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**Politics and Production Control: American Farmers and the  
Agricultural Adjustment Act of 1938**

A THESIS

SUBMITTED TO THE GRADUATE FACULTY

in partial fulfillment of the requirements

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MASTER OF ARTS IN HISTORY

By

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Edmond, Oklahoma

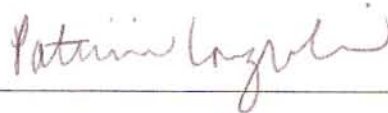
2011

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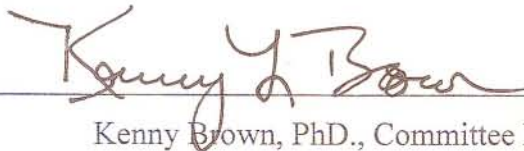
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Politics and Production Control:  
American Farmers and the Agricultural Adjustment Act of 1938

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## **Acknowledgements**

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When I began work on this thesis project, I received guidance from many of the faculty already directing my coursework and I sincerely appreciate their counsel and advice. I am deeply thankful to my committee members, Dr. Kenny Brown and Dr. Douglas Hurt, for their wisdom and guidance as I worked to clarify and strengthen this study. For the immense role she played throughout my graduate education, for her almost daily support and instruction, and for her work as director of this thesis, I am profoundly indebted to Dr. Patricia Loughlin. I cannot imagine undertaking this project without her encouragement.

For their tireless efforts, I am thankful to my entire committee and to every fellow graduate student and friend who reviewed and edited this work. Where errors have slipped through the process, they are entirely mine.

Most of all I am grateful to my family for their unwavering support throughout this endeavor and to my wonderful husband and dearest friend, Captain Joe G. Biles, who, perhaps against his will, is now almost as well versed in the 1938 Agricultural Adjustment Act as I am. His love, reassurance, and keen editorial eye truly made this work possible.

## Abstract of Thesis

Throughout the 1930s, the Roosevelt administration enacted numerous federal programs under the umbrella of the New Deal; among these was a series of agriculture regulations designed improve the plight of the American farmer. In 1936, the Supreme Court invalidated the earliest of these programs, the 1934 Agricultural Adjustment Act, and two years after that decision, Roosevelt called a special session of Congress to enact replacement legislation for the earlier law. The resulting Agricultural Adjustment Act and Administration proved highly controversial and farmers from the upper Midwest to the deepest tip of Texas met this plan with drastically different reactions which ranged from open rebellion and lawsuits on one end, to joyous compliance on the other. This study focuses primarily on the political, regional, and economic differences that produced these disparate responses and argues that such reactions resulted chiefly from the degree of economic hardship experienced in any given region. Cotton farmers supported the law because they faced extreme economic distress from massive overproduction. Conversely, Midwestern corn farmers, who enjoyed greater economic prosperity, expressed ideological opposition to the law they found financially unnecessary.

Chapter one of this work provides an in-depth analysis of the current literature in the field of New Deal agricultural legislation. The controversial nature of the act prompted reactionary and polemical studies almost immediately following its enactment. These works began with Anna Rochester's *Why Farmers are Poor*, which took a sharply negative view of the AAA for not doing enough to promote the interests of the small

farmer.<sup>1</sup> Subsequent works embraced varying interpretations of the New Deal but, until recently, few studies examined the perspectives of the “dirt farmers” themselves. Contemporary scholarship erupted in 2002 with a host of new studies printed that year. Contrary to Rochester’s argument that the legislation fell short in achieving its goal, Jean Choate presented a disapproving picture of such programs, which she suggested went too far in attempting to secure stability and prosperity for the American farmer. Choate’s *Disputed Ground* (2002) discussed the major opposition groups to New Deal Agricultural programs with every organization featured in its own chapter.<sup>2</sup> Through the eyes of these groups, Choate worked to reveal a disapproving public who wanted simply to be let alone by their government. Another example of these new works included Michael Johnston Grant’s work, *Down and Out on the Family Farm: Rural Rehabilitation in the Great Plains, 1929-1945*.<sup>3</sup> Grant’s book pioneered the comparative case study approach embraced here. He selected a set of states grouped along regional boundaries and used the responses of those farmers to paint a local picture of the AAA. A thorough discussion of Grant’s work and its impact on Politics and Production Control can be found in chapter one.

Following the analysis of secondary sources, chapters two through four each examine a single state and the responses of the farmers in those areas to the Agricultural Adjustment Administration. Chapter two, “A Thankful Texas,” reveals the mindset of

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<sup>1</sup> Anna Rochester, *Why Farmers are Poor* (New York: International Publishers Co.), 1940.

<sup>2</sup> Jean Choate, *Disputed Ground: Farm Groups that Opposed the New Deal Agricultural Program* (Jefferson, North Carolina: McFarland and Co., 2002).

<sup>3</sup> Michael Johnston Grant, *Down and Out on the Family Farm: Rural Rehabilitation in the Great Plains, 1929-1945* (Lincoln: University of Nebraska Press), 2002.

cotton farmers in the largest cotton producing state in the nation. It demonstrates their great economic need at the time and uncovers some of the unique challenges faced by Texas growers which occasionally put them at odds with their colleagues in other states. “Oklahoma Optimism” studies Sooner state farmers in much the same way but provides examples of some marked ideological differences between them and their neighbors to the south. Both Oklahoma and Texas cotton farmers embraced the 1938 farm bill but each did so with an emphasis on the individualized interests of their own farmer populations.

Chapter four, “Revolt in the Corn Belt,” offers a sharp contrast with the first two case studies. It examines a region that not only refused to embrace the legislation but waged an all out war against the program. This discussion of Illinois farmers illuminates the controversial and divisive nature of the AAA and provides additional insight into some farmers’ ideology of New Deal opposition. Corn growers at the time enjoyed higher crop prices than their counterparts in cotton and thus comfortably opposed the farm bill based on their commitment to freedom and their demand for fairness in the administration of federal regulations. They drifted away from this position, however, when they began to understand the degree to which they could benefit economically by designing and cooperating with alternative federal programs.

The final chapter of this work places each of the case study states in historical context with one another and offers an expanded analysis of their similarities and differences. It demonstrates the impact of a region’s economic situation on that region’s response to the AAA and highlights the differences present between cotton and corn farmers that led to their unique reactions.



**Thesis Statement:**

Responses to the Agricultural Adjustment Act of 1938 resulted chiefly from the degree of economic hardship experienced in any given region. Cotton farmers supported the law because they faced extreme economic distress from massive overproduction. Conversely, Midwestern corn farmers, who enjoyed greater economic prosperity, expressed ideological opposition to the law they found financially unnecessary.

## Introduction

In 1938, a poor “dirt farmer” in Manitou, Oklahoma, wrote to Senator Elmer Thomas seeking relief from the hard times at hand. In the letter Farmer Boyd related his story and explained:

[I] am working 320 acres of farm land make good crops every year but haven't made expences since 28... I will 71 years old in next month have no expencive habits don't drink nor gamble only with the weather and grass hoppers haven't bought a new car since 24 don't know what a vacaion is only by reading about some taking them... I am writing you what twenty million farmers are thinking, right now the situation is charged with nitro, just takes a light jar to set it off. Quit giving us money [and] give us a chance. This thing has turned thousands of good men out in the section... destroying citizenship making beggars and bums out of once free men. As for myself I wont be here verry mutch longer... but I have four boys... not only them but the neighbors boys and tens of thousands of them all over this fair land that hasent got any more chance then a yard dog. I am asking you in all sincerity to do something about it before it is to late.<sup>1</sup>

Boyd's letter illustrated a passion for influencing farm policy despite his limited education and revealed a set of experiences all too familiar to a substantial majority of farm families at the time. Most struggled to meet their expenses, gave up all unnecessary purchasing, and feared for the future of their children on the farm. Their great need prompted legislators to initiate a program of federal farm assistance that would have a long-range impact, which still shapes American agriculture today.

In the fifteen years from 1995 to 2010, America's corn farmers received \$73,775,277,671 in federal farm subsidies while cotton took second place on the

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<sup>1</sup> This excerpt is reproduced with all errors original to the manuscript in order to help reveal the experiences of farmers at the time. Letter from G. M. Boyd to Elmer Thomas, Box 28, Folder 10, Elmer Thomas Collection, Congressional Archives, Carl Albert Center, University of Oklahoma, Norman, Oklahoma.

funding list, gathering roughly \$30,000,000,000.<sup>2</sup> When federal crop subsidies and farm legislation began in the 1930s, men like Boyd could never have imagined such staggering financial assistance that would one day account for over thirty-six percent of the average farm's net income.<sup>3</sup> At the time, policy-makers chiefly concerned themselves with alternative plans for support, specifically in the form of production controls. In 1938, President Franklin D. Roosevelt called a special session of Congress to enact replacement farm legislation for the 1934 program that had been recently invalidated by the Supreme Court. The resulting Agricultural Adjustment Act and Administration (AAA) proved highly controversial and farmers from the upper Midwest to the deepest tip of Texas met this plan with drastically different reactions, from open rebellion and lawsuits on one end of the spectrum to tearfully joyous compliance on the other. This study focuses primarily on the political, regional, and economic differences that produced such disparate responses.

While a vast number of agriculture producers suffered economic hardship in the 1930s, their experiences varied greatly based on world market conditions, environmental factors, and domestic consumption of their crop. Midwestern corn farmers often found themselves able to produce a livable income, or at the very least, converted their grain to feed for hog-raising operations. Additionally, the majority of their produce sold to domestic consumers, which protected them from dramatic swings occurring in the world market. Southern cotton men, however, quickly

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<sup>2</sup> Environmental Working Group, "Farm Subsidy Database," Environmental Working Group, <http://farm.ewg.org/region.php?fips=00000&progcode=total> (accessed November 30, 2010).

<sup>3</sup> Tim Unruh, "Cloud Comes over Farm Subsidies," *The Hutchison News*, January 24, 2011, 6.

discovered that approximately one-third of their brethren were completely unable to support themselves with their traditional farms.<sup>4</sup> These men did not possess the luxury of ideological opposition to the farm bill. They desperately needed it.

This thesis will demonstrate that cotton farmers' support for the Agricultural Adjustment Act of 1938 stemmed from the economic distress of massive overproduction. Conversely, growers in the Midwest who experienced greater economic prosperity revolted against the program based on their ideology of freedom and individual responsibility and a concern for their personal economy.

Chapter one of this study provides an in-depth analysis of the current literature in the field of New Deal agricultural legislation. The controversial nature of the act prompted reactionary and polemical studies almost immediately following its passage. These works began with Anna Rochester's *Why Farmers are Poor*, (1940), which took a sharply negative view of the AAA for not doing enough to promote the interests of the small farmer.<sup>5</sup> Subsequent works embraced varying interpretations of the New Deal, but, until recently, few studies examined the perspectives of the "dirt farmers" themselves. Contemporary scholarship erupted in 2002 with a host of new studies printed that year including Michael Johnston Grant's work, *Down and Out on the Family Farm: Rural Rehabilitation in the Great Plains, 1929-1945*.<sup>6</sup> Grant's book pioneered the comparative case study approach embraced here. He selected a set of states grouped along regional boundaries and used the responses of those farmers

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<sup>4</sup> "Cotton Quota Vote Stirs AAA Anxiety," *New York Times*, 8 December 1938, 4.

<sup>5</sup> Anna Rochester, *Why Farmers are Poor* (New York: International Publishers Co. 1940).

<sup>6</sup> Michael Johnston Grant, *Down and Out on the Family Farm: Rural Rehabilitation in the Great Plains, 1929-1945* (Lincoln: University of Nebraska Press, 2002).

to paint a local picture of the AAA. A thorough discussion of Grant's work and its impact on *Politics and Production Control* can be found in chapter one.

Following the analysis of existing literature, chapters two through four each examine a single state and the responses of the farmers in those areas to the Agricultural Adjustment Administration. Chapter two, "A Thankful Texas," reveals the mindset of cotton farmers in the largest cotton producing state in the nation. It demonstrates their great economic need at the time and uncovers some of the unique challenges faced by Texas growers, which occasionally put them at odds with their colleagues in other states. Farmers in the Lone Star state exported a higher percentage of their cotton than most domestic growers and thus encountered issues such as the impact of the Smoot-Hawley tariff more directly. Chapter three, "Oklahoma Optimism," studies Sooner state farmers in much the same way but provides examples of some marked ideological differences between them and their neighbors to the south. Both Oklahoma and Texas cotton farmers embraced the 1938 farm bill but each did so with an emphasis on the individualized interests of their own farmer populations.

Chapter four, "Revolt in the Corn Belt," offers a sharp contrast with the first two case studies. It examines a region that not only refused to embrace the legislation but waged an all out war against the program. This discussion of Illinois farmers illuminates the controversial and divisive nature of the AAA and provides additional insight into some farmers' ideology of New Deal opposition. Corn growers at the time enjoyed higher crop prices than their counterparts in cotton and thus comfortably opposed the farm bill based on their commitment to freedom and their demand for

fairness in the administration of federal regulations. They drifted away from this position, however, when they began to understand the degree to which they could benefit economically by designing and cooperating with alternative federal programs that did not require their compulsory participation in acreage reductions. While crops such as wheat have already been studied extensively under the AAA, the examination of corn and cotton together provides a new comparative analysis of the impact of the legislation, achieved by building on previous works and contrasting the sharpest responses from farmers at each end of the spectrum.

The final chapter of this work places each of the case study states in historical context with one another and offers an expanded analysis of their similarities and differences. While the Corn Belt revolt against the AAA might appear moderate as an individual event in history, its radicalism and underlying economic concerns rise to the surface when viewed against the backdrop of the cotton South's anxiousness for aid. In order to develop the clearest picture of these farmers and their interpretations of the AAA program, this work utilizes extensive newspaper collections and congressional archives to enable each grower to speak for himself through countless letters and surveys written at the time.

## Chapter One

### Review of Literature

New Deal agricultural legislation has been examined by a host of authors and scholars, and each contributed unique interpretations to the literature in the field. Some of the earliest studies contained sharply polemical charges such as the 1940 work by activist Anna Rochester, titled *Why Farmers are Poor*.<sup>1</sup> In her study, Rochester strongly rebuked the AAA for failing to address the needs of small subsistence farmers and claimed that the majority of relief funding went inappropriately to large commercial operations.<sup>2</sup> She also expressed powerful disapproval of benefit payments tied to program compliance rather than to individual need.<sup>3</sup> Rochester wished to restructure the aid programs in order to correct for this perceived injustice by ending blanket subsidies and connecting loans with demonstrable need. Her work, clearly designed to pursue political change, offered an early glimpse into the divisive nature of New Deal interpretations that continued in varying degrees of severity throughout many of the subsequent studies.

Dissatisfied with the negative interpretations and marginalization of New Deal agriculture leaders, brothers Edward and Frederick Schapsmeier provided a detailed study of Roosevelt's most influential Secretary of Agriculture in *Henry A. Wallace of*

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<sup>1</sup> Anna Rochester, *Why Farmers are Poor* (New York: International Publishers Co., 1940).

<sup>2</sup> *Ibid.*, 264.

<sup>3</sup> *Ibid.*, 265.

*Iowa: The Agrarian Years, 1910-1940* (1968).<sup>4</sup> Because his ideas powerfully shaped the policies of the Roosevelt administration, the personal philosophies and management ideas of Wallace are fundamental to a proper understanding of the AAA implementation. While most studies offer tiny windows into Wallace's schemes like his "Ever Normal Granary," this work detailed each plan and used archival holdings of Wallace's writings to rehabilitate his image and credit him for most of the successes enjoyed by the AAA.<sup>5</sup> Similarly, Dean Albertson's *Roosevelt's Farmer* (1961) chronicled the progression of Claude R. Wickard from his local administrative role in the AAA to his ultimate position as Secretary of Agriculture.<sup>6</sup> Here, Albertson argued that Wickard's occasional ineptness and "down home" personality made him the perfect selection for Agricultural Adjustment Administrator and later Cabinet Secretary because such personality traits increased his appeal to local farmers and invited their trust and cooperation with the controversial legislation.<sup>7</sup> Albertson's most unique and informative source material came from Claude R. Wickard's personal diary and letter collection. These manuscripts powerfully inform the work

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<sup>4</sup> Edward L. and Frederick H. Schapsmeier, *Henry A. Wallace of Iowa: The Agrarian Years, 1910-1940* (Ames: Iowa State University Press, 1968), 282.

<sup>5</sup> The "Ever Normal Granary" theory, as sketched out in Keith J. Volanto, *Texas, Cotton, and the New Deal* (College Station, Texas: Texas A&M University Press, 2005), 111, involved saving bumper crops in high yield years to sell for increased profits and to promote market stability in lean years; Schapsmeier, *Henry A. Wallace of Iowa*, x.

<sup>6</sup> Dean Albertson, *Roosevelt's Farmer: Claude R. Wickard in the New Deal* (New York: Columbia University Press, 1961).

<sup>7</sup> *Ibid.*, 117.



with a glimpse into the farm leader's mind at every major turn throughout the operation of the AAA.<sup>8</sup>

Robert Snyder's 1984 work *Cotton Crisis* marked the beginning of renewed academic interest in New Deal farm policy.<sup>9</sup> One of the most valuable contributions of Snyder's work on cotton is his incredible mining of local newspaper archives to paint a clear picture of public opinion about the hardships faced by the affected growers.<sup>10</sup> His notes brim with selections from the *Houston Chronicle* to the *Wall Street Journal* and every paper in between. Snyder argued that environmental conditions, including drought and the reluctance of farmers to engage in soil conservation, played the biggest role in creating the "cotton crisis" but he failed to consider the important impact of economic factors such as the Smoot-Hawley tariff and international production. Through this study, the author proposes to contribute this perspective to the existing body of literature.

R. Douglas Hurt's numerous contributions to the field of agricultural history range from broad overviews to narrowly tailored analyses of issues in American farming. His 1981 study, *The Dust Bowl: An Agricultural and Social History*, approached early twentieth century U.S. agriculture policy from the minds of the Dust Bowl land owners and tenant farmers.<sup>11</sup> He argued that landowning farmers in the

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<sup>8</sup> Ibid., 128.

<sup>9</sup> Robert E. Snyder, *Cotton Crisis* (Chapel Hill, NC: University of North Carolina Press, 1984).

<sup>10</sup> Ibid., 14.

<sup>11</sup> R. Douglas Hurt, *The Dust Bowl: An Agricultural and Social History* (Chicago: Nelson Hall, 1981).

most heavily affected region welcomed the opportunity to earn additional money under the original AAA.<sup>12</sup> He also presented a new map of the Dust Bowl, that covered far more land in Texas, Kansas, and Colorado than it did in Oklahoma.<sup>13</sup> Expanding on this earlier analysis with a far more narrow focus, Hurt's 2000 article "Prices, Payments and Production: Kansas Wheat Farmers and the Agricultural Adjustment Administration," analyzed the bridge between Midwestern corn farmers and southern cotton farmers, the two groups in this comparative study.<sup>14</sup> Here, Hurt examined the Agricultural Adjustment Administration and the role the organization played in the attempt to restore parity prices to Kansas wheat production. Hurt argued that wheat farmers generally appreciated and benefited from the AAA program because of their great need brought about by harsh Dust Bowl conditions.<sup>15</sup>

Hurt's later work *Problems of Plenty* (2002) expanded on the discussion in the article and revealed one of the major factors that contributed to this positive response of farmers in the cotton South toward the controversial legislation at issue.<sup>16</sup> Hurt argued that large-scale overproduction forced these farmers into a position of great need and encouraged their compliance with the AAA program.<sup>17</sup>

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<sup>12</sup> Ibid., 93.

<sup>13</sup> Ibid., viii.

<sup>14</sup> R. Douglas Hurt, "Prices, Payments and Production: Kansas Wheat Farmers and the Agricultural Adjustment Administration, 1933-1939," *Kansas History* 23 (2000): 72-87.

<sup>15</sup> Ibid., 84.

<sup>16</sup> R. Douglas Hurt, *Problems of Plenty: The American Farmer in the Twentieth Century* (Chicago: Ivan R. Dee, 2002).

<sup>17</sup> Ibid., 97.

Though published at the same time, Jean Choate's *Disputed Ground* (2002) embraced a far more negative interpretation of New Deal programs. Her work examined the major opposition groups arrayed against Roosevelt's agriculture policies and featured each organization in its own chapter.<sup>18</sup> Some of these resistance groups include the Farmers Processing Tax Recovery Association and, most relevant to this study, the Corn Belt Liberty League.<sup>19</sup> For this chapter, Choate relied heavily on the 1995 journal article by Lynnita Sommer, "Illinois Farmers in Revolt: The Corn Belt Liberty League."<sup>20</sup> In her study, Sommer offered a narrative history of the participants and methods of the organization in its early form. She explained the League's origins and offered insight into the minds of the founding farmers but stopped short of assessing league activities beyond their initial stage.<sup>21</sup> Choate used the article to inform her narrative but expanded on Sommer's presentation by arguing that leaders such as Roosevelt and Wallace recognized the threat posed by these political dissenters and actively strove to silence them. Choate's work contributed to the body of literature presenting the negative interpretation of farm policy

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<sup>18</sup> Jean Choate, *Disputed Ground: Farm Groups that Opposed the New Deal Agricultural Program* (Jefferson, North Carolina: McFarland and Co., 2002).

<sup>19</sup> *Ibid.*, 163.

<sup>20</sup> Lynnita Sommer, "Illinois Farmers in Revolt: The Corn Belt Liberty League," *Illinois Historical Journal* 88, no. 4 (Winter 1995): 222-40.

<sup>21</sup> *Ibid.*

implementation. Additionally, hers is the first and only monograph to date to utilize the Ruebush-Goodpasture Corn Belt Liberty League archival collection.<sup>22</sup>

In contrast to Choate's singular focus on negative responses to New Deal agriculture programs came Michael Johnston Grant's 2002 work, *Down and Out on the Family Farm: Rural Rehabilitation in the Great Plains, 1929-1945*.<sup>23</sup> In this work, which focused exclusively on farmers in Kansas, Nebraska, North Dakota, and South Dakota, Grant pioneered the case study approach for examining regional responses to the policies of the Agricultural Adjustment Administration. He went beyond Choate's narrative articulation of New Deal opposition and began to search for an underlying ideological foundation that could be used to explain the response of plains farmers to the legislation.<sup>24</sup> He argued that the only "culprit" in the farm recovery efforts of the 1930s was the nature of plains farmers, and indeed the nature of Americans as a whole, "to favor opportunity over their own security."<sup>25</sup> Grant pointed out that while many reluctantly accepted federal programs during hard times, they also quickly embraced the freedom of the market when prices stabilized.<sup>26</sup> His conclusions about Plains farmers illustrated an ideological difference between them and the southern cotton men examined here. While both welcomed assistance during difficult times, many in the Cotton Belt, particularly those in Texas, continued to

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<sup>22</sup> Ruebush-Goodpasture Collection, Box No. SMS1991-2, Special Collections, Western Illinois University, Macomb, Illinois.

<sup>23</sup> Michael Johnston Grant, *Down and Out on the Family Farm: Rural Rehabilitation in the Great Plains, 1929-1945* (Lincoln: University of Nebraska Press), 2002.

<sup>24</sup> Ibid.

<sup>25</sup> Ibid., 9.

<sup>26</sup> Ibid.

support federal assistance after the markets began to recover. Their camaraderie and belief in their shared fortunes is discussed at length in chapter two.

Following the publication of *Down and Out on the Family Farm*, Keith J. Volanto also embraced this case study approach to the examination of New Deal farm programs and produced *Texas, Cotton, and the New Deal* (2005), which provided one of the first AAA studies restricted to a single state.<sup>27</sup> In it, Volanto argued that Texas farmers not only favored compulsory control but specifically requested it after failing to see price increases from earlier New Deal Programs.<sup>28</sup> His valuable source material came from the National Archives and from the archival holdings of the Texas Agricultural Extension offices. Volanto chronicled national farm policy through the eyes of Texas growers beginning with the first Agricultural Adjustment Act and continuing through the coming of World War II.<sup>29</sup> His unique chapter on the plight of sharecroppers and tenant farmers under the AAA is especially important because it is so rarely found yet so often called for in similar studies. Here, Volanto argued that the AAA initiated extreme hardships unique to these landless, small-time farmers and he campaigned for further study on their behalf. The monographs of Volanto and Grant utilized a case study approach similar to mine but with a few notable exceptions.

When compared with Volanto's important contribution, this study is simultaneously geographically broader and temporally narrower. *Texas, Cotton, and the New Deal* examined one state exclusively and thus lacks the comparative perspective employed

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<sup>27</sup> Keith J Volanto, *Texas, Cotton, and the New Deal* (College Station, Texas: Texas A&M University Press, 2005).

<sup>28</sup> *Ibid.*, 58.

<sup>29</sup> *Ibid.*, 27.

in my study; however, it analyzed that regional response from the earliest Roosevelt farm policy through 1940, a time period far too expansive for a comparative analysis in thesis form.<sup>30</sup> Grant's work compared farmer response over a similarly lengthy period of time but only within one particular region.

Shortly after the publication of Volanto's work, Paul K. Conkin produced his careful summary *Revolution Down on the Farm* (2008), which covered important changes in American agriculture from 1929 to the present.<sup>31</sup> Though his study extended well beyond the scope of this work, his chapter on New Deal farm legislation provided a detailed description of the extraordinarily complicated laws in question.<sup>32</sup> Here, he argued that the 1938 loan program offered farmers a good deal, until loan incentives and growing conditions resulted in dramatic surpluses.<sup>33</sup> Conkin shared Hurt's conviction that the AAA failed to solve the problem of often unintended overproduction. According to Conkin, only the coming war could resolve the surplus issue.<sup>34</sup>

Kurt Lively's dissertation, "Where the Great Plains and the South Collide: A History of Farm Tenancy in Oklahoma, 1890-1950" (2010), offered a new look into

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<sup>30</sup> Ibid., 124.

<sup>31</sup> Paul K. Conkin, *A Revolution Down on the Farm: The Transformation of American Agriculture Since 1929* (Lexington: University Press of Kentucky, 2008).

<sup>32</sup> Ibid., 74.

<sup>33</sup> Ibid., 75.

<sup>34</sup> Ibid., 76-7.

the life of the largely ignored tenant farmer.<sup>35</sup> Though his work extends far beyond the parameters of the AAA, it provides insight into some of the unique undertakings of the Oklahoma legislature at the time. According to Lively, state congressmen attempted to mitigate some of the landlord-tenant strife induced by new AAA policies.<sup>36</sup> They even went as far as establishing a landlord-tenant farming department and hosted a festival to promote cooperation.<sup>37</sup> Unlike Lively's work, the current study focuses primarily on the landowning farmer, as only he could participate in the AAA referendum process. However, a thorough knowledge of the relationship cultivated between renter and owner helps inform this examination and speaks to the mindset of the landlord as he traveled to the polls.

Following a comprehensive examination of the studies on New Deal agriculture policy, several gaps appear in the current scholarship. To date, no comparative study of public response has been conducted despite the dramatically different reactions of farmers that fractured along regional lines. This thesis seeks to fill the gap by examining the political, regional, and economic differences present between farmers of corn and cotton and by using these motivators to explain their opposite reactions. Additionally, recent studies fail to consider geography as a contributing factor to voluntary compliance with the 1938 program. This work will utilize extensive archival material to provide a new, comparative interpretation of responses to the 1938 Agricultural Adjustment Act.

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<sup>35</sup> Kurt Lively, "Where the Great Plains and the South Collide: A History of Farm Tenancy in Oklahoma, 1890-1950" (Ph.D. diss., Oklahoma State University, 2010).

<sup>36</sup> *Ibid.*, 247.

<sup>37</sup> *Ibid.*, 248.

The primary sources and archives relevant to this work are numerous in quantity and scope. In order to provide a clear outline of each collection and its contents, they are organized and discussed topically below. The first group of records used to inform this study consists of independent archival collections. University libraries in the case study states of Texas, Oklahoma, and Illinois house the majority of these collections, such as the Corn Belt Liberty League (CBL) Ruebush-Goodpasture archive. An almost untouched resource, the Western Illinois University library in Macomb received these files from the granddaughter of a CBL participant only a few years ago. The assortment contains relevant newspaper clippings from across the Corn Belt, which proved an invaluable contribution, as many of these publications no longer exist and failed to leave records of their early issues.<sup>38</sup> Similarly, the Southwest Collection at Texas Tech University holds the records of the Lubbock Chamber of Commerce from 1934-45. These and other files, including extensive documentation of the Agricultural Adjustment offices in the West Texas cotton region make this an important resource for the current study.

Among the primary source collections necessary for undertaking this study, government documents stand out as indispensable. Archives of the *Congressional Record* establish the foundations of the legislation and provide insight into its politically charged passage and implementation. The controversial nature of the Act, combined with its major impact on the daily life of constituents, resulted in extensive speechmaking and discussion in both houses. Congressmen frequently reprinted

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<sup>38</sup> Corn Belt Liberty League, Ruebush-Goodpasture Collection, Box No. SMS1991-2, Special Collections, Western Illinois University, Macomb, Illinois.



examples of constituent responses in the *Congressional Record Appendix*, ranging from sharply worded letters, to dramatic radio addresses, to even locally conducted polls on the subject of the AAA.<sup>39</sup> Earlier editions of the *Record* illuminate the meaning of the “parity price levels” so often discussed in the literature and help provide context for the state of American farms and agriculture policy prior to the New Deal.

Additional government documents relevant to the AAA include the National Archives records of the Agricultural Adjustment Administration, and the records of the office of the Secretary of Agriculture. These holdings are then further grouped by agencies that made up the administration, including the Surplus Marketing Administration, the Federal Crop Insurance Corporation, and so on. The records provide a broad based national view of the legislation and help illuminate the challenges Wallace faced as he worked to convince and then monitor every farmer in the nation for compliance with the farm bill.<sup>40</sup> For a more localized picture, the Agricultural Adjustment Administration established regional offices to aid in the distribution of loan payments, to spread the message of participation benefits, and to generally act as liaisons between the individual farmers and the national organization. The majority of these state and county offices either kept their own archival collections or stored their documentation with state extension offices. These collections, particularly the archive at the Texas A&M extension office, further

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<sup>39</sup> Speech by Rep. Andreson, Appendix, *Cong. Rec.*, 75th Cong., 3rd sess., 1938, 83, pt. 1737.

<sup>40</sup> Records of the Office of the Secretary of Agriculture, Record Group 16, National Archives, Washington, DC.

inform the study on the successes and failures of executing the legislation at a local level.

Magazine and newspaper archives make up the bulk of primary sources relied upon by this study. Of these, the *American Liberty Magazine* constitutes the most directly relevant and informative collection. From 1938 to 1941, the Corn Belt Liberty League published this newsletter to spread the message of their opposition to the production control methods of the Agricultural Adjustment Administration. Contributions to the paper came from farmers, wives, congressmen, and local leaders all anxious to undermine the new farm bill. In its early months, the magazine focused exclusively on this mission with an occasional two inch block reserved for weather announcements or prizewinning recipes. As the readership expanded to include CBLA chapters in new states, the scope of the magazine broadened slightly and one of the later issues even contained an article suggesting an early form of the gasoline additive ethanol to resolve the corn surplus problem.<sup>41</sup> The archive contains unmatched insight into the heart of the anti-AAA movement.<sup>42</sup>

In addition to topical magazines, newspapers constitute another important collection of primary sources covering the farmers' response to the Agricultural Adjustment Act. For the Corn Belt case study, which examines farmers in Illinois, the *Chicago Tribune* archives prove particularly illuminating. This major paper published

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<sup>41</sup> Floyd Brackney, "Opportunities to Increase Corn Price – Alcohol Blended Gasoline Will Consume Entire Corn Surplus," *American Liberty Magazine*, December 22, 1938, 1.

<sup>42</sup> Every remaining issue of the *American Liberty Magazine* can currently be found in the Ruebush-Goodpasture Collection, Box No. SMS1991-2, Special Collections, Western Illinois University, Macomb, Illinois.

extensively on the 1938 Act and focused on the localized corn farmer revolt. The issue so heavily impacted the *Tribune's* regional readership, that the paper also sent agricultural correspondents to major southern farming regions. They assigned these reporters to satisfy their high reader demand for information regarding competitive corn planting in the South. If they hoped to find reassurance for their struggling cultivators they quickly learned the bad news. Cotton farmers in the South indeed supplemented their limited acreage with homegrown corn.<sup>43</sup> The *Chicago Tribune's* coverage of this and other AAA related issues earned national recognition and even prompted multiple debates on the House floor in Washington.

Providing balance to the often regional focus of the *Chicago Tribune*, the *New York Times* and *Christian Science Monitor* reveal broad-based national attitudes about the legislation. They are perhaps most helpful for their careful reproduction of referendum results. These important statistics illustrate, quantitatively, the response of farmers to the AAA. Without such a numeric representation, establishing the picture of regional opinion would be substantially more difficult. In addition to poll numbers, these two publications also report heavily on the actions of the major government players involved, particularly Wallace and Wickard. Stories of their plans to encourage farmer compliance and monitor implementation clarify the government position and inform the study with national sentiment.

Numerous smaller, local papers offer insight into the hometown reactions of farmers both for and against this legislation. Some of these include the *Lubbock*

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<sup>43</sup> Frank Ridgeway, "US Crop Rule Spurs Southern Corn Growing," *Chicago Tribune*, May 15, 1938.

*Avalanche Journal*, the *Daily Journal* (Macomb, IL), the *Bureau County Republican* (Princeton, IL), the *San Antonio Express*, the *Denton Record Chronicle* (Denton, TX), and the *Daily Oklahoman*, just to name a few. Like so many smaller, local papers in farming towns in the 1930s, these served as sounding boards for public opinion toward the AAA. These publications contain numerous letters to the editor, guest columns, and general articles that relate the mood of local farmers during the implementation of the controversial New Deal legislation.

This work primarily examines American farmers through the lenses of social, political, and economic history. In order to develop a clear picture of the attitudes and ideologies of the men and women involved, the study employs a comparative, case study approach to establish that corn and cotton farmers in varying regions responded differently to the Agricultural Adjustment Act of 1938 and to determine the cause of their disparate reactions. This qualitative case study utilizes a range of sources and quantitative analysis to establish the general currents of opinion within a particular region. The thesis draws the most important quantitative data from the yearly referendum required by the legislation at issue and supplements it with responses to nationwide polls.

This approach will provide new insight on the implementation of such highly controversial legislation and help to explain the dramatic responses from individual farmers. After extensive research, this study contends that, whereas Corn Belt growers suffered from overproduction to a degree, the versatility of their crop and its utility as a food item for both family and hog operations enabled them to turn a profit, however meager, without the aid of the AAA. Southern cotton, on the contrary, faced

insurmountable surpluses on a worldwide scale and struggled against increasingly difficult crop exportation because of the Smoot-Hawley tariff. In addition to their distinctive economic situations, corn and cotton farmers possessed powerful political differences, evident through the former passionately decrying the “communist” nature of the new law and the latter anxious to share responsibility for their communal fortunes.

Both economic and ideological divergence caused corn and cotton farmers to respond to the 1938 Agricultural Adjustment Act in opposite ways. While some growers enjoyed the flexibility and incentive to chance the market, others clung to national production controls to maintain a subsistence living. With over 3,500,000 American farmers currently affected by federal crop legislation, a proper analysis of the origins of agriculture policy helps to further illuminate current practices and the legacy shared by New Deal farmers and their economic descendents.

## Chapter Two

### A Thankful Texas

When South Carolina Senator James H. Hammond declared in 1858 that “Cotton is King,” his assertion was already accepted—and lamented—in the North, and axiomatic in the South.<sup>1</sup> After displacing tobacco, cotton, more than any other crop, defined agriculture in the American South from the late 1700s until the mid 1900s. This held particularly true for Texas, the state responsible for producing over one third of the nation’s cotton during the 1930s.<sup>2</sup> While portions of East Texas had always been well-suited to the production of the crop, in his 1977 article, “The Demise of King Cotton,” John Fraser Hart explained that by the end of 1929, cotton had spread from its traditional location in the Texas Blackland Prairie westward into the High Plains due to increases in irrigation technology.<sup>3</sup> While many other states took acreage out of cotton production beginning as early as 1910, Texas continued to increase cultivation of the crop until 1935 or later in some counties.<sup>4</sup> Despite their insistence on maintaining decision-making authority over their own operations during the Civil War, the difficulties of the 1930s challenged growers in ways previously unimagined. It was with a certain irony, then, that the region that went to war against

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<sup>1</sup> “On the Admission of Kansas, Under the Lecompton Constitution,” *Selections from the Letters and Speeches of the Hon. James H. Hammond, of South Carolina* (New York: John F. Trow & Co., 1886), 311-22.

<sup>2</sup> “A Problem for Scientists,” *San Antonio Express*, February 22, 1938, 6.

<sup>3</sup> John Fraser Hart, “The Demise of King Cotton,” *Annals of the Association of American Geographers* 67, no. 3 (September 1977): 307-22.

<sup>4</sup> *Ibid.*, 310.

the federal government to defend its cotton- (and slave-) based economy later turned to that same authority for its preservation.

When cotton growers suffered alongside other farmers during the Great Depression, the Roosevelt administration promoted farm legislation designed to stabilize crop prices. The Agricultural Adjustment Act of 1938 (AAA) became the most enduring legal measure to result from these attempts but faced opposition from cultivators of every major crop it regulated. Some participated as members of grassroots organizations like the Corn Belt Liberty League, to be discussed in detail in chapter four.<sup>5</sup> Others, such as J. A. Troopy, chose to pursue personal lawsuits against enforcement of the legislation.<sup>6</sup> Despite this opposition, Texas cotton farmers voted overwhelmingly in favor of not only submitting to the Act, but imposing on themselves its harshest restrictions in the form of marketing quotas. Unlike Midwestern corn farmers who could still make a meager living from their crop or, at the very least, convert it to feed for hog-raising, Texas cotton men could not afford to oppose this farm bill. Contrary to their historic resistance to federal intervention they opted to depend on the mandatory marketing controls of the AAA. Their support for the Agricultural Adjustment Act of 1938 stemmed from the economic distress of massive overproduction, a problem exacerbated by unusually excellent growing conditions and the loss of foreign markets.

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<sup>5</sup> “3,500 Farmers From Four of Corn Belt States Pledge Opposition to Federal Crop Control,” *New York Times*, April 27, 1938, 1; “Wheat Growers Divided,” *New York Times*, May 15, 1938.

<sup>6</sup> Associated Press, “Texan Attacks Farm Plan in Federal Suit,” *Lubbock Morning Avalanche*, December 8, 1938, 1.

## Origins of the 1938 Legislation

Federal cotton programs began in 1929 with President Herbert Hoover's plan to raise the price of cotton above eighteen cents per pound. Ironically, following the implementation of his program, cotton would fall to the unthinkable low price of five cents per pound and would not reach eight cents until the late 1930s despite the best efforts of New Deal regulators.<sup>7</sup> The original Agricultural Adjustment Act appeared in 1933.<sup>8</sup> It attempted to stabilize prices by imposing a new tax on agricultural processing and distributing the revenue as a subsidy to those who agreed to reduce production. Regulators thought that by controlling crop output they could return to "parity prices," referring to those very favorable prices experienced from 1909-14.<sup>9</sup> The law contained only one compulsory provision, a universal tax, levied against processors such as ginneries, millers, and slaughterhouses. Such uniformity protected this first program from nationwide public disapproval. However, in *United States v. Butler* (1936), an Ohio cotton man challenged the constitutionality of the program and found the Supreme Court sympathetic to his cause.<sup>10</sup> They held that although Congress possessed the constitutional authority to levy taxes and could spend to promote general welfare, they were exceeding these powers by effectively *regulating*

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<sup>7</sup> James E. Boyle, "Disaster is Seen in Federal Regulation of Cotton," *New York Times*, August 29, 1937, 60.

<sup>8</sup> Agricultural Adjustment Act of 1933, U.S. Code 7 (1933), § 601.

<sup>9</sup> *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 1587.

<sup>10</sup> Case Summary, Lexis Nexis, *United States v. Butler*, 297 U.S. 1 (1936).



agriculture, which they had no constitutional power to do.<sup>11</sup> Along with several other Roosevelt initiatives, the justices found this regulation to violate the Tenth Amendment to the constitution, which reserves unspecified powers—including regulatory powers in the Court’s analysis—to the states.<sup>12</sup>

When the 1933 law was overturned, New Deal leaders sought an alternative tailored to withstand similar scrutiny. Congress had failed to accomplish this goal by fall 1937 so the president called them into a special session for the express purpose of promulgating his second plan. The Agricultural Adjustment Act of 1938 satisfied his requirements. As he signed the bill on February 16, 1938, Roosevelt called it “historic legislation” and “the winning of one more battle for an underlying farm policy that will endure.”<sup>13</sup> The second portion of his assessment indicated his view that this program remained faithful to the objectives of the 1933 regulation. The new AAA maintained the goal of increased prices through reduced production but removed the processing tax provision declared unconstitutional in *US v. Butler*. Unlike its predecessor, the 1938 Act contained two methods for production control of major crops including cotton, corn, rice, tobacco, and wheat.

A voluntary allotment system was the default method under which farmers received an individual acreage allowance each year. Cooperation with these allotments earned participants federal loans and grant money to offset their losses in

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<sup>11</sup> Case Summary, Lexis Nexis, *United States v. Butler*, 297 U.S. 1 (1936).

<sup>12</sup> *United States v. Butler*, 297 U.S. 1 (1936); *A. L. A. Schechter Poultry Corp. et al. v. United States*, 295 U.S. 495 (1935); see also U.S. Constitution, amend. 10.

<sup>13</sup> “Presidential Statement on Signing the Agricultural Adjustment Act of 1938. February 16, 1938,” in *The Public Papers and Addresses of Franklin Delano Roosevelt*, compiled by Samuel I. Rosenman (New York: The Macmillan Company, 1941), 7:87-8.

production.<sup>14</sup> A violation carried the indirect burden of losing funding eligibility, but the farmer faced no legal penalty for his excess planting. The second control mechanism, mandatory marketing quotas, went into effect if the Secretary of Agriculture estimated that annual production of a particular crop would exceed 115% of predicted consumption. When enacted, each farmer received a cap on the amount of crop he could sell. For cotton, the quota equaled either the actual or the average yield, whichever was greater, from an allotted acreage in addition to any carryover the farmer possessed from the previous year.<sup>15</sup> If a grower exceeded his marketing quota, he incurred a fine of two cents per excess pound sold for the first year and three cents per pound each subsequent year.

To measure support and likely compliance, the second program required a complex referendum by secret ballot in which every affected cultivator was eligible to vote. Under the referendum provision, mandatory marketing quotas required a two-thirds supermajority to be enacted. As an incentive to pass the quotas, any crop sector failing to pass the plan would be cut off from all loans until the second growing year following the vote.<sup>16</sup>

**“We mean control with teeth in it!”**

The new act emerged just as the Bureau of Crop Estimates and the *Ginner's Report* revealed disquieting news about the 1937 cotton crop. Early reports had indicated the cotton crop would not exceed the 1936 yield by even ten percent, but the

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<sup>14</sup> *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 1584.

<sup>15</sup> *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 812.

<sup>16</sup> *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 1589.

Bureau revised this estimate sharply upward. In Texas an acre of cotton typically yielded one third of a bale, but for the 1937 crop each acre yielded closer to half a bale.<sup>17</sup> Excellent growing conditions had resulted in a yield in excess of 18,000,000 bales where less than 14,000,000 had been expected. Planters now feared prices might fall even lower than those seen at the beginning of the decade.<sup>18</sup> Following the signing of the law, the Agricultural Adjustment Administration responded with marketing quotas on both cotton and fire and flue-cured tobacco.

This establishment of quotas triggered the referendum requirement of the Act and AAA officials began to campaign in favor of the measure. Confusion among farmers about the new law proved to be a tall hurdle for quota advocates. Throughout the decade, farmers had operated under at least three separate control plans while Congress debated and experimented with various agriculture proposals. The new plan combined Secretary Wallace's "Ever Normal Grainery"<sup>19</sup> theory of saving crops during good seasons and selling during bad seasons with the Farm Bureau's insistence on production controls.<sup>20</sup> Not surprisingly, growers initially struggled to understand these theories as policy and reacted with resentment toward farming instructions from Washington.<sup>21</sup> Officials first responded to their concerns by trying

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<sup>17</sup> Associated Press, "Texas Expects \$100,000,000 Drop in Income from Cotton," *The Christian Science Monitor*, April 19, 1938, 6.

<sup>18</sup> *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 811.

<sup>19</sup> Keith J. Volanto, *Texas, Cotton, and the New Deal* (College Station: Texas A&M University Press, 2005), 105.

<sup>20</sup> *Ibid.*, 111.

<sup>21</sup> "Crop 'Control' Has Not Worked Anywhere," *San Antonio Express*, February 16, 1938, 6.

to make the legislation easier to understand and using radio stations in affected areas to broadcast speeches on the subject. One such speech came from Senator Ellison Smith of South Carolina. Smith began by reminding his listeners of the terrible overproduction of 1937, knowing they were struggling to sell off the massive excesses.<sup>22</sup> He also pointed out the distinctive plight of the cotton farmers by explaining that domestic consumption of other crops was near 100% while cotton farmers could sell less than 50% of their crop within the United States. Smith acknowledged that the Smoot-Hawley tariff deserved much blame for the loss of international markets, but used this problem to encourage his constituents to vote in favor of quotas as the only relief offered at the time.<sup>23</sup> The heart of Smith's speech centered on the meetings he conducted among the farmers in his state before voting for the act. He quoted the farmers who cried "give us control—and when we say control we mean control with teeth in it!"<sup>24</sup> This statement insisted that quotas came at the request of the farmers and encouraged them to carry that attitude to the polls two weeks later. In addition to speeches given by congressmen and administrators, Wallace issued statements reminding voters that if they decided against quotas, he would be powerless to help them and all aid would be cut off.<sup>25</sup> As the Agricultural Adjustment Administration opened offices and farmers elected local Administration

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<sup>22</sup> *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 810.

<sup>23</sup> *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 811-2.

<sup>24</sup> *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 811.

<sup>25</sup> "Spring Plantings to Show Extent of Approval of AAA," *Christian Science Monitor*, May 23, 1938, 5.

officials, informational meetings were held to explain and advocate the quota system in hopes of a favorable vote in mid-March.<sup>26</sup>

On March 12, 1938, weeks after FDR signed the legislation, cotton and tobacco farmers participated in referenda, pledging overwhelming support for the quota plan.<sup>27</sup> Agricultural Adjustment Administrator H. R. Tolley celebrated the high voter turnout and the decision to adopt the quota system, while expressing surprise at the positive returns from the Lone Star State. Officials feared opposition from the nation's largest cotton producer, which often exported a higher percentage of its cotton than did its neighbors, but found Texans voted 88% in favor of quotas. Though many Texans favored alternative programs that could benefit them more directly, they could not resist when the quota program came to a vote.<sup>28</sup> Many states had even higher percentages, such as Arkansas and Mississippi both with 97% percent in favor.<sup>29</sup> One explanation for the higher percentages in the Eastern South might be found in Hart's discussion of acreage trends in the early 1900s. While the cotton acreage in most Eastern South states peaked around 1910 and steadily declined from there, acreage in the Western South, particularly in Texas, did not peak until 1935 or later.<sup>30</sup> Thus, while many in Mississippi, Alabama, and surrounding areas were already in the process of reducing acreage by 1938, some West Texas farmers had

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<sup>26</sup> Volanto, *Texas, Cotton, and the New Deal*, 104.

<sup>27</sup> "AAA Hails Sweep in Crop Rule Vote," *New York Times*, March 14, 1938, 23.

<sup>28</sup> "A Problem for Scientists," *San Antonio Express*, February 22, 1938; "Farm Quotas Win by Sweeping Vote," *New York Times*, March 13, 1938, 8.

<sup>29</sup> "AAA Hails Sweep in Crop Rule Vote," *New York Times*, March 14, 1938, 23.

<sup>30</sup> Hart, "The Demise of King Cotton," 310.

just begun to enter the trade and were not ready to remove their newly broken ground from cultivation.

### **The National Response**

On the day of the referendum, individual acreage allotments had not yet been established. Farmers knew only the national acreage figure of 26,500,000, enough land to produce approximately 11,000,000 bales of cotton.<sup>31</sup> This figure paled in comparison to the almost 19,000,000 bale bumper crop produced in 1937 and amounted to a reduction of approximately 42%.

When allotments were finally distributed, farmers balked at the low rates and many with small plots declared they would be unable to earn even a meager subsistence on their acreage allowance. According to a speech delivered by Representative August Andresen in May 1938, “Complaints by the thousands poured into Washington... Cotton-planting time was at hand, and the small cotton farmer demanded additional acreage from Secretary Wallace.”<sup>32</sup> Ultimately these men gained some small measure of relief when eighteen amendments to the law passed, increasing allotments by four percent.<sup>33</sup>

Many farmers took this opportunity to begin experimenting with diversification. Corn Belt farmers feared new southern corn so much that the *Chicago Tribune* sent their agricultural correspondent, Frank Ridgeway, south to investigate. Ridgeway confirmed their fears when he wrote “The whole crop map of the Cotton

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<sup>31</sup> “Farm Quotas Win by Sweeping Vote,” *New York Times*, March 13, 1938, 8.

<sup>32</sup> *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 6084.

<sup>33</sup> “Rules on Cotton Quotas,” *New York Times*, July 1, 1938, 29; *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 6084.

Belt is undergoing a critical revision... On down the Mississippi river corn is ankle high in the Memphis region, and here in the Clarksdale neighborhood a few fields will soon be shooting ears.”<sup>34</sup>

As the AAA continued to encounter obstacles, many former supporters began to fall away. Tobacco farmers, having passed quotas overwhelmingly in March, voted to rid themselves of the restrictions only nine months later.<sup>35</sup> Rice growers faced their own referendum in December and also declined to pass quotas.<sup>36</sup> Senator William Borah of Idaho called these defeats the “death knell” for the act’s underlying theories, saying: “The idea of production control is dead.”<sup>37</sup> When tobacco and rice farmers voted against the marketing quota plan, they were not merely expressing dissatisfaction with excessive regulation. The negative vote barred all farmers in these two crop divisions from receiving federal loans for an entire year. Those in tobacco who voted against the program took a serious economic gamble and forfeited the money that was available only when quotas were approved. This response represented for some an impassioned rejection of federal intervention and for others a considered economic assessment that control of their own output was probably worth more than the federally guaranteed loans they would temporarily lose.<sup>38</sup> As Robert Snyder

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<sup>34</sup> Frank Ridgeway, “U.S. Crop Rule Spurs Southern Corn Growing,” *Chicago Tribune*, May 15, 1938, 1.

<sup>35</sup> “Control is Voted for Cotton Crop, Beaten on Others,” *New York Times*, December 12, 1938, 1.

<sup>36</sup> “Farm Vote Favors Control of Cotton,” *New York Times*, December 11, 1938, 1.

<sup>37</sup> “Crop Control Dead, Borah Declares,” *American Liberty Magazine*, December 22, 1938, 1.

<sup>38</sup> Henry N. Dorris, “AAA Remains an Issue Even After Referenda,” *New York Times*, December 18, 1938, 81.

demonstrated in his 1984 *Cotton Crisis*, no other crop experienced the levels of hardship endured by cotton in the 1930s.<sup>39</sup> Their degree of overproduction crippled any chance of restoring prices to parity levels. After the winter of 1938-39, cotton was the only crop still under federal marketing quotas, but while they continued to support the AAA at the polls, many Texas farmers began calling for a shift to an alternative plan, such as Domestic Allotment, which guaranteed them a fixed price for the portion of their crop sold within the United States. Advocates of this plan differed as to what form the assistance should take, but most favored a type of subsidy payment whereby the government purchased the domestically consumed percentage of a crop from the farmer with funding obtained through a processing tax placed on ginners and millers.<sup>40</sup> Secretary Wallace refused to entertain this concept for any period of time, and when asked about such a system while holding a forum in Fort Worth, Texas, Wallace replied hotly that Domestic Allotment was a “road to disaster!”<sup>41</sup> His flat rejection of the plan preferred by so many in the region led Texas Commissioner of Agriculture J. E. McDonald to respond accusingly “The officials of [Wallace's] organization are merely holding their AAA jobs to keep from leaning on WPA shovels.”<sup>42</sup> McDonald viewed Wallace’s plan as the enemy of American agriculture and carefully monitored the administration for any sign that they might be

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<sup>39</sup> Robert E. Snyder, *Cotton Crisis* (Chapel Hill: University of North Carolina Press, 1984), 3.

<sup>40</sup> “Farmers: Nice Piece of Change,” *Time*, June 26, 1933.

<sup>41</sup> “Farmers: Ache, Agony, and Anguish,” *Time*, October 10, 1938.

<sup>42</sup> *Ibid.*



open to a program more in line with the wishes of his small-time farmers.<sup>43</sup> In November of 1938, McDonald released a prepared statement to the editors of *American Liberty Magazine*, a publication of the Corn Belt Liberty League, stating “President Roosevelt is looking with favor upon Domestic Allotment Plan for agriculture and this is the most encouraging news to everyone sincerely interested in the welfare of agriculture... [He] has been too long misled by the impractical ideas of Henry A. Wallace... who in the past five years thoroughly demonstrated his inability to stabilize American agriculture.”<sup>44</sup> McDonald and his fellow proponents of Domestic Allotment campaigned hard against the passage of the December referendum to continue marketing quotas on cotton for the 1939 growing year. He called for an outright rejection of the program and attempted to inflame readers when he wrote, “Five years is long enough to tolerate impractical ideas and plans and the cotton farmers of the South should vote down the cotton referendum scheduled for December 10.”<sup>45</sup>

The decision of the southern cotton farmer to continue participating in the AAA illustrates the truly dire economic situation he faced. Secretary Wallace encouraged this desperation prior to the referendum by insisting farmers would pass the measure “if you want to save your economic life.”<sup>46</sup> Despite the 1938 cotton reduction of 42% percent, the crop surplus still reached an all-time record high.

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<sup>43</sup> “AAA Ruins Producers of Cotton,” *American Liberty Magazine*, November 3, 1938, 2.

<sup>44</sup> Ibid.

<sup>45</sup> Ibid.

<sup>46</sup> “Crop Quota Voting Starts Saturday,” *New York Times*, December 4, 1938, F10.

Worldwide cotton had produced a 50,000,000 bale carryover, meaning even if the entire globe immediately ceased all cotton production, there would be enough in storage to satisfy world demand for two years.<sup>47</sup> Alabama Senator John Bankhead called the “yes” vote: “the only thing to do when you have got the biggest surplus in world history.”<sup>48</sup>

Several factors contributed to the large surplus, but the main causes included the loss of international markets and the unusually excellent growing conditions in the late 1930s. In 1937, just prior to the passage of the new AAA, Agricultural Adjustment Administrator H. R. Tolley published a defense of the plan to aid farmers. In his analysis, he outlined startling figures regarding the world cotton trade. Tolley explained that in the 1927-29 growing years, American cotton made up 46% of all cotton purchased worldwide. By the 1935-36 season, the USA’s market share had shrunk to 32%. In 1937, American cotton accounted for only 24% of the world market.<sup>49</sup> Over this period, Tolley noted, foreign prices were consistently 20% below that of US-grown cotton. This loss of market-share with no substantial change in price structure was noted by other academics as well. James E. Boyle, professor of Rural Economy at Cornell University, wrote in August 1937 that America’s place in the international cotton markets did not falter until 1929, when President Hoover first attempted to raise cotton prices above the market price (eighteen cents per pound).

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<sup>47</sup> Henry N. Dorris, “AAA Remains an Issue Even After Referenda,” *New York Times*, December 18, 1938, 81.

<sup>48</sup> *Ibid.*

<sup>49</sup> H. R. Tolley, “Defending the Washington Plan to Aid Cotton Growers,” *New York Times*, October 10, 1937, 76.

Boyle argued that Hoover's promise of sky-high prices immediately prompted foreign countries like Brazil to enter the trade and encouraged those already in production, such as Egypt, to dramatically increase output.<sup>50</sup>

The following year brought the Smoot-Hawley Tariff, which Boyle cited as further cause for America's international losses. He affirmed that the "tariff made it impossible for some old customers to buy our cotton at all. Sales to Germany, France, England, and Japan showed immediate and drastic slumps. We kept the cotton at home and called it a surplus."<sup>51</sup> Boyle went on to list problems associated with the first two attempts of the AAA toward managed production but focused chiefly on the problem of the tariff.

Congressional leaders like Representative George Mahon of Texas agreed: "Mere reduction in the production of American cotton by marketing quotas or otherwise will not adequately raise the price of cotton in view of enormous production abroad."<sup>52</sup> Thus when cotton producers voted to install quotas they were not exercising a vote of confidence in the theory of higher prices through artificial domestic scarcity, but were voting for all immediately available financial assistance that they could not live without.<sup>53</sup> They were willing to try output control if it might

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<sup>50</sup> James E. Boyle, "Disaster is Seen in Federal Regulation of Cotton," *New York Times*, August 29, 1937, 60.

<sup>51</sup> *Ibid.*

<sup>52</sup> "New Farm Bill Meets Approval of Texas Solons," *Denton Record Chronicle*, February 17, 1938, 4.

<sup>53</sup> See: John H. Crider, "Bumper Crops Testing Federal Farm Program," *New York Times*, June 5, 1938, 74; and poll by *Christian Science Monitor*, discussed in "Farmers split on Adequacy of Crop Control," *Christian Science Monitor*, November 3, 1939.

make a difference, and could not afford to lose federal loan opportunities. As cotton farmer G. M. Boyd wrote to Senator Elmer Thomas, “I am by this farm question as the man was by his wife, said he could hardly live with her and could not live without her at all.”<sup>54</sup> They lived in fear of the possible financial penalties; according to Representative Andresen, “they were told by government agents that if they did not vote for compulsory control, they would not receive their 1937 adjustment payments... amounting to \$130,000,000.00.”<sup>55</sup> An opinion poll appearing in the *Christian Science Monitor* in late 1939 indicated farmers believed they could achieve better financial results by complying with restrictions and accepting benefit payments than by maximizing selling. Farmers in the same poll expressed frustration that despite plowing up cotton from 1937 and reducing seeded acres in 1938 they still had not seen an increase in prices.<sup>56</sup>

Despite many farmers’ best attempts at reducing production, they faced a surprising number of natural obstacles. All records indicate an outstanding growing season in 1937; this high yield proved problematic not only for the 1937 marketing year but also for subsequent years because any crop not sold in a current marketing year was stored as carryover and simply crowded the market the following year.<sup>57</sup>

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<sup>54</sup> Letter from G. M. Boyd to Elmer Thomas, Box 28, Folder 14, Elmer Thomas Collection, Congressional Archives, Carl Albert Center, University of Oklahoma, Norman, Oklahoma.

<sup>55</sup> Speech by August Andresen, *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 1737.

<sup>56</sup> “Farmers split on Adequacy of Crop Control,” *Christian Science Monitor*, November 3, 1939, 3.

<sup>57</sup> *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 811.

Additionally, some compliant farmers became accidental non-cooperators as cotton sprouted in their fallow fields independent of their planting efforts.

In their time of great crisis, Texas cotton farmers turned to government leaders for assistance they desperately required. This need resulted from excessive production, both foreign and domestic, and from America's loss of international market-share in the cotton growing industry. Unlike most other crops regulated by the Agricultural Adjustment Act of 1938, cotton could not survive without the intervention promised by the act. In contrast to growers of staple crops they could not eat their surpluses, nor was the overproduction problem as persistent for food crops as it was for King Cotton. While cotton lacked these advantages in the free market, the other crop families each had perceived disadvantages under, or grievances toward, federal supervision—notably, competition from southerners diversifying into food crops because they lived outside the regions affected by those quotas.

For all these reasons, cotton farmers alone voted for and maintained stringent mandatory controls rather than abandon the crop they knew. Other growers, while still suffering under the poor economy, possessed both the flexibility and the incentives to chance the market. This confluence of events fundamentally changed the relationship between cotton producers and federal power in a manner that has persisted to the present day.<sup>58</sup>

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<sup>58</sup> Cotton has continued to be one of the most subsidy-dependent crops, most recently in P.L. 110-234, the Food, Conservation, and Energy Act of 2008.

## Chapter Three

### Oklahoma Optimism

Oklahoma cotton farmers did not enjoy a happy relationship with New Deal farm legislation. In fact, they rejected the 1934 Bankhead Cotton Control Act out of hand because it put them, along with their colleagues in Texas and North Carolina, at a particular disadvantage.<sup>1</sup> As agriculture policy evolved throughout the 1930s, however, they found themselves willing to entertain a variety of plans in hopes of escaping precarious economic circumstances. When the 1938 Agricultural Adjustment Act (AAA) appeared, it lacked many of their preferred features and provided, as they understood it, far less economic benefit than the Domestic Allotment Plan they would have chosen, but they proceeded with cautious optimism in the beginning. In their extreme economic distress, Oklahoma cotton farmers supported the AAA with tempered enthusiasm but soon turned against the legislation after receiving allotments too small to provide a subsistence income.

Throughout the New Deal, Sooner State growers worked to understand and benefit from the various programs offered by the federal government but also took an active role in attempting to influence federal farm policy. Their attempts swelled in 1937 as Congress debated yet another plan to restore “parity prices” and economic prosperity to the nation’s agriculturalists. Traces of their efforts emerge everywhere from local newspaper articles to personal letters in congressional archives, and the relief they sought varied widely with each request. Many Oklahomans pushed for a

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<sup>1</sup> David F. Cavers, “Production Control by Taxation,” *Law and Contemporary Problems* 1 (June 1934): 349-361, 353.

Domestic Allotment Plan, the favorite policy of Oklahoma senator Josh Lee.<sup>2</sup> Under this plan, farmers received guaranteed higher prices for a percentage of their cotton based on the estimated rate of domestic consumption. Proponents established the guaranteed amount by estimating the percentage of the crop consumed within the United States in the preceding years. This concept proved particularly attractive to Oklahoma farmers because it included no compulsory production controls. Instead, designers of this system hoped that low prices for the cotton sold in excess of the domestic allotment would dissuade farmers from overplanting.<sup>3</sup>

The complex nature of the AAA compromise and the speed with which it became law caused a great deal of confusion among growers.<sup>4</sup> Many wrote to their senators and representatives soliciting copies of the legislation, but even when they successfully obtained this information, they often failed to grasp its practical implications.<sup>5</sup>

As they had in Texas, Agricultural Adjustment Administrators set up new county offices and encouraged farmers to elect local officials to lead the program in their area. They distributed information to explain and advocate the quota system,

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<sup>2</sup> “Senator Lee Tells Farmers’ Union of Marketing Plans,” *Harlow’s Weekly*, November 19, 1938, 5; Associated Press, “Sen. Lee Proposes Farm Law Changes,” *La Crosse Tribune and Leader Press* (La Crosse, Wisconsin), November 16, 1938.

<sup>3</sup> Keith Volanto, *Texas, Cotton, and the New Deal* (College Station: Texas A&M University Press, 2005), 20.

<sup>4</sup> “Crop ‘Control’ Has Not Worked Anywhere,” *San Antonio Express*, February 16, 1938, 6.

<sup>5</sup> Letter from Elmer Thomas to Mr. W. A. Krause, Box 28, Folder 2, Elmer Thomas Collection, Congressional Archives, Carl Albert Center, University of Oklahoma, Norman, Oklahoma.

always encouraging a positive vote.<sup>6</sup> On March 12, 1938, Oklahomans participated in the nationwide referendum on marketing quotas.<sup>7</sup> Like their neighbors in nearby states, Oklahoma farmers approved the plan but did so with the least favorable returns of any state involved. Among Sooner State farmers, only 70% voted to invoke the quota provision, meaning a full 30% were willing to sacrifice precious loan payments and take their chance on the open and unrestricted market. While these numbers appear to be a favorable reaction, they barely reach the supermajority threshold required by the legislation and they pale in comparison to every other cotton state. Louisiana favored the plan by 98% and both Arkansas and Mississippi returned 97% positive responses. Tobacco quotas also passed with enthusiasm generally exceeding the response observed in Oklahoma.<sup>8</sup>

On the day of the referendum, Sooner State farmers were also unaware of their individual acreage allotments. They understood that a national allowance of 11,000,000 bales of cotton nearly cut the previous year's production in half but were reassured by legislators who claimed they would not face individual cuts deeper than twenty percent.<sup>9</sup> When allotments were finally distributed, Oklahoma cotton men could hardly believe the reductions they experienced and immediately reached out to Senators Josh Lee and Elmer Thomas. Senator Lee advocated for many of the early

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<sup>6</sup> Keith J. Volanto, *Texas, Cotton, and the New Deal* (College Station: Texas A&M University Press, 2005), 115.

<sup>7</sup> "AAA Hails Sweep in Crop Rule Vote," *New York Times*, March 14, 1938, 23.

<sup>8</sup> *Ibid.*

<sup>9</sup> "Farm Quotas Win by Sweeping Vote," *New York Times*, March 13, 1938, 8.



AAA amendments and ultimately helped secure the much-needed adjustments his constituents begged for.<sup>10</sup>

Despite small increases in acreage, cotton farmers continued to protest the plan's implementation and bombarded their congressmen with letters and telegrams expressing their displeasure. On May 4, Senator Bailey of North Carolina presented a long and impassioned appeal on behalf of farmers across the Cotton Belt. He decried the remarkably small allotments received by small-time farmers and lamented the lateness of the season as growers knew their window of planting opportunity had passed.<sup>11</sup> When Senator Vandenberg of Michigan inquired as to how many North Carolina farmers voted in favor of the quota system, Bailey acknowledged that his state approved the legislation by almost 90% but he went on to explain that since receiving their quotas, many had changed their minds. He offered statements from constituent letters claiming "we did not understand it... there was misrepresentation... we were persuaded to vote for this with assurances, none of which are being made good."<sup>12</sup>

Oklahoma Senator Josh Lee noticed another problem with allotments in the early stages of distribution and delivered a speech in May revealing that many farmers planted their fields well before allotments arrived. Unlike the Texas farmers who often overplanted their cotton, some of Lee's constituents anticipated

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<sup>10</sup> Conference Report on the Agricultural Adjustment Act of 1938, *Congressional Record*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, 6084.

<sup>11</sup> Conference Report on the Agricultural Adjustment Act of 1938, *Congressional Record*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, 6224.

<sup>12</sup> Conference Report on the Agricultural Adjustment Act of 1938, *Congressional Record*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, 6225.

exceptionally small allotments and embraced the opportunity to diversify into alternate crops such as wheat. A substantial portion of their Oklahoma neighbors were already engaged in the production of grain so the crop was more familiar to them than to their Texas counterparts. The resulting acreage distribution problem was symptomatic of one of the biggest oversights of the legislation: the failure to anticipate farmers using diversification as a means of escaping crop control. Many farmers therefore received cotton allotments for acreage already taken up by wheat. The law made no allowance for such acreage to be reassigned, so it became known as “frozen acreage”—legally accounted for, but not producing the restricted crop.<sup>13</sup> According to Lee, 330,000 acres or between fifteen and twenty percent of Oklahoma’s allotment consisted of “frozen acres.”<sup>14</sup> Following Lee’s vigorous campaign, frozen acreage was released to be redistributed within the state ensuring that border states, whose farmers often alternated between cotton and wheat, could enjoy their full statewide allotment.

Even with acreage finally unfrozen, Oklahomans exhibited an about-face similar to that seen in North Carolina but focused particularly on the divisions between large-scale and “dirt farmers” in their complaints about the legislation. Many who identified themselves with the latter begged their government to make particular allowances for their endangered subsistence operations.<sup>15</sup> Senator Thomas grew so

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<sup>13</sup> Reapportionment of Cotton Acreage Allotments, *Congressional Record*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, S6135.

<sup>14</sup> *Ibid.*

<sup>15</sup> Letter from John L. Devine to Senator Elmer Thomas, October 24, 1938, Box 28, Folder 14, Elmer Thomas Collection, Congressional Archives, Carl Albert Center, University of Oklahoma, Norman, Oklahoma.

concerned over the AAA's effects on small-time farmers that he decided to hold a series of meetings around his state in the fall of 1938 to provide a forum for discussing the future of the legislation. To ensure maximum attendance at these meetings and to make provisions for those unable to travel, Thomas sent out letters to each of his constituents with information about the meetings and attached surveys polling farmers as to their opinion of the current law.<sup>16</sup>

As Thomas entered Claremore for his first meeting on October 24, 1938, former Governor and then gubernatorial candidate William H. Murray launched a series of pre-election radio addresses designed to stir the public against the senator and emphasize the split between the corporate and the family farmers.<sup>17</sup> In his speech, Murray reminded listeners of current economic hardships and appealed to their fears of increasing government intervention like those embodied in George W.

Thompson's letter to Elmer Thomas. Here the farmer stated, "[The AAA] is Stalinism, Hitlerism, and also Walliceism [sic] right here in America and that kind of talk would lead to a firing squad most any place but here because it is also treasonable talk."<sup>18</sup> Murray's language also bore striking similarities to that used across the upper Midwest by members of the Corn Belt Liberty League in their fight to undermine

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<sup>16</sup> Letter from Elmer Thomas to Constituents, October 15, 1938, Box 28, Folder 14, Elmer Thomas Collection, Congressional Archives, Carl Albert Center, University of Oklahoma, Norman, Oklahoma.

<sup>17</sup> Associated Press, "Murray Lashes out at Thomas," *Miami Daily News-Record*, October 25, 1938, 1.

<sup>18</sup> Letter from George W. Thompson to Elmer Thomas, February 16, 1938, box 28, Folder 2, Elmer Thomas Collection, Congressional Archives, Carl Albert Center, University of Oklahoma, Norman, Oklahoma.

New Deal farm legislation.<sup>19</sup> The League emphasized themes of government oppression and even hired disaffected Russian farming instructor John E. Waters who warned “Already you farmers are being subjected to a form of policing, to fines and penalties if you do not do as you are told. You have spies, detectives, and sleuths watching you.”<sup>20</sup> Murray’s admonition of the AAA as a harbinger of totalitarian communist government bent on “destroy[ing] all the little farmers” proved typical of the anti-New Deal rhetoric at the time.<sup>21</sup>

Though his October meetings attracted mostly large-scale farmers with the means to travel, the “dirt farmer” perspective overwhelmingly filled the replies to Thomas’s letter and survey. At the October 25 meeting in Enid, Lyle L. Hague, a farmer from Cherokee and director of the Farmers’ National Grain Corporation, gave a speech in which he stated “the majority of the men I have contacted... believe that any lasting Agricultural legislation must be based upon acreage or production control.”<sup>22</sup> Hague argued that most farmers in the state had no problem with the legislation itself and would be mollified if they could be guaranteed a form of domestic allotment pricing.<sup>23</sup> Others remained unconvinced. J. A. Julien, president of

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<sup>19</sup> Frank Ridgeway, “Farmers Stand in Rain to Cheer Crop Rebellion,” *Chicago Tribune*, April 28, 1938, 1.

<sup>20</sup> Ibid.

<sup>21</sup> Associated Press, “Murray Lashes out at Thomas,” *Miami Daily News-Record*, October 25, 1938, 1.

<sup>22</sup> Speech by Lyle L. Hague, given at the Agricultural Hearing, Enid, OK, October 25, 1938, Box 28, Folder 14, Elmer Thomas Collection, Congressional Archives, Carl Albert Center, University of Oklahoma, Norman, Oklahoma.

<sup>23</sup> Ibid.

the Julien & Co. Investment Service in Chickasha and chief supervisor of 285 Oklahoma farms wrote to Thomas to assure him that the meeting held at Pauls Valley failed to accurately represent the concerns of the family farmer.<sup>24</sup> Regarding the survey question on acreage allotments, Julien remarked “I got one impression definitely as to #8 was that the majority were like Coolidge’s preacher about sin; he was ‘agin it.’”<sup>25</sup> Julien insisted that if Thomas met with farmers in southeastern Oklahoma or with his farm supervisor in Durant, the senator would have heard opinions quite opposite from those expressed by Hague.<sup>26</sup>

The conflicting opinions of Hague and Julien could indicate a larger divergence between Oklahoma farmers growing wheat and those focused chiefly on cotton. Hague’s geographic location in the northwestern portion of the state and his position with the National Grain Corp. certainly identify him with his fellow wheat farmers whereas Julien’s interests in the southern region suggest a greater exposure to the plight of those in cotton. Stacks of handwritten letters indicate Julien is not far off in his estimation of the local response. Notes from towns such as Geronimo and Altus expressed extreme displeasure with the production control system and called for transition to a domestic allotment style plan.<sup>27</sup> A farmer from Kingfisher even took it

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<sup>24</sup> Letter from J. A. Julien to Elmer Thomas, October 29, 1938, Box 28, Folder 14, Elmer Thomas Collection, Congressional Archives, Carl Albert Center, University of Oklahoma, Norman, Oklahoma.

<sup>25</sup> Ibid.

<sup>26</sup> Ibid.

<sup>27</sup> Letters to Elmer Thomas from John Davis and John Devine, Box 28, Folders 18, 14, Elmer Thomas Collection, Congressional Archives, Carl Albert Center, University of Oklahoma, Norman, Oklahoma.

upon himself to petition the senator on behalf of others struggling in his county. He kept a careful record of his interactions with the County Agent, Mr. Mueggenborg, and noted discrepancies and violations of the established policies including acreage reductions placed on farms that were small enough to qualify for an exemption.<sup>28</sup>

In addition to the epistolary feedback, Thomas took careful note of his completed survey cards, answering each submission whether it accompanied a letter or arrived alone in postcard form. The majority of survey responses that remain express an overwhelming inclination toward Domestic Allotment and repeal or significant modification of the current farm bill, particularly the acreage allotment portion.<sup>29</sup> The deviation could stem from the constituents' understanding of the surveys, which accompanied the meeting invitation, as an alternative to attendance in case one could not afford to travel. Thus wealthier farmers at the meetings clamored for a continuation of the act and increasingly restrictive production control while those who responded in writing preferred the opposite. Regardless of the recommendations in the feedback he received, Thomas's meetings successfully accomplished the underlying political goal. The senator clearly understood the incredibly divisive nature of the act and its potential impact on his reelection campaign. In addition to warnings heard in radio addresses such as Murray's, Thomas received letters from local supporters stating outright "I do not think any democrat [sic] can carry this county as long as we have the present allotment board. The

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<sup>28</sup> Letter to Elmer Thomas from W. F. Cunningham, Box 28, Folder 28, Elmer Thomas Collection, Congressional Archives, Carl Albert Center, University of Oklahoma, Norman, Oklahoma.

<sup>29</sup> Assorted survey responses, Box 28, Folder 14, Elmer Thomas Collection, Congressional Archives, Carl Albert Center, University of Oklahoma, Norman, Oklahoma.

Department of Agriculture has lost the New Deal more votes than any other half a dozen things.”<sup>30</sup> Thomas needed a way to distance himself politically from the farm bill, and his statewide survey and agriculture hearings provided him exactly that opportunity.

Though dissatisfaction with acreage allowances came from multiple regions, Texans to some extent and Oklahomans in particular protested their distribution with unique zeal. In a debate on the senate floor, Alabama Senator Bankhead expressed a lack of familiarity and even disbelief regarding complaints against acreage restrictions. In defense of the legislation he claimed “I doubt if I have received 50 complaints with respect to the farm law since its passage, whereas previously I received thousands.”<sup>31</sup> Both Connally of Texas and Lee of Oklahoma quickly responded to this claim and made clear that their own constituents were quite dissatisfied, whatever the position of Alabama cotton farmers.

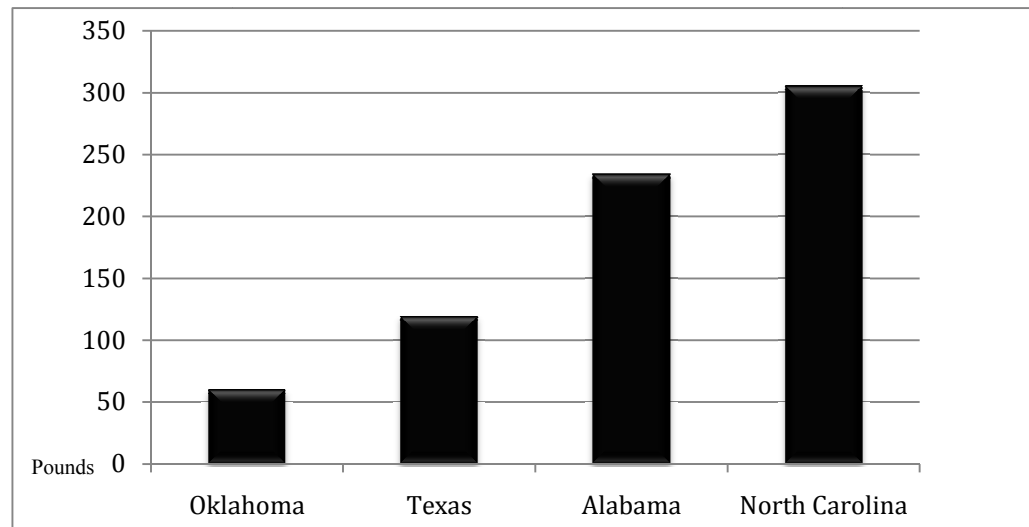
When interpreted within the context of average cotton yield per acre, these divergent responses certainly appear reasonable and perhaps even predictable. From 1870 onward, both Oklahoma and Texas experienced significant drops in average lint yield per acre, reducing their yields from roughly on par with the rest of the country, to well below average. This failure ultimately landed Oklahoma in last place among cotton growing states at the time. The chart below illustrates the sharp contrast in productivity between Lee’s farmers and Bankhead’s.

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<sup>30</sup> Letter to Elmer Thomas from W. F. Cunningham, Box 28, Folder 28, Elmer Thomas Collection, Congressional Archives, Carl Albert Center, University of Oklahoma, Norman, Oklahoma.

<sup>31</sup> Conference Report on the Agricultural Adjustment Act of 1938, *Congressional Record*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, 6229.

## 1936/1937



Average lint yield per acre in pounds among cotton producing states 1936-1937 growing season<sup>32</sup>

In practical terms, an Oklahoma cotton farmer would need to plant roughly 8.5 acres in order to produce one bale of cotton while a North Carolina farmer would only need 1.6 acres to achieve the same result.<sup>32</sup> Organizations such as Anderson, Clayton & Co., a cotton merchant native to Oklahoma City, recognized this disparity and conducted research on the subject of improving cotton quality and productivity in the region. Their study revealed that states in the southeast recognized the quality decline in its early stages and implemented statewide improvement programs designed to increase both lint per acre (quantity) and the length of the fiber itself (quality). These communal efforts offered dramatic results, quickly improving both targeted areas.<sup>33</sup> Perhaps because Oklahoma and Texas were continuing to expand

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<sup>32</sup> Anderson, Clayton, and Company, "Open Letter to the Cotton Industry and Allied Interests," Box 28, Folder 29, Elmer Thomas Collection, Congressional Archives, Carl Albert Center, University of Oklahoma, Norman, Oklahoma.

<sup>33</sup> J. Allen Tower, "Cotton Change in Alabama 1879-1946," *Economic Geography* 26, (January, 1950): 6-28, 7.



their cotton production into new counties at the time, they did not undertake similar efforts. Oklahoma, in particular, fell behind in each quality measure so much so that some cotton merchants actually prohibited the delivery of Oklahoma cotton in fulfillment of their contracts.<sup>34</sup> This disadvantage provides yet another reason as to why Oklahomans preferred Domestic Allotment. When they experienced difficulty getting their cotton into the domestic market, any plan whereby they were guaranteed the higher US price for their product would certainly have seemed attractive, particularly when it included no compulsory production limitations and allowed farmers to produce and sell as much cheap cotton as they wished beyond their base allotment. Unfortunately for Sooner state farmers, this plan made little headway in Washington. Wallace personally hated the Domestic Allotment plan, as he demonstrated at his forum in Fort Worth, Texas, discussed in the previous chapter.<sup>35</sup>

Wallace did oppose outright price fixing, particularly when performed on the basis of the farmers' cost of production but favored the idea of helping growers bridge the gap between market and parity prices with the assistance of commodity loans.<sup>36</sup> These loan provisions already existed under the 1938 act but there was some dispute regarding how to best fund the program. While in Fort Worth, Wallace made the shocking suggestion that Congress reinstate the processing tax recently declared unconstitutional by the Supreme Court. "Why not use this kind of a tax once more?"

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<sup>34</sup> Anderson, Clayton, and Company, "Open Letter to the Cotton Industry and Allied Interests," Elmer Thomas Collection, Box 28, Folder 29, Carl Albert Center, University of Oklahoma, Norman, Oklahoma.

<sup>35</sup> "Farmers: Ache, Agony, and Anguish," *Time*, October 10, 1938.

<sup>36</sup> *Ibid.*

We know it will work because it has worked."<sup>37</sup> Of course, Wallace's call to return to the days of processing taxes proved in vain. He could not legally revive the tax as he knew very well from the earlier Supreme Court decisions.

As the end of the year approached, the time came for cotton farmers to return to the polls and reexamine the compulsory quota system. In preparation for this vote, the Department of Agriculture once again dispatched speakers to campaign in favor of the measure. The most heavily emphasized provision reminded voters that their failure to pass quotas would immediately terminate all crop loans for the upcoming year.<sup>38</sup> The somewhat revised quota system included a fifty percent increase in the overage penalty from two cents per pound to three cents per pound in an effort to reassure farmers that their own sacrifices would not be undermined by neighboring non-cooperators.<sup>39</sup>

When they saw no alternative, Oklahoma cotton farmers turned to the AAA for assistance they craved. Despite the perception among small farmers that the program placed them at a disadvantage, they nevertheless chose to embrace the plan in its entirety rather than sacrifice the benefit payments they "could not live without."<sup>40</sup> Their need resulted chiefly from excessive production, both foreign and domestic, and from Oklahoma's unique disadvantages as the lowest rated state in cotton staple quality and lint yield per acre. Although many growers held sentiments

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<sup>37</sup> Ibid.

<sup>38</sup> "Cotton Quota Vote Stirs AAA Anxiety," *New York Times*, December 8, 1938, 4.

<sup>39</sup> Ibid.

<sup>40</sup> Letter from G. M. Boyd to Elmer Thomas, Box 28, Folder 14, Elmer Thomas Collection, Congressional Archives, Carl Albert Center, University of Oklahoma, Norman, Oklahoma.

reflected in Governor Murray's anti-New Deal speech, they set aside this ideological opposition in order to address their own extreme economic necessity. Given the opportunity, many clearly would have opted for less restrictive methods of control but, finding none available, they willingly submitted to the legislation they viewed as their best hope for economic sustainability.

For efficient, mechanized, and large-scale farmers, support of the 1938 program proved a remarkably profitable decision. Through the end of the 1930s, they enjoyed fully restored parity prices by utilizing loan and benefit payments and by continuing to improve their production efficiency.<sup>41</sup> Small landowners and tenant farmers, however, remained in poverty and failed to realize similar results.<sup>42</sup>

Ultimately, the AAA needed only to sustain these farmers through the onset of World War II. Military supply needs raised prices in many regions to as high as 110% of parity levels. As Paul K. Conkin wrote in his 1968 classic, *The New Deal*, "Before there was an ever-normal, permanently glutted market, World War II came to the rescue."<sup>43</sup>

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<sup>41</sup> Paul K. Conkin, *The New Deal* (London: Routledge, 1968), 100.

<sup>42</sup> *Ibid.*, 101.

<sup>43</sup> *Ibid.*, 100-1.

## Chapter Four

### Revolt in the Corn Belt

Finley Foster had little tolerance for what he viewed as government waste, and when agriculturalists in his area began accepting early New Deal subsidy payments for leaving their fields unplanted, he took a stand against the practice. The “red-dirt” farmer from Illinois designed an enormous banner stretching the length of his fence that read, “THIS FARMER IS NOT ON GOVERNMENT RELIEF.”<sup>1</sup> In Foster’s region, such national crop legislation met with widespread and, ultimately, overpowering resistance, organized by men who took similar offense at the attempted interference of Washington officials. The success of this opposition movement largely resulted from efforts of a group who called themselves the Corn Belt Liberty League (CBL). This chapter examines their unique position among growers of the time and explores why they exhibited such unusual resistance to the legislation at issue.

Three main factors propelled these corn farmers to action: an ideology of freedom and individual responsibility, a concern for personal economy, and a demand for fairness in the administration of federal regulations. League activities, convention speeches, resolutions submitted to Washington, and issues of their *American Liberty Magazine* clearly indicate such purposes. Members adamantly opposed centralized farm control, and, with their descendants currently accepting high levels of annual

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<sup>1</sup> “Finley Foster Not on Relief, He Tells World,” Ruebush-Goodpasture Collection, Box No. SMS1991-2, Special Collections, Western Illinois University, Macomb, Illinois, cited in Lynnita Sommer, “Illinois Farmers in Revolt: The Corn Belt Liberty League,” *Illinois Historical Journal* 88, no. 4 (Winter 1995): 222-40.

subsidies, this deeper analysis will provide an enhanced understanding of the strongly negative response in 1938 and the subsequent transition made by these farmers toward a more positive interpretation of governmental assistance.<sup>2</sup>

The new Agricultural Adjustment Act affected corn farmers in a unique way because of its limited geographical scope. The text of the law delineated limitations for other crops on a nationwide basis, but corn only encountered control within the “commercial growing area,” which consisted of 566 counties in twelve states.<sup>3</sup> Significantly, the boundary contained a mere twenty-two percent of those raising the crop across the country.<sup>4</sup> For comparative purposes, this targeted reduction would be akin to restricting cotton only within a specified region inside the state of Texas while leaving untouched all other growers in the cotton South.

The corn provisions of the AAA contained language similar to those placed on other crops. Under the voluntary allotment system, corn farmers received an individual acreage allowance every year. Secretary of Agriculture Henry Wallace possessed the authority to annually establish and divide the national distribution of cornfields and he incentivized participation with federal loans and grants.<sup>5</sup> This nonobligatory request for program compliance contrasted sharply with the second control mechanism, mandatory quota requirements. The harsh alternative went into

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<sup>2</sup> Environmental Working Group, “Farm Subsidy Database,” Environmental Working Group, <http://farm.ewg.org/farm/region.php?fips=00000&progcode=total> (accessed October 11, 2009).

<sup>3</sup> *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt 1584.

<sup>4</sup> *Ibid.*

<sup>5</sup> *Ibid.*

effect in cases when the secretary estimated annual production could rise above 115% of corresponding consumption. Some growers viewed this as an incentive for reducing output. If they did not exceed the projected yearly need, they would avoid triggering the compulsory portion altogether.<sup>6</sup> Immediately upon enactment, the second program required a referendum similar to those used by cotton and tobacco but in this case, only those twenty two percent in the commercial growing area were eligible to vote. If corn farmers failed to pass the plan with the required two-thirds majority, they would be cut off from all loan and grant payments until the second growing year following the vote. However, if passed successfully, with the requisite two-thirds majority, all restrictions became mandatory and sales of corn in excess of an individual's quota incurred a fine of fifteen cents per bushel.<sup>7</sup>

One can easily imagine that, as with any public policy issue, some affected persons might find this legislation objectionable, but the sheer magnitude and immediacy of the Illinois response existed in sharp contrast to that seen elsewhere and thus provides an excellent case study for comparison. In 1938, acreage allotments, in accordance with the default control plan, arrived in mailboxes in the commercial growing area beginning April 15, 1938.<sup>8</sup> The initial outcry occurred, predictably, in the area facing the most dramatic cuts. Cornfields in Illinois were reduced by twenty-three percent overall although many counties suffered deeper decreases, as the oversight committees did not distribute acreage evenly across the

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<sup>6</sup> *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 1586.

<sup>7</sup> *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 1585.

<sup>8</sup> Speech by Rep. Andreson, *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 1737.

state. Compared to farmers in Kansas, with an overall thirty percent *increase*, Illinois losses deeply troubled the affected growers.<sup>9</sup> Local farmers in McDonough County, Illinois, found themselves discussing their “ruinous” allotments on the street corners and soon decided to take action. On April 18, 1938, just a few days after postmen delivered the bad news, the central Illinois men agreed to host a meeting for those facing similar concerns. The overwhelming response surprised organizers when over 1,500 farmers arrived to express their opposition to the AAA. The participants’ views surfaced immediately as each attendee received an opinion survey upon entry. Of the 865 ballots distributed that evening, 824 indicated “no” in answer to the question “Are you satisfied with your present corn allotment?”<sup>10</sup> At this meeting, the Corn Belt Liberty League officially formed.

The organization initially claimed the concept of freedom in agriculture as their focus. The turnout at the first event encouraged newly elected President Tilden Burg to host a large-scale convention the following week in the Macomb armory to adopt bylaws and encourage the spread of the revolt. For this second gathering, organizers invited keynote speakers such as John E. Waters, former Soviet power-farming instructor, to illustrate where centralized agriculture planning might lead.<sup>11</sup> After hearing of the number interested in attending and receiving many telegrams from those attempting to obtain seats for the meeting, event planners found it necessary to expand their original plans to accommodate the response. Anticipating

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<sup>9</sup> Speech by Rep. Andreson, *Cong. Rec.* 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 1739.

<sup>10</sup> “Farmers Howl Down Backer of Control Law,” *Chicago Tribune*, April 18, 1938.

<sup>11</sup> Frank Ridgeway, “Telegrams Tell of Rising Revolt Against AAA Reign,” *Chicago Tribune*, April 26, 1938.

crowds, organizers strung loudspeakers along streets adjoining the armory to ensure the message was accessible to those who could not fit inside.<sup>12</sup> Further preparations included roping off several roadways connected to the town square to create additional standing room and packing over 2,000 seats into the facility itself.<sup>13</sup> On the night of the convention, over 3,500 farmers arrived from Illinois, Indiana, Iowa, Minnesota, and Missouri to hear the message of the Corn Belt Liberty League. Those outside endured soaking rain as the meeting went on, but this did not deter many farmers anxious to participate in the movement. Throughout the course of the night, the group adopted several resolutions to clarify its position. Attendees affirmed a resistance pledge stating their firm resolve to consistently and ardently oppose the control program and to seek out other similarly minded cultivators who could offer assistance in this effort.<sup>14</sup> Newspaper journalists reporting on the meeting the following day indicated thousands of farmers joined the organization that night, each paying the required two dollars in organization dues.<sup>15</sup>

When new members returned home, they took with them a passionate opposition to the AAA. CBLI chapters formed nearly every week in counties across Illinois, Iowa, Indiana, and most other states in the commercial growing area. The local Macomb newspaper published long lists of meetings by county so existing

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<sup>12</sup> “3,500 Farmers From Four of Corn Belt States Pledge Opposition to Federal Crop Control,” *New York Times*, April 27, 1938.

<sup>13</sup> “Stage is Set For Meeting of Farmers,” *Daily Journal* (Macomb), April 27, 1938.

<sup>14</sup> Frank Ridgeway, “Farmers Stand in Rain to Cheer Crop Rebellion,” *Chicago Tribune*, April 28, 1938.

<sup>15</sup> “3,500 Farmers From Four of Corn Belt States Pledge Opposition to Federal Crop Control,” *New York Times*, April 28, 1938.



members could lend their support to newly developing satellite divisions.<sup>16</sup> President Burg and founders such as G. C. James travelled to many of these gatherings to share their message of fighting for the freedom of cultivators.<sup>17</sup> By mid-May 1938, when letters of support and official visits by county delegations overwhelmed the home offices of the president and secretary, national board members decided to open a permanent headquarters for their organization in the Illinois Theatre Building, near the site of the initial convention.<sup>18</sup> Leaders also hired a stenographer to assist with the enormous influx of daily mail, repeatedly expressing shock and amazement at the rapid growth of their association. In almost every newspaper interview available, Burg and his followers marveled at their progress.<sup>19</sup> Less than a month after the opening of the permanent location, the CBLI incorporated in both Illinois and Indiana and listed several goals in their charter and bylaws including “to preserve the independence of the American farmer... and to preserve the constitutional rights of those engaged in agriculture.”<sup>20</sup> With an established business address and corporate credentials, the league could begin to consider publication as an effective method of ensuring the continued spread of their ideas.

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<sup>16</sup> “Corn Belt League Opens Office Here,” *Daily Journal* (Macomb), May 9, 1938.

<sup>17</sup> “AAA Meeting to Fight League is Washington Plan,” *Daily Journal* (Macomb), April 29, 1938.

<sup>18</sup> Associated Press, “Walker and Burg Talk at Burlington,” *Daily Journal* (Macomb), May 21, 1938.

<sup>19</sup> Paul D. Shoemaker, “Future of the Farm Revolt is Considered,” *Daily Journal* (Macomb), May 4, 1938.

<sup>20</sup> “Corn Belt Men Incorporate to Fight AAA Rule,” *Chicago Tribune*, June 11, 1938.

Initially, the literature distributed by the CBLI came in the form of flyers, handbills, and ads in local newspapers.<sup>21</sup> These proved to be valuable recruitment tools and board members watched the movement spread rapidly throughout the Corn Belt with forays down into Kansas and other neighboring states.<sup>22</sup> Building on their early success with print advertising and encouraged by the overwhelming correspondence still received at headquarters, the group decided to attempt publishing their own periodical. Invoking patriotic spirit, they christened it *The American Liberty Magazine* and by fall, the first issue arrived at the homes of subscribers.<sup>23</sup> The periodical developed into a powerful tool for disseminating League ideology but was also frequently used to share general farming advice and innovations. When R. H. Bruninga of Peoria County experimented with fattening his hogs on cheap oats instead of their usual corn, editors printed his story to help others preserve both their pig and grain operations.<sup>24</sup> The paper also purported to perform a sort of fact-checking function when members of the Agricultural Adjustment Administration delivered speeches in defense of Roosevelt's legislation. The entire front page of the October twenty-first edition contained a line-by-line analysis of Secretary Wallace's speech on behalf of the act delivered in Springfield, Illinois, the previous week. In addition to re-printing the speech, editors included all relevant portions of the law so

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<sup>21</sup> "Corn Growers Attention," *Daily Journal* (Macomb), April 16, 1938.

<sup>22</sup> "Corn Belt League Plans Many Meetings," *Daily Journal* (Macomb), May 5, 1938.

<sup>23</sup> Lynnita Sommer, "Illinois Farmers in Revolt: The Corn Belt Liberty League," *Illinois Historical Journal* 88, no. 4 (Winter 1995): 231.

<sup>24</sup> "Peoria Farmer Fattens Hogs with Oats-Corn Ration," *American Liberty Magazine*, September 15, 1938, 15.

readers could determine for themselves whether Wallace presented it accurately.<sup>25</sup> Following the midterm elections of 1938, in which Republicans gained eighty-one seats in the House and six seats in the Senate, the publication revealed a political tendency previously unseen. A front-page headline standing six inches tall declared the Republican victory a reason to hope for relief from crop legislation, but writers insisted their magazine did not maintain a particular political affiliation in the article that followed.<sup>26</sup> With such ideas surfacing in the organization's main communication apparatus, the members' philosophical basis for opposition to the act reveals itself.

Participants in the movement viewed their struggle as first and foremost an ideological one. President Burg passionately summarized this view at the convention:

Above all we are fighting for freedom. We positively refuse to accept the view that we must sacrifice freedom to obtain prosperity. On the other hand, we believe that loss of freedom means poverty and ruin. Turning our farms over to compulsory methods of farming cannot be the sound method of getting prosperity.<sup>27</sup>

Opponents also desperately feared what they interpreted as socialist tendencies in the new law. Early organizers harbored so much concern about this particular aspect, they invited former Soviet farming instructor John E. Waters to speak about centralized control of agriculture at the major recruitment meeting. He had served as an employee of the communist government for approximately five years in the late 1920s and was quick to compare their socialist program to the Agricultural Adjustment Act, claiming

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<sup>25</sup> Lionel Eyman, "Fight for 'Best Farm Act' Asks Wallace," *American Liberty Magazine*, October 21, 1938, 1.

<sup>26</sup> Lionel Eyman, "G.O.P Gains Favor C.B.L.L.," *American Liberty Magazine*, November 19, 1938, 1.

<sup>27</sup> Frank Ridgeway, "Farmers Stand in Rain to Cheer Crop Rebellion," *Chicago Tribune*, April 28, 1938.

farmers would soon be subjugated into a “peasant class” and were “well on their way to dictatorship.”<sup>28</sup> His concerns were certainly not unique among movement participants, well-known Kansas rancher Dan Casement strongly decried the restrictions in the act when he stated “She’s blown up; that’s Russia at its worst.”<sup>29</sup> Senator Josiah Bailey called the AAA the “perfect model of fascism.”<sup>30</sup> This fear of centralized control appealed even to those who were in favor of some form of assistance program and had the effect of greatly broadening the League’s base of support.<sup>31</sup>

In addition to philosophical opposition, members exhibited grave concern for their personal economy. Early in the new act’s short life, agriculturalists in other crop categories realized that, while their staples such as cotton and tobacco faced quota restrictions, they could supplement that limited acreage by diversifying into wheat or planting corn. By virtue of living outside the commercial growing area, these cultivators faced no controls or restrictions on such grains and they immediately seized on the opportunity to diversify their crops. Competition from southern cotton farmers, who possessed fallow acreage and complete freedom to appropriate the grain previously considered exclusively Midwestern, emerged as a major source of apprehension in the pages of the *American Liberty Magazine*. Whether or not

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<sup>28</sup> Frank Ridgeway, “Farmers Stand in Rain to Cheer Crop Rebellion,” *Chicago Tribune*, April 28, 1938.

<sup>29</sup> John M. Collins, “Farmers Continue Debate on AAA,” *New York Times*, October 30, 1938.

<sup>30</sup> Sidney Olson, “Farm Revolt Brings Action on Subsidies and Quotas,” *Washington Post*, May 5, 1938.

<sup>31</sup> Frank Ridgeway, “Corn Farmers Widen Fight on Crop Control: Seek to Enlist More in AAA Revolt,” *Chicago Tribune*, April 28, 1938.

southerners had a large impact on the national marketplace is a debatable question, but regardless of the merits of the argument, Corn Belt residents refused to be pacified. In September 1938, the publication carried a large front-page photograph of an Arkansas farmer selling the disputed commodity. He advertised it as “corn raised on cotton ground.”<sup>32</sup> Chicago reporter Frank Ridgeway traveled to Mississippi in an attempt to assess the amount of corn being planted by southerners. His description of the situation could not have sounded encouraging to Midwestern farmers when he wrote, “The whole crop map of the cotton belt is undergoing a critical revision... On down the Mississippi river corn is ankle high in the Memphis region, and here in the Clarksdale neighborhood a few fields will soon be shooting ears.”<sup>33</sup> This article, and those that followed, exacerbated CBLL concerns and propelled those in the restricted area to increase their planting to try and keep up.<sup>34</sup> Legislators, concerned about dissatisfaction among their constituents, also strongly debated this topic on the floor of the House. A host of speeches indicate widespread concern that finally culminated in the so-called Corn v. Cotton Debate in which Representative Fred Gilchrist of Iowa attempted to ease the minds of each side.<sup>35</sup>

Apart from their concerns regarding competition, farmers understood that, for some, compliance with allotments would lead to financial ruin. Mathematicians ran

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<sup>32</sup> “Earl Smith Defends Farm Act in Talk to Macomb Farmers,” *American Liberty Magazine*, September 15, 1938, 1.

<sup>33</sup> Frank Ridgeway, “U.S. Crop Rule Spurs Southern Corn Growing,” *Chicago Tribune*, May 15, 1938.

<sup>34</sup> Edward Lindsey, “Arkansas Corn,” *American Liberty Magazine*, September 15, 1938, 1.

<sup>35</sup> *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt. 8774

calculations of benefit and loan payments against the profit resulting from a larger crop and even paying monetary penalties on quota violations appeared a more lucrative option than strict compliance. In a meeting at Princeton High School in Bureau County, Illinois, local leaders illustrated the probable returns of full-scale planting versus those available on unrestricted production:

[Mr. Booth] showed that on 1,000 bushels at the guaranteed price of 50 cents the cooperator would get \$468, including the price of the grain sold and his benefit payment for curtailment whereas the non-cooperating farmer would get \$467 after he had sold the full 1,000 bushels and had paid his fine for excess production. Going further, Mr. Booth illustrated with figures on the blackboard that should the bill work and the price rise to 75 cents a bushel, the non-cooperating farmer would get \$717 from his crop whereas the co-operating farmer would get only \$663 from his crop and benefit payments. "If the program works, you don't want it," Mr. Booth declared. "If it doesn't work, it's a good thing."<sup>36</sup>

This pragmatic response to the act swayed many agriculturalists otherwise unmoved by the ideologically-based rhetoric. Upon realizing noncompliance resulted either in identical or increased profits, they were much more sympathetic to the League's cause.

The belief that AAA officials unfairly administered the legislation created a third force driving the rebellion. Local Illinois wives submitted letters to the editor of the *Daily Journal* with numerous allegations of unequal allotment distribution and preferential treatment benefitting family members of Farm Bureau directors.<sup>37</sup>

Examining the state-by-state breakdown of allotments provides insight into the fairness argument. When the bill first appeared before Congress, its authors indicated

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<sup>36</sup> "Leaders Map Fight for Farm Freedom," *Bureau County Republican*, May 12, 1938.

<sup>37</sup> "Views of Others," *Daily Journal* (Macomb), April 21, 1938.

the secretary of agriculture would not impose acreage cuts greater than twenty percent on any individual cultivator; however, states such as Illinois and Ohio received overall reductions of approximately twenty-five percent. These limits suggest that some landowners must, by necessity, have received curtailments deeper than twenty percent. In fact when approved cornfields were actually distributed many growers lost between twenty-five to seventy percent of their formerly available cropland.<sup>38</sup> Allotments must also be considered in a state-by-state comparison. Kansas, for example, possessed an overall allowance equal to 130 percent of the acreage planted in the state the year before.<sup>39</sup> From an Illinoisan's perspective, had the secretary determined to leave Kansas at one hundred percent of their previous year, he could have offered the extra 500,000 acres (the additional thirty percent) to farmers in Illinois to ease their reduction. This disparity among allotments cast suspicion over the act as a whole and attracted many more people to the opposition cause.

As 1938 drew to a close, the influence of the Corn Belt Liberty League emerged in several areas. The most obvious success enjoyed by the CBLI came when Washington declined to hold the referendum necessary for imposing marketing quotas.<sup>40</sup> Secretary Wallace claimed the anticipated levels of production fell within the acceptable range but correspondence between league members suggests they

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<sup>38</sup> Speech by Rep. Andresen, *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83 pt. 1739.

<sup>39</sup> Speech by Rep. Andresen, *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83 pt. 1739.

<sup>40</sup> Frank Ridgeway, "Revolting Corn Farmers Hail Quota's Defeat," *Chicago Tribune*, August 14, 1938.

intended to take full responsibility for averting the disaster of the compulsory plan.<sup>41</sup> With a new year on the horizon, AAA administrators grew fearful of the results they would face at the annual referenda on quotas, and they began a fierce campaign to maintain quotas on other staples.<sup>42</sup> Men like cotton and tobacco farmer W.C. Ransdell of North Carolina had tried to work with quotas for a year but found them not worth the trouble as he explained to a reporter immediately prior to the vote, calling quotas “too much candy for a cent. It requires a man to have too many bosses. There might be more money in it, but what of it, when it deprives me of a liberty I’ve had for seventy years.”<sup>43</sup> By late December corn was not the only group celebrating release from crop control; shortly before Christmas, tobacco farmers voted four to one against reinstating their quotas for 1939.<sup>44</sup> This showed an overwhelming change of sentiment compared with their vote of eighty-six percent in favor the previous March.<sup>45</sup>

AAA opponents fought long and hard throughout 1938 to win the battle over this controversial legislation. League leaders often traveled over 150 miles from their

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<sup>41</sup> Letters from founders, Ruebush-Goodpasture Collection, Box No. SMS1991-2. Special Collections. Western Illinois University.

<sup>42</sup> “Wallace Leads Hard Campaign to Have Penalty System Win in Saturday’s Farm Test,” *New York Times*, December 8, 1938.

<sup>43</sup> “Cotton Quota Vote Stirs AAA Anxiety,” *New York Times*, December 8, 1938.

<sup>44</sup> “Predict Change in ’39 Farm Law, Quotas Lose Fourth Time in Farm Vote,” *American Liberty Magazine*, December 22, 1938, 1.

<sup>45</sup> Associated Press, “Farm Quotas Win By Sweeping Vote,” *New York Times*, March 13, 1938.



homes in Macomb, Illinois, to aid in organizational meetings for new chapters.<sup>46</sup> Some officeholders even remarked occasionally that they had to let work on their personal farms slip in order to keep up with the incredible demands of organizing such a movement.<sup>47</sup>

Whether compliance with reduction demands might have brought farmers a higher financial return in 1938 is impossible to determine. Following the League's triumph over marketing quotas that fall, their literature reveals a subtle shift in rhetoric indicating a lingering concern for their economic situation. In December 1938, *American Liberty Magazine* began running a series of stories on the alcohol-blended gasoline concept. Corn growers viewed this as a way their government could help them profit from crop surpluses without exerting unnecessary control over their daily operations.<sup>48</sup> The benefits of such a non-intrusive program proved too great to ignore. Authors quickly took up the cause citing ventures in England already manufacturing this fuel and persuasively illustrating the profits to be made from a gasoline blend with only ten percent alcohol.<sup>49</sup> These writers could not have known what success the future would bring but looking back, a modern reader can easily see the beginnings of current agriculture policy and gain a better understanding of the hardships that led growers away from their opposition movement and toward a more

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<sup>46</sup> "Leaders Map Fight for Farm Freedom," *Bureau County Republican*, May 12, 1938.

<sup>47</sup> "AAA Meeting to Fight League is Washington Plan," *Daily Journal* (Macomb), April 29, 1938.

<sup>48</sup> Floyd Brackney, "Opportunity to Increase Corn Price – Alcohol Blended Gasoline will Consume Entire Corn Surplus," *American Liberty Magazine*, December 22, 1938, 1.

<sup>49</sup> *Ibid.*, 3.

cooperative and economically beneficial position similar to that held by many corn farmers today.

Regardless of the economic necessities of later years, league members held firm to their convictions in 1938 including their strong passion for personal liberty on the farm and their belief that the farmer could best determine ways to improve his personal economy. Without facing the extreme overproduction experienced by cotton growers, Corn Belt farmers enjoyed greater freedom to express ideological opposition to the program they had less need of. Although some cotton men preferred programs that afforded them greater control over their acreage, many could not subsist without the assistance they received in the form of loans and benefit payments for their compliance with the AAA. Some of these men might have desired to support opposition groups such as the CBLL but instead made the economic decision to continue receiving the aid they had become dependent on. While the looming world war cut short the efforts of the Corn Belt Liberty League, participants took pride in the success their movement achieved in the late 1930's when they planted their crop the way they saw fit.



## Chapter Five

### The Divergence of Cotton and Corn

In 1938, American cotton farmers found themselves in a uniquely precarious position. They had struggled desperately to return to parity prices since the beginning of Hoover's federal cotton program in 1929. Throughout the course of the intervening decade they faced an ebb and flow of prices with only one constant feature, all were disappointingly low.<sup>1</sup> The tiny return on these farmers' investments resulted chiefly from what Senator Bankhead called "the biggest surplus in world history."<sup>2</sup> Bankhead knew that cotton needed saving, that a carryover of 50,000,000 bales from the previous year could not be sold off overnight, and that even if demand increased, the surplus would last long enough to keep prices low for quite a while.<sup>3</sup> With this despondent mindset, cotton farmers traveled to the polls to participate in AAA referenda. Faced with the threat of losing federal aid they did what Bankhead called "the only thing to do..." they reluctantly voted yes.<sup>4</sup>

In addition to the challenging world market, growers in Texas and Oklahoma faced unique struggles including their declining yield per acre and the refusal of some

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<sup>1</sup> James E. Boyle, "Disaster is Seen in Federal Regulation of Cotton," *New York Times*, August 29, 1937, 60.

<sup>2</sup> Henry N. Dorris, "AAA Remains an Issue Even After Referenda," *New York Times*, December 18, 1938, 81.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

merchants to accept cotton from these regions in fulfillment of their contracts.<sup>5</sup> These hardships inclined growers to accept any federal assistance offered at the time, even when it did not represent their preferred method of intervention. Since many expressly favored Domestic Allotment or another plan altogether, their approval of marketing quotas must first be seen as a gesture of economic necessity.<sup>6</sup>

By comparison to those in the cotton South, Corn Belt farmers fared somewhat better in 1938. They anxiously calculated their potential profits under the new act and determined that whether production control successfully raised prices or not, those who refused to cooperate could potentially earn identical or even dramatically higher financial returns than those who complied.<sup>7</sup> Combined with this realization, the knowledge that Wallace cut acreage in Illinois by twenty-five percent while offering Kansas a thirty percent net increase prompted an immediate negative reaction from local growers.<sup>8</sup> They did not need this legislation. They certainly did not want it after seeing it implemented in a way they understood as grossly unfair. So, while their southern counterparts trudged to the polls to welcome yet another crop control plan, American corn farmers staged a revolt. Secretary Wallace nervously monitored the spread of the CBLM movement and the projected corn harvest in 1938

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<sup>5</sup> Anderson, Clayton, and Company, "Open Letter to the Cotton Industry and Allied Interests," Elmer Thomas Collection, Box 28, Folder 29, Carl Albert Center, University of Oklahoma, Norman, Oklahoma.

<sup>6</sup> "Farmers: Ache, Agony, and Anguish," *Time*, October 10, 1938.

<sup>7</sup> "Leaders Map Fight for Farm Freedom," *Bureau County Republican*, May 12, 1938.

<sup>8</sup> Speech by Rep. Andresen, *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83 pt. 1739.

and when he determined there was not sufficient need to justify a referendum for the crop, both he and the revolting farmers breathed a sigh of relief.<sup>9</sup>

As 1938 drew to a close, Wallace could see he needed to strongly emphasize the economic necessity argument if he hoped to maintain quotas on the crops then under the control plan.<sup>10</sup> In pursuit of this course, he and other members of the Agricultural Adjustment Administration led a highly visible campaign, which chiefly begged farmers to trust the current system “until something better can be worked out.”<sup>11</sup> Officials also appealed to farmers’ sense of camaraderie and shared fortune by calling the quota system “the only feasible plan by which income can be maintained for one-third of the nation’s farmers engaged in cotton production.”<sup>12</sup> With thirty-three percent of American cotton growers absolutely dependent on government aid, their dire need and survival-first mindset became clear. Wallace’s reliance on this fact as a means of convincing farmers to approve his plan only further substantiates the argument that need fundamentally influenced their voting behavior and compliance with the act. Memphis cotton man J. P. Chase expressed this sentiment clearly when he stated “they’ll talk against the Triple A, but they wont vote against their pocketbooks.”<sup>13</sup>

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<sup>9</sup> Frank Ridgeway, “Revolting Corn Farmers Hail Quota’s Defeat,” *Chicago Tribune*, August 14, 1938.

<sup>10</sup> “Cotton Quota Vote Stirs AAA Anxiety,” *New York Times*, December 8, 1938.

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

In the second set of referenda later that year, only cotton voted to continue laboring under marketing quotas in 1939. When asked about the results, officials called the cotton response an “[unreserved vote] for the principals of the farm act” but also quickly pointed out that they did not view quota failures in other crops as a rejection of their plan.<sup>14</sup> Instead, Wallace called this response a form of “economic democracy” and explained that those growers would be welcomed back into the program the following year, should they find themselves in another desperate situation like that experienced by those in cotton.<sup>15</sup> Here again, Wallace revealed his firm understanding that the best incentive for participation in the AAA was intolerable economic necessity.

The secretary erred in naming the yes vote an “unreserved” endorsement of his plan. Letters from farmers in the field and responses at national meetings clearly indicate a preference held by some for alternative plans such as Domestic Allotment or indeed sometimes no plan at all.<sup>16</sup> However, his assessment of the motivating power of economic necessity proved right on target when the cultivators in the greatest need voted yes again and again while those in a better economic position, refused to even go to the polls.

While cotton farmers who disagreed with the AAA generally favored some type of modification to it, the upper Midwest rejected the plan altogether due to its unique regional restrictions on corn with the establishment of the “Commercial

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<sup>14</sup> “AAA Remains an Issue Even After Referenda,” *New York Times*, December 18, 1938, 81.

<sup>15</sup> *Ibid.*

<sup>16</sup> “Farmers: Ache, Agony, and Anguish,” *Time*, October 10, 1938.

Growing Area.”<sup>17</sup> Despite the nearly inscrutable design of the farm bill, all AAA participants, regardless of the crop they grew, understood one thing very clearly. Artificial scarcity could not successfully raise prices unless everyone participated in reducing supply.<sup>18</sup> Some cotton farmers recognized the problem of competing international production but most were satisfied that the legislation applied to all those engaged domestically in the cultivation of the fiber.<sup>19</sup> Corn farmers did not enjoy a similar shared suffering. Only twenty-two percent of those raising the grain in 1938 fell under the regulation of the AAA.<sup>20</sup> Thus, when faced with the possibility that they might incur fines on the sale of their regular crop while the competing seventy-eight percent of corn farmers sold their product under no restrictions or penalties, residents of the Commercial Growing Area saw no alternative but to fight the program in any way they could.<sup>21</sup>

For all these reasons, from regional political differences to varying degrees of economic hardship, American farmers in 1938 met the Agricultural Adjustment Act with almost as many unique responses to it as there were farmers affected by it. Cotton farmers believed they could make the plan work. They saw no immediate alternative and understood their economic position to be so precarious that they could

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<sup>17</sup> *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt 1584.

<sup>18</sup> “New Farm Bill Meets Approval of Texas Solons,” *Denton Record Chronicle*, February 17, 1938, 4.

<sup>19</sup> James E. Boyle, “Disaster is Seen in Federal Regulation of Cotton,” *New York Times*, August 29, 1937, 60.

<sup>20</sup> *Cong. Rec.*, 75<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1938, vol. 83, pt 1584.

<sup>21</sup> Frank Ridgeway, “U.S. Crop Rule Spurs Southern Corn Growing,” *Chicago Tribune*, May 15, 1938.



not afford to reject federal crop loans and assistance when they most needed aid. Corn farmers on the other hand preferred their chances on the open market without penalties imposed on a particular twenty-two percent of their cultivators.

When faced with the decision to embrace or reject the new plan, some called for alternatives, some wrote to federal legislators, some quietly altered their traditional planting and farming practices, but all sought the economic survival of their way of life by whatever means they found best suited to that end.

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