an “Income Support Standard” for farmers that was tantamount to a guaranteed income/welfare system for rural America. Even though the Brannan Plan was rejected, the Democratically controlled 81st Congress did restore the 90% parity level for price supports. President Truman signed the Agriculture Act of 1949,⁶ which redeemed his campaign pledge to farmers. Surpluses began to pile up, but then came the Korean War. The government again wanted high production.⁷

II

Modifying the Federal Farm Program

WHEN GENERAL DWIGHT D. EISENHOWER won the presidential nomination of the Grand Old Party (GOP) in 1952, he was immediately warned by farm bloc Republicans not to repeat the error of 1948.⁸ He was advised that high price supports (via congressional action during the Korean War) were in force until 1954. Ike was also briefed by his brother, Milton, who had served in the U.S. Department of Agriculture from 1926 to 1942.⁹ Although Ike wanted to reform the entire price support structure, he was shrewd enough not to attack the Democrats on this issue. The Democrats were vulnerable, particularly on the potato fiasco of 1950. It was an example of the government’s inability to store large quantities of perishable commodities. After paying out sixty-four million dollars in price supports (which induced many farmers to get into the potato raising business), the government had to haul millions of bushels of surplus potatoes to garbage dumps when they started to spoil.¹⁰

Ike spoke like a professional politician when he addressed a farm audience at the National Plowing Contest in Kasson, Minnesota. In what seemed to be an unequivocal campaign pledge, he actually made a cagey and carefully delimited promise. Eisenhower declared:

And here and now, without any “ifs” or “buts,” I say to you that I stand behind—and the Republican party stands behind—the price support laws *now* [italics added] on the books.

This includes the amendments to the basic Farm Act, passed by votes of both parties in Congress, to continue through 1954 the price supports on the basic commodities at 90 percent of parity.¹¹

Eisenhower's real stance on agriculture became known when he selected Ezra Taft Benson as his Secretary of Agriculture. Benson was recommended by Allan Kline, president of the American Farm Bureau Federation—a conservative organization compared to the more liberal National Farmers Union. Politically, Benson was an ultra-right winger who had supported Senator Robert A. Taft, not Ike, for the presidential nomination.¹² Benson possessed a master's degree in agricultural economics from Iowa State College (now Iowa State University) and had years of experience with the Idaho Extension Service.¹³ At the time of his nomination as Agriculture Secretary, he was the Executive Secretary of the National Council of Farm Cooperatives, and was well known among farm leaders.¹⁴

Perhaps no Agriculture Secretary was, or has been, the recipient of such intense political vilification. Democrats verbally assaulted him for eight years. Some GOP members of Congress representing rural areas even took relish in periodically demanding his resignation.¹⁵ Had Ike made a big mistake in choosing this man? Why did he keep him in the cabinet throughout his administration?

Benson was a devout member of the Church of the Latter-Day Saints of Jesus Christ, with its headquarters at Salt Lake City, Utah. He was one of the Council of Twelve Apostles. This was the highest ruling group within the Mormon Church. Benson had no previous political experience. When he did make political pronouncements, they tended to be doctrinaire, ultra conservative in orientation, and highly moralistic. The Agriculture Secretary regarded his cabinet position as a virtual calling from God.¹⁶

No one could deter Ezra Taft Benson from doing what he perceived as his duty. A lesser mortal would have quit the cabinet considering the hail of criticism that constantly rained on his head. The political opprobrium, hurled at Benson, might well have been aimed at Ike had he named his brother to this hotspot. Instead, Benson became the lightning rod that absorbed vitriolic bolts of political criticism.¹⁷ President Eisenhower could remain somewhat aloof and maintain his image of a nonpolitical father figure by periodically tempering his activist Agriculture Secretary's zealous words and headstrong actions. Benson was not prone to compromise. But Ike constantly praised his Agriculture Secretary's loyal tenacity, while reminding him that a tactical retreat, now and then, was not to be considered a defeat. Likewise, the President stressed to Benson that he must think simultaneously of the overall welfare of farmers and not just seek the popular support of urban consumers.¹⁸

Benson first drew fire from the Democrats when he reorganized the Department of Agriculture in order to get control over this vast bureaucracy.¹⁹ He also issued a strongly worded "General Statement on Agricultural Policy." It was a dogmatic assertion, as one USDA official put it, that drew inspiration from the ideas of the "two Smiths, Joseph and Adam, and from Thomas Jefferson."²⁰ Benson declared:

Freedom is a God-given, eternal principle vouchsafed to us under the Constitution. . . . It is doubtful if any man can be politically free who depends upon the state for sustenance. A completely planned and subsidized economy weakens initiative, discourages industry, destroys character, and demoralizes the people.²¹

Despite this moralistic proclamation about the benefits of laissez-faire economics and free market agriculture, the farm bill President Eisenhower sent to Congress in 1954 was not a clarion call for abrogation of the price support system. Instead, it combined a request for more flexibility with a gradualistic approach. There were to be distinct (but slow) steps towards reducing price support levels. This was to be accomplished by a progressive transition to a modernized parity ratio based on contemporary market factors and a step-by-step reduction of price supports from the rigid 90% figure to a flexible range of from 82.5 to 90 percent.²² Other cushions were built into this omnibus measure as compromise features.²³

President Eisenhower displayed patience and political skill in securing adoption of his basic concept for reforming the system of high subsidies that had for too long ignored domestic market demands, world competition, and the scientific revolution in agricultural production. He had told Congress optimistically that "the key element of the new program is a gradual adjustment to new circumstances and conditions."²⁴ The Agriculture Act of 1954 was a step in that direction. Also to be dealt with was the problem of stored surpluses.

In tandem with the new farm act, Ike secured enactment of the Agricultural Trade Development and Assistance Act of 1954 (often referred to as Public Law 480).²⁵ This measure sought to dispose of accumulated government-owned surpluses by permitting them to be used for foreign aid purposes, sold for foreign currency, used in barter, or sold abroad for dollars. Secretary Benson did much to promote farm exports and, at the urging of Eisenhower, even relented to the sale of surplus farm commodities to the Soviet Union and other Communist nations.²⁶

Despite the effort during the next two years to curtail surplus production by decreasing federal incentives, excess farm output continued to fill government storage facilities as quickly as they were emptied. Storage costs, and monies expended to ship food overseas to be given away, cost taxpayers dearly. And

that did not count the billions spent in price supports, whose surplus prevention features were frequently undercut by Congress when it authorized set-asides (*i.e.*, the not counting of certain stored surpluses against parity reductions) and refused to enforce cross-compliance (not permitting idle acreage to be used to grow other price supported crops).²⁷

The basic reason why acreage allotments no longer served to reduce production was due to science and technology. Every time a farmer had his acreage allotment cut, he merely intensified his usage of hybrid seeds, pesticides, and chemical fertilizers. (In the case of dairy herds and livestock, better breeds and improved feeding techniques were developed.) Bigger farm machinery was manufactured and more effective methods of tillage came into use. The result was higher yields on less land.

Secretary Benson came to the logical conclusion that the small farm, particularly the marginal one, was the economic equivalent of a “Mom and Pop” store trying to compete with a supermarket.²⁸ In reality, the lion’s share of price supports went to the big operators, not to the small family farmer. Yet, 1956 was an election year. President Eisenhower was not oblivious of the political need to win rural votes by taking some action that would rectify the overall situation as well as provide some monetary remuneration for farmers who really could not compete. He instructed Benson to take some “temporary or specific action as in your judgment will meet any current emergency with which the American farmer and his family are faced.”²⁹

Benson’s response was to formulate the Agriculture Act of 1956 (dubbed the Soil Bank). It sought to tackle the problem of plenty by getting some inefficient farmers to retire their land from production for long periods of time. The government would pay farmers to place large amounts of acreage, or even entire farms, into either an acreage reserve or a conservation reserve. The latter was aimed specifically at getting marginal farmers out of agriculture altogether. These were farmers with small holdings of poor or hilly land who benefitted least from price supports. By 1960, some 28.6 million acres had been withdrawn from cultivation under long term contracts.³⁰ The overall results in terms of lowering farm output were only moderately successful when the cost of the program was taken into consideration. Aside from its political value, it had greater results in ecological, rather than in economic terms.

At the time President Eisenhower presented the Soil Bank Bill to Congress, he expressed the hope that it would achieve the following goals: “Remove the crushing burdens of surpluses . . . , reduce the massive and unproductive storage costs on government holdings . . . , provide an element of insurance since farmers are assured income from the reserve acres . . . , and harmonize agri-

cultural production with peacetime markets.”³¹ It chipped away at the problem, but achieved none of these objectives very dramatically. But it did provide a satisfactory way for marginal farmers to be paid by the government to leave farming rather than being simply driven off the farm because it was economically unprofitable.

President Eisenhower also approved other legislation beneficial to farmers. He signed a measure to aid drought victims in the Great Plains, increased appropriations for utilization research, provided for gasoline tax refunds for tractor fuel, and set up a Rural Development Program for assisting farm families earning less than \$1,000 per year.³² This fledgling anti-poverty program did not get much beyond the pilot stage because members of Congress, representing the rural sector, did not seem eager to isolate rural welfare programs distinctly from the complicated price support mechanism. The latter camouflaged federal assistance to farmers in such a way as not to make them feel they were, in any way, wards of the state. Farmers wanted it that way at the time and so did their representatives in Congress.³³

In 1958 President Eisenhower pushed ahead once more to modernize the parity system even further so that it more accurately took into account new farming techniques and contemporary world market conditions.³⁴ His task became successively more difficult after the 1954 mid-term elections when the Democrats regained (and held) control of Congress. The Agriculture Act of 1958 set a maximum of 16 million acres from which all individual cotton allotments could be allocated. That of rice was 1,653,000 acres. The parity level of price supports for both would be reduced gradually to 65% by 1961.

Corn and grain producers were polled via a referendum. They had the option of receiving price supports without production controls based on a progressively decreasing parity scale that would ultimately be set at 65%, or they could elect to receive acreage allotments based on a three-year history of their farm at a price support level that would gradually decline to a level of 75%. Farmers voted to accept the first alternative as of the 1959 crop year.³⁵

Progress was being made, albeit seemingly at a snail's pace. Secretary Benson was singled out as the scapegoat for the constant decline in the total number of farms. But the trend was inevitable. From 1948 to 1973, the total number of farms declined from 5,803,00 to 2,844,000. The exodus of farmers was due to business failure, particularly among the small, inefficient operators. To survive, farmers needed larger spreads, huge monetary investments for expensive machinery, and skill in farm management. Despite the fact that expenditures for farm programs during the Eisenhower administration exceeded the total spent

in the Truman years, the plight of the small farmer was not alleviated.³⁶ For political reasons, Benson got the blame.

However, at no time did President Eisenhower consider dismissing Benson because of his political unpopularity among farm bloc members of Congress. Ike conceded candidly that once his Agriculture Secretary arrived at a conclusion it was "earnestly held and argued, though not always with the maximum of tact." Eisenhower was in basic agreement with Benson's outlook on agriculture but did not appreciate his Agriculture Secretary's uncompromising rhetoric. Ike regarded Benson as a man of unimpeachable integrity and one whose overall ideas were good. "He and I agreed that government price supports could never solve the farm problem," the President contended, "so I supported his every move and they were honest efforts . . . to make American agriculture more responsive to a free market."³⁷

III

Results of Policy Reform

PRESIDENT EISENHOWER set policy goals and delegated considerable authority to subordinates to implement them. Therefore, he considered it his duty to back them up when they came under fire for carrying out their responsibilities. But Benson was no politician. It was Ike who kept his Agriculture Secretary on the firing line while working out political compromises. On more than one occasion, the President persuaded Benson to be less rigid and implacable. Only Ike could get Benson to back off periodically. Eisenhower's ability to work amicably with the Democrats likewise contributed to his success (modest as it was) in modifying agricultural policy. Such astute politicians as Senate Majority Leader Lyndon B. Johnson and Speaker Sam Rayburn (both from Texas) did their best to stymie the transition Ike sought, but the best they could do was to slow it down.³⁸

Ike's overall view of the New Deal-Fair Deal welfare state was not to repeal it but to reform it. Relative to agriculture, the Eisenhower administration initiated policy reform by restoring a modicum of flexibility in price supports. The Eisenhower-Benson farm programs took cognizance of technological advances, the need for American agricultural products to compete in world markets, and the fact that farmers should be reacting to consumer preferences rather than producing for government warehouses.³⁹ Ike was also serious about reducing deficit spending. He regarded high, rigid price supports as fiscally irresponsible and wasteful. While Ike was genuinely concerned about the fate of the family farm, he realized that family-oriented farming was slowly but surely being trans-

formed into large-scale agribusiness. National welfare dictated the need for agriculture to adjust to contemporary conditions at home and abroad.

The essence of Eisenhower's statecraft was to combine clever politics with positive action, even while tempering it with compassionate consideration of the human cost involved. Noteworthy was the motto on Ike's desk which contained the following words of Abraham Lincoln, "Gentle in manner, strong in deeds." By adhering to that ideal, Dwight D. Eisenhower began to reorient American agriculture while personally retaining the admiration of most rural Americans.

Ike's legacy to his successors was to establish firmly the principle of perpetual flexibility and relative freedom for farmers to react realistically to changing conditions. Although farm legislation still has some arcane features (especially relative to its recondite terminology),⁴⁰ it has (particularly under Nixon and Reagan) balanced the needs of farmers against those of consumers while keeping American agricultural products competitive on the world market. The proposals of the Bush administration seek to keep the reform tradition alive by achieving complete free trade in agricultural commodities with Canada, Mexico, and the Common Market. The ultimate goal would be to end the price support system entirely.

As American agriculture enters the last decade of the twentieth century, farm policy is now well oriented to face the challenges of the twenty-first century. President Eisenhower deserves considerable credit for freeing farm policy from its labyrinthine rigidity and past excesses, thus setting it on the road to modernity. Although it will never be fully depoliticized (this is part of the price of democracy), agricultural policy since the 1950s has tended to react (although slowly) to the economic exigencies of the times in a reasonably realistic manner. That in itself is no mean achievement.

Notes

1. For a full description of its origins and ramifications, see our *Henry A. Wallace of Iowa: The Agrarian Years, 1910-1940* (Ames: Iowa State UP, 1968), Chapter II.

2. *Ibid.*, Chapter 15.

3. For more information on this legislation, see our *Encyclopedia of American Agricultural History* (Westport, CT and London: Greenwood Press, 1976), pp. 13-14.

4. Willard W. Cochrane and Marry E. Ryan contend that Truman's approach was more effective than that of Governor Thomas E. Dewey of New York (the Republican presidential nominee), consequently the "farm state voters contributed importantly to Truman's subsequent victory at the polls." *American Farm Policy, 1948-1973* (Minneapolis: U of Minnesota P, 1976), p. 28.

5. Text of Truman's speech at the National Plowing Contest, Dexter, IA, September 18, 1948, in Barton J. Bernstein and Allen J. Matusow, eds., *The Truman Administration: A Documentary History* (New York and London: Harper, 1966), p. 134.

6. *Encyclopedia of American Agricultural History*, p. 14.

7. The parity-price support mechanism was once again used to stimulate farm production. The actions of Southern Democrats was particularly effective. See our "Farm Policy From FDR to Eisenhower: Southern Democrats and the Politics of Agriculture," *Agricultural History*, Vol. 43 (Jan. 1979), pp. 352-371.

8. Senator Frank Carlson (R-Kans.) wrote Milton Eisenhower on July 16, 1952: "I am firmly convinced that Dewey lost the last election because the farmers in a small group of states out in this part of the country lost confidence in his position on price supports." Papers of Frank Carlson (Kansas Historical Society, Topeka). Two memos were circulated before the election. One was titled "House GOP Agricultural Leaders Propose '52 Farm Plank." Papers of Clifford R. Hope (Kansas State Historical Society, Topeka). The other, "Senate Minority Memo: Will the Democrats Fool the Farmer Again?" Papers of Senator Robert A. Taft (Library of Congress, Washington, DC).

9. Letter, Milton Eisenhower to authors, September 23, 1969. During the administrations of FDR and Herbert Hoover, Milton held the post of Director of Information. After he left the USDA, he became president successively of three universities: Kansas State, Penn State, and Johns Hopkins. His relation to President Eisenhower was that of an unofficial advisor on all matters, not just on agriculture.

10. See Allen J. Matusow, *Farm Politics and Policies in the Truman Years* (Cambridge, MA: Harvard UP, 1967), pp. 129-130.

11. Text of address at Kasson, MN, September 6, 1952, OF 106 Agriculture-Farming, Dwight D. Eisenhower Library (Abilene, KS).

12. Senator Taft played no key role in naming an Agriculture Secretary, but he liked Ike's selection: "It is a good thing we have a sound man like Benson as Secretary of Agriculture. I hope he can lead the extreme farmers into a more reasonable attitude than some of the representatives are adopting at the present time." Letter to Louis J. Taber (National Grange), February 12, 1953, Papers of Robert A. Taft (LC).

13. His M.A. thesis was titled: "The Beef Cattle Situation in the Northern Range Area and its Relation to the Iowa Feeder," Iowa State College, 1927.

14. Paul Friggens, "Meet the New Secretary and His Family," *Farm Journal*, Vol. 77 (Jan. 1953), pp. 28-29, 97.

15. Ike's Chief of Staff, Sherman Adams, stated, "I spent more time defending Benson to members of Congress than any other cabinet official." Interview with authors, Aug. 13, 1969, Lincoln, NH.

16. For a complete explanation of his religious background (and that of Henry A. Wallace), see our "Religion and Reform: A Case Study of Henry A. Wallace and Ezra Taft Benson," *Journal of Church and State*, Vol. 21 (Autumn 1979), pp. 525-535.

17. Democrats generally were highly critical of Benson. The party platform of 1952 committed itself to the 90% parity figure and the 1956 platform called for a return to it. See our "Eisenhower and Ezra Taft Benson: Farm Policy in the Fifties," *Agricultural History*, Vol. 54 (Oct. 1970), pp. 369-378 and "Western Livestock Policy During the 1950s," *Journal of the West*, Vol. 14 (July 1975), pp. 25-31.

18. Minutes of Cabinet Meeting, June 6, 1954, Papers of Sherman Adams (Dartmouth College-Hanover, NH). One of the first urban Democrats, interestingly enough, to break ranks with his party in supporting Benson's policies was Senator John F. Kennedy of Massachusetts. Later in his career, as he prepared to launch his presidential campaign, he reverted to the traditional Democratic farm policy.

19. Howard R. Tolley, "Dismemberment of the BAE," *Journal of Farm Economics*, Vol. 36

(Feb. 1954), pp. 14–16. The Bureau of Agricultural Economics was dominated by former New Dealers. Notable New Dealers pushed out of the USDA included Milburn L. Wilson, Louis Bean, and Claude Wickard (the latter was FDR's Agriculture Secretary from 1941–1945).

20. Letter, Don Paarlberg (Assistant Secretary of Agriculture under Benson until he became a Special Assistant to President Eisenhower) to authors, Sept. 3, 1969. For more observations on Benson see oral history memoirs of Don Paarlberg and Earl L. Butz (Nixon's Agriculture Secretary), Dwight D. Eisenhower Library.

21. "General Statement on Agricultural Policy by Ezra Taft Benson," Feb. 5, 1953, Papers of Ezra Taft Benson (Dwight D. Eisenhower Library).

22. Originally Eisenhower wanted a flexible price support scale from 75 to 90 percent, but had to settle on a compromise figure of 82.5 to 90 percent. Representative Charles Halleck (R-Ind.) worked out the compromise. Letter, Charles Halleck to authors, Oct. 28, 1969. The old parity formula was hopelessly outdated. The new computation was to be based on economic factors relating to the prior decade.

23. For a complete explanation of the Agriculture Act of 1954, see our *Ezra Taft Benson and the Politics of Agriculture: The Eisenhower Years, 1953–1961* (Danville, IL: The Interstate Printers and Publishers, Inc., 1975), pp. 84 ff.

24. "Special Message to the Congress on Agriculture," Jan. 11, 1954, *Public Papers Of The Presidents Of The United States, Dwight D. Eisenhower 1954* (Washington, DC: U.S. Government Printing Office, 1960), p. 4. The Eisenhower-Benson proposals to Congress received support from former Secretary of Agriculture Henry A. Wallace. As the major innovator of the Triple-A programs of 1933 and 1938, he agreed that it was "foolish waste" for farmers to produce for nonexistent markets and convert his "Evernormal Granary" into an "abnormal" granary. HAW, "Background of the Farm Program," NBC, April 1, 1954 (Papers of Henry A. Wallace-University of Iowa, Iowa City).

25. Under the foreign aid provisions of PL 480 (and those of the Mutual Security Program) some \$5,500,000,000 worth of agricultural commodities found their way to underdeveloped countries. "Statement by Secretary of Agriculture Ezra Taft Benson before House Committee on Agriculture," Feb. 18, 1960, Council of Economic Advisers File (Dwight D. Eisenhower Library).

26. President Eisenhower convinced the ideological anti-Communist minded Benson that it was to the "net advantage" of the U.S. to export agricultural commodities to the Communist Bloc. Minutes of Cabinet Meetings, Aug. 5 and Dec. 7, 1955, Adams Papers. Benson increased U.S. agricultural exports substantially. He personally visited countries in Europe, Asia, and Latin America. The USDA conducted trade fairs all over the world. Benson increased research expenditures for finding new industrial uses for farm commodities and battled within the administration with Secretary of State John Foster Dulles over "dumping" in violation of the General Agreement on Trade and Tariffs (GATT). Despite Benson's efforts the Democratic platform of 1956 severely (and unfairly) criticized the Eisenhower farm policy: "We condemn its fear of abundance, its lack of initiative in developing domestic markets, and its dismal failure to obtain for the American farmer his traditional deserved share of the world market. Its extravagant expenditures of money intended for agricultural benefit, without either direction or results, is a national calamity." "Democratic Platform 1956," in Kirk H. Porter and Donald Bruce, *National Party Platforms 1840–1960* (Urbana: U of Illinois P, 1962), pp. 532–533. For more on the political obstacles involved, see Earl L. Butz (Assistant Secretary of Agriculture), "The Agricultural Economist in the Political Environment of Policy Making," *Journal of Farm Economics*, Vol. 37 (May 1955), pp. 189–196.

27. The Agriculture Act of 1954 had barely been passed when Senator Everett M. Dirksen (R-Ill.) warned that some of "our friends on the ballot" in the fall congressional elections would

be hurt if cross-compliance regulations were enforced before farmers went to the polls. Letter, Dirksen to Assistant Secretary of Agriculture Ross Rizley, Sept. 21, 1954, Correspondence 1954, File on Commodities: Acreage Allotments-Marketing Quotas, Record Group 16, National Archives (Washington, DC). Dirksen drew his voter support from rural, downstate Illinois. When the U.S. Supreme Court made its "one-man, one vote" ruling on reapportionment within the states in *Reynolds v. Sims* (1964), Dirksen predicted correctly that farmers would suffer politically when urban Democrats gerrymandered congressional districts. For more information on Dirksen's rural/agrarian orientation, see our *Dirksen of Illinois: Senatorial Statesman* (Urbana and Chicago: U of Illinois P, 1985), Chapter I.

28. Benson stated it plainly and truthfully (although it was not smart politics to do so): "It doesn't matter whether we give that man 100 or 200 percent of parity through the price support system, his income problem will not be solved. His problem is one of volume, not price. He does not have an economic farm unit. He is not able to grow the volume of crops to benefit substantially by price supports." ETB, *Freedom to Farm* (Garden City: Doubleday, 1960), pp. 198-199.

29. Memorandum, Eisenhower to Benson, Oct. 23, 1955, Adams Papers.

30. The conservation reserve was inactivated after 1959 due to cost ineffectiveness, nonfarm criticism, and rural complaints about eliminating farms.

31. Special Message to Congress, Jan. 9, 1956, Copy in Adams Papers. For the specifics on its partial achievement of these objectives, see Ezra Taft Benson, "Farm Policy—Programs," Apr. 1, 1960, Papers of Ezra Taft Benson (Archives of the Latter-day Saints of Jesus Christ-Salt Lake City, UT).

32. Other benefits to farmers secured during the Eisenhower administration included coverage by Social Security, the St. Lawrence Seaway (which lowered rail shipping costs), tax relief in the form of depreciation allowances on mechanical equipment, the Watershed Protection and Flood Protection Act, and the Water Facilities Act (which promoted drainage and conservation projects).

33. "Progress in the Rural Development Program," First Annual Report of the Secretary of Agriculture, September 1956," National Agricultural Library (Baltimore, MD).

34. Before final passage of the Agriculture Act of 1958, the Democrats (who controlled Congress) approved a Senate-House Resolution to freeze parity. Eisenhower vetoed it with the statement: "If I had signed the freeze bill, it would have been a 180-degree turn right back to the very problem from which our farm people are beginning to escape. Instead of doing that we should build on what we have done to meet the problems that remain." Text of the Remarks of the President on the veto of SJ Resolution 162, as Recorded for Radio and Television, Mar. 31, 1958. Adams Papers.

35. *Encyclopedia of American Agricultural History*, pp. 14-15.

36. "Facts About Price Supports," Dec. 10, 1957, OF 1, Eisenhower Library. Unlike the Truman administration, however, Ike approved \$78 million annually for research devoted to finding new uses for agricultural commodities. Also included was research on freezing techniques, better marketing techniques, and the promotion of cooperatives. See, "Elements of Agricultural Research," Apr. 12, 1957, OF 110 and "USDA Obligations for Research, 1947-1960," Gerald Morgan File, Eisenhower Library. The highest amount spent by the Truman administration in any one year was \$2,800,000,000 in 1950. Eisenhower had expenditures of four billion dollars each for the years 1955, 1956, 1957, and 1960. The largest amount spent was \$6,200,000,000 in 1959. Cited in Luther Tweeten, *Foundations of Farm Policy* (Lincoln: U of Nebraska P, 1970), p. 317.

37. DDE, *The White House Years: Mandate for Change, 1953-56* (Garden City: Doubleday, 1962), p. 354.

38. After passage of the Agriculture Act of 1958, Speaker Sam Rayburn privately informed his

brother that hereafter the Democrats would bottle up all administration proposals in committee until after the 1960 presidential election, "When we will, in all probability, have more men in Congress who agree with us." Sam Rayburn to Dick Rayburn, August 9, 1958, Papers of Sam Rayburn (Sam Rayburn Library, Bonham, TX).

39. For instance, hog raisers were still producing large quantities of lard and cotton farmers were raising short-staple cotton. Lard was decreasing in demand due to diet/health conscious consumers and long-staple cotton was preferable for making clothing because it did not need ironing. Secretary Benson also urged milk producers to develop non-fat and yogurt products, as well as to engage in better merchandising practices (such as use of vending machines).

40. Members of the Senate and House Agriculture Committees are extremely imaginative in devising new (and deceptive) terms to replace old ones. Hence government guaranteed floors under commodity prices are now called "loan rates," income supports are referred to as "deficiency payments," export subsidies are labeled "export enhancement," and stored commodities are dubbed "farmer-owned reserves."

Smoking, Health Costs, and Public Policy

CIGARETTE SMOKING is the chief preventable cause of death in our society according to the 1990 U.S. Department of Health and Human Services report, *Smoking and Health: A National Status Report*. The data from this report have been used to determine which public policies are most efficient in reducing the health costs associated with cigarette smoking.

We rely upon a multiple linear regression in which each state's annual smoking health costs (average = \$205 per capita) are a function of that state's cigarette tax level, per capita income, educational attainment, age and racial composition of its population, and legislated smoking restrictions. A detailed description of these data and variables is available on request from the authors.

The table reports the results, which can be summarized as follows.

- Higher cigarette taxes do not reduce smoking health costs. This is consistent with extensive evidence that smokers in general are insensitive to price increases.
- Higher per capita incomes are associated with higher smoking health costs. Holding other things constant, the difference in per capita income between the poorest state (West Virginia) and the richest state (Alaska) accounts for a difference in smoking health costs between the two of \$76. This is the per capita figure for the year 1985 which was the only one reported upon in the study.
- Better educated individuals smoke less and this reduces smoking health costs. The better educated adult populace of Oregon (75.6 percent of adults aged 25 or older have graduated from high school) relative to Alabama (only 56.5 percent) accounts for a \$58 difference in the two states' smoking health costs.
- While a higher proportion of African-Americans smoke than other major ethnic groups, when their income and educational levels are taken into account, they smoke less and hence have lower smoking health costs. A 1.0 percent