This dissertation has been 62–3956
microfilmed exactly as received

LAMBERT, C. Roger, 1933–
NEW DEAL EXPERIMENTS IN PRODUCTION
CONTROL: THE LIVESTOCK PROGRAM, 1933–35.

The University of Oklahoma, Ph.D., 1962
History, general

University Microfilms, Inc., Ann Arbor, Michigan

THE UNIVERSITY OF OKLAHOMA

GRADUATE COLLEGE

NEW DEAL EXPERIMENTS IN PRODUCTION CONTROL:
THE LIVESTOCK PROGRAM, 1933-35

A DISSERTATION

SUBMITTED TO THE GRADUATE FACULTY

in partial fulfillment of the requirements for the

degree of

DOCTOR OF PHILOSOPHY

BY

C. ROGER LAMBERT

Norman, Oklahoma

1962

NEW DEAL EXPERIMENTS IN PRODUCTION CONTROL:

THE LIVESTOCK PROGRAM, 1933-35

APPROVED BY

Gilbert C Fite

John S. Ezell

[illegible]

W. Eugene Hollon

Herbert J Ellison

DISSERTATION COMMITTEE

ACKNOWLEDGMENTS

The author would like to acknowledge with deep gratitude the advice and counsel of Research Professor Gilbert C. Fite in directing this dissertation. Recognition of indebtedness must also be extended to the other members of the doctoral committee, Professors Donald J. Berthrong, Herbert J. Ellison, John S. Ezell, W. Eugene Hollon and John H. Leek. For their considerate cooperation in facilitating the research for this project, Harold T. Pinkett and Helen T. Finneran of the Agriculture and General Services Branch of the National Archives deserve special recognition. Special commendation must be extended to Mrs. Josephine Soukup for her outstanding typing of the manuscript as well as her patience and understanding. Finally, many others will be long remembered for their helpful, sympathetic and constructive advice.

TABLE OF CONTENTS

NEW DEAL EXPERIMENTS IN PRODUCTION CONTROL:

THE LIVESTOCK PROGRAM, 1933-35

CHAPTER I

FARM SURPLUSES: A NATIONAL PROBLEM

The economic developments which followed World War I made it increasingly difficult for American farmers to sustain an adequate living. In searching for a way back to prosperity, they were confronted with a number of complex adjustment problems created by wartime expansion of output accompanied by increases in farm debts and taxes. In spite of the end of hostilities, farmers continued to produce at a wartime rate; but, they found their production far in excess of what could be sold at profitable prices. In the last six months of 1920 the average price of the 10 leading farm crops dropped 57 per cent. By November 1921, it had fallen below the 1913 level. For some crops and in certain areas the collapse was even more drastic. Secretary of Agriculture Henry C. Wallace declared that "the farm price of corn in the autumn of 1921 was only half that in 1913 and one-fourth that in 1919" in the state of Iowa.[1] As a consequence, American agriculture

---

[1]"Report of the Secretary of Agriculture," Agriculture Yearbook, 1921 (Washington: U. S. Government Printing Office, 1921), 12.

entered a depression state which, in varying degrees of intensity, lingered throughout the decade and aroused a feeling that farmers were not receiving a "fair share of the national wealth."

While farm prices fell below prewar levels, the "prices of most other things remained from 50 to 100 per cent above the pre-war level."[2] This created a great disparity between what was received for farm crops and livestock, and what farmers paid for other commodities. As traditional individualists, farmers were unable to control the production or the price of their products. Both agricultural exports and domestic consumption declined in proportion to rising productivity, leaving the farmer with large unwanted supplies which frequently sold below the cost of production. Thus the heart of the farm problem was surplus production and the resulting decline in prices.[3] For this situation, no simple solution existed.

Faced with the almost catastrophic results of wartime over-expansion in acreage, production and debts, farmers and their leaders in the twenties generally turned from the nineteenth century attacks on the middlemen to demands for federal assistance in solving the surplus problem. While accepting and even welcoming higher tariffs, credit benefits and encouragement of cooperatives, agrarian spokesmen recognized that these concessions would have little if any beneficial influence upon farm prices. Instead, agricultural leaders concentrated their attention on methods to achieve "equality for agriculture."

---

[2] Ibid., 1922, p. 2.

[3] The total value of farm exports in 1921 was only slightly more than half that of 1919.

Principally, this phrase came to mean government aid with farm marketing and surplus production problems.

There were historical precedents for the surplus control proposals of the twenties. When a decline in foreign demands for some of the leading American farm products occurred shortly after 1900, the theory that reduced output would result in higher prices brought drives to cut production. Organizations such as the Cotton Growers' Association were established to lead restriction movements. Meetings were held at which growers resolved "to keep their remaining bales off the market and reduce their acreage for the coming year."[4] These campaigns, however, faltered when confronted with the basic impossibility of getting voluntary cooperation in such a limitation program. Failure of earlier reduction movements did not prevent similar efforts in the more serious farm crisis of the early 1920's.

Before the planting season of 1922 a futile effort was made to get a 25 per cent reduction in cotton acreage. At the same time, Henry A. Wallace, editor of Wallaces' Farmer, and other farm leaders in the North conducted a vigorous and equally unsuccessful corn acreage reduction campaign. "There is such a thing as overproduction," Wallace warned the farmers. He added the admonition that if farmers had to be shown for themselves they had only to continue to overproduce.[5] Although Wallace called this 1921-22 voluntary reduction effort a

---

[4]Ulrich Bonnell Phillips, "The Overproduction of Cotton and a Possible Remedy," Agricultural History, XII (April 1939), 123.

[5]Gilbert C. Fite, George N. Peek and the Fight for Farm Parity (Norman: University of Oklahoma Press, 1954), 131.

"thankless" educational campaign, he remained a staunch advocate of production control.

Some type of restriction on output was essential, Wallace felt, because "in agriculture, supply sets the price," while "in industry, price sets the supply."[6] He insisted, however, "that government price fixing, if unaccompanied by some plan for regulation of production is bound to be a heavy tax on the government and in the end almost certain to ruin the industry it has been trying to save."[7] By 1923 Wallace was disillusioned with the practicability of voluntary crop reduction. Nevertheless, he defended the right to limit output and opposed those who felt it the farmers' duty to produce at full capacity. To increase their income, farmers "have as much right to cease production wholly or in part as union labor has to strike" he stated. "It is no more wrong," Wallace declared, "for farmers to reduce production when prices are below cost of production than it is for the United States Steel Corporation to cut pig iron production in half when prices are rapidly falling."[8]

The difficulty lay not so much in the right as in the method of controlling production. It was obvious that farmers were too individualistic, or suspicious of their fellow producers, to restrict output

---

[6] Henry A. Wallace, "Supply and Price Interaction in Farm and City Products," The Agricultural Situation in the United States, The Annals of the American Academy of Political and Social Sciences, CXVII (January 1925), 244.

[7] Malcalm O. Sillars, "Henry A. Wallace's Editorials on Agricultural Discontent 1921-1928," Agricultural History, XXVI (October 1952), 133.

[8] Henry A. Wallace, "Controlling Agricultural Output," Journal of Farm Economics, V (January 1923), 16.

voluntarily. Few at this date, however, advocated government administered regulation or control of farm production. Wallace apparently moved about as far in this direction as anyone, evidently feeling that it was the only way to get that regional and national cooperation essential for curtailment. He confessed that it might be necessary for the government to handle the farm production control program.[9] But the movement for restriction on either a voluntary or required basis failed to gain any real popularity during the twenties.

Farmers were quite ready to recognize as God-given their right to a fair share of the national wealth, to parity prices, and to equality with other industries. Yet, the idea of cutting production grated against a deep instinct within most producers. Few Americans, either farm or nonfarm, could see the sense in limiting food production when millions throughout the world were hungry. Cotton producers held the same view toward reducing output when equal numbers were ill-clothed. Supporters of other methods of farm aid regarded the idea of restricting production not only immoral but also a cowardly withdrawal from foreign markets.[10] Regardless of the price advantages which might derive from controlling farm output, most agrarian leaders hoped to find other ways of aiding the farmer. Spokesmen for the Republican Administrations nevertheless endorsed voluntary reduction of output from time to time during the twenties.[11]

---

[9] Malcalm O. Sillars, "Henry A. Wallace's Editorials on Agricultural Discontent 1921-28," 136.

[10] Henry A. Wallace, New Frontiers (New York: Reynal and Hitchcock, 1934), 141-165; Fite, George N. Peek, 119-137.

[11] Wallace, New Frontiers, 141-160.

Evidence of Republican concern for the plight of the American farmer was revealed when Secretary Wallace called an Agricultural Conference in 1922. The group suggested that Congress and the President "take steps immediately to reestablish a fair exchange value for all farm products with that of other commodities."[12] Secretary Wallace, more sympathetic with the dire straits of individual farmers than the rest of the Administration, supported both limitation of production and more vigorous federal aid to the farmer. He endorsed a 1923 report on the wheat problem which recommended that the government create an export corporation to aid the farmer in obtaining a fair price for his products. The report further encouraged another basic change in agricultural policy by suggesting a contraction in the agricultural plant. As foreign consumers reduced their purchases of American farm goods, production, the report indicated, "should be gradually placed on a domestic basis." Farmers, therefore, should carefully consider changes away from the major money-export crops or, if possible, movement to the city and industrial jobs.[13] Contraction of agriculture was more widely discussed and approved during the twenties than has been generally appreciated. A number of observers, both critical and sympathetic, saw a reduced agricultural plant as the most feasible solution to the farm problem.

---

[12] Chester C. Davis, "The Development of Agricultural Policy Since the End of the World War," Farmers in a Changing World: Yearbook of Agriculture, 1940, U. S. Department of Agriculture (Washington: U. S. Government Printing Office, 1941), 301.

[13] W. A. Schoenfeld, Nels A. Olsen, et. al., "The Wheat Situation," Agriculture Yearbook, 1923, U. S. Department of Agriculture (Washington: U. S. Government Printing Office, 1924), 148-150. Also, "Report of the Secretary of Agriculture," in same.

Among the leading advocates of curtailing farm output were Secretary of Commerce Herbert Hoover and William M. Jardine, Secretary of Agriculture after 1925. Before the National Agriculture Committee called by President Calvin Coolidge in 1925, Secretary Hoover called for the contraction of agricultural production to basically domestic self-sufficiency, saying that "generally the fundamental need is balancing of our agricultural production to our home demand." Hoover insisted "that our drive must be for a balanced agriculture, tuned to the domestic market, increasing in its productivity as the consumptive demand of our country requires." He urged more adequate tariff protection for farmers, encouragement of cooperative marketing and an increase in the consumption of agricultural goods by the American people.[14] The carefully selected committee backed his call by advising farmers to fashion their output to satisfy home consumption and "only such foreign markets as shall be profitable."[15]

Secretary Jardine added his support to the production limitation movement, and like Hoover he insisted that such a program should be on a voluntary basis. Farmers, Jardine maintained, must be convinced of the necessity of regulating farm output through voluntary cooperative action.[16] This, indeed, constituted one of the major tasks of the cooperative marketing associations which the Administration encouraged. In spite of the rather obvious impossibility of such a voluntary

---

[14] New York Times, January 20, 1925, p. 25.

[15] New York Times, January 28, 1925, p. 3; Davis, "Agricultural Policy Since the End of the World War," 309.

[16] Fite, George N. Peek, 134.

curtailment program, Administration leaders persisted in advocating only that type of control. The major result of such prompting was to make the idea of crop limitation more unpopular among farmers. Farmers came to regard Hoover especially as an enemy and contraction as another scheme of the urban-manufacturing element to further subject agriculture to industrial supremacy.

Evading the overproduction thesis, most farm relief spokesmen emphasized the necessity of achieving what was known as parity or equality for agriculture. Although proponents of the various farm aid measures recognized the ability of agriculture to produce beyond the demands of the domestic market as the major and immediate source of farm price difficulties, they refused to attack that basic problem. As the contradictory principles of high protectionism and the right, even duty, of the farmer to produce at full capacity were unassailable to most agrarian leaders, their goal became the implementation of some device to guarantee a fair exchange price while maintaining high tariffs and high production. Achievement of all three necessitated governmental action on an extensive scale. This growing recognition of the need for a national farm relief policy constituted the most important trend in the changing demands of agricultural leaders. Even those opposed to any real action by the federal government more and more frequently found themselves forced into accepting or at least mouthing the slogans of the group favoring government aid.

The turbulent decade 1922-32 served as a fertile feeding ground for new and seemingly radical demands for action by the federal government. Major efforts of the farm relief lobbyists centered on the need for higher prices and "making the tariff effective for agriculture." Camouflaging the vital problems of adjustment to an industrial society and overproduction, these propagandists bombarded the national government with "equality for agriculture" plans. Originator of much of this farm lobby activity was George N. Peek, a farm machinery manufacturer from Moline, Illinois.

Late in 1921, Peek and Hugh Johnson prepared a booklet, Equality for Agriculture, which presented the basis for new farm relief demands. Recognizing that the tariff on farm products did not work to the same advantage as that on manufactured goods, Peek sought some device to make the tariff benefit the farmer. Without questioning the validity of protectionism, he advocated the establishment of a "fair exchange value" for farm products.[17] In time this principle would become known as parity and serve as a rallying cry for future hordes of impoverished farmers as they wrestled with the problems of agriculture.

While denouncing the curtailment thesis, Peek and his backers recognized the surplus production problem. The heart of the Peek project, incorporated in the McNary-Haugen measures, was a scheme to segregate and dump abroad the surplus farm output. According to this plan, all production in certain designated major export crops above the total which could be sold on the domestic market at an established

---

[17]Peek's original parity or "fair exchange price" was "one which bears the same ratio to the current general price index as a ten-year prewar average crop price bore to average price index, for the same period." As quoted in John D. Black, Parity, Parity, Parity (Cambridge, Massachusetts: The Harvard Committee on Research in the Social Sciences, 1942), 46.

fair exchange price would be considered the exportable surplus. A government export corporation would purchase the surplus and then sell or dump it on the world market for whatever price could be obtained. By thus separating the export from the home supply it was assumed that the world price would not depress domestic prices. Proponents insisted that an equalization fee charged against all crops would make the project self-liquidating. They also maintained that surpluses could be controlled under the plan through manipulation of the equalization fee. Although success of such control remained doubtful, the contention indicated an awareness of the production problem even among farm leaders opposed to a curtailment policy. The idea of controlling output never became, however, an important element in the McNary-Haugen movement, the most popular of the farm aid programs of the twenties. Instead, the dream of establishing a two price system for farm products formed the basis of not only the Peek plan but also other favorite solutions, notably the export debenture and domestic allotment schemes.

Although very popular with the farmers, Coolidge vetoed the McNary-Haugen bill in 1927 and again in 1928. With improvement in agricultural conditions during the election year of 1928, critics of Republican farm policies were unable to make the agricultural question a decisive issue in the presidential campaign. Herbert Hoover, having promised relief to the farmer, presented his remedy in the Agricultural Marketing Act passed in June 1929. The extent to which the Hoover legislation capitulated to the farm slogans was significant. The stated purpose of the act was to give agriculture "an economic basis of equality with other industries." Although the methods of the

Agricultural Marketing Act differed from those proposed by most farm lobbyists, its failure during the early years of the depression influenced the policies ultimately adopted by the New Deal.

The Federal Farm Board, created by the Hoover legislation, planned to aid farmers by stabilizing prices through reforms in marketing. As the basis for operation, a revolving fund was established from which the board made loans to producer cooperatives. To control extraordinary surpluses stabilization corporations could be organized. Unfortunately for the Administration, the depression struck just as the system began operation. As the Farm Board made large loans to cooperatives and as it endeavored to fix or maintain farm prices through stabilization corporations it gained ownership of large supplies of cotton and wheat. Under these circumstances the Administration, led by Alexander Legge, chairman of the Farm Board, and Secretary of Agriculture Arthur Hyde, campaigned vigorously for voluntary reduction of production.[18]

Preparing for an extensive acreage reduction campaign both Legge and Hyde insisted in July 1930 that farmers would bear the responsibility for any further "back-breaking" wheat surpluses.[19] In a Hastings, Nebraska address on July 7, Legge emphasized overproduction as the source of the farm problem and encouraged a 25 per cent reduction in acreage planted to "put production on a domestic basis and give you the full benefit of the 42 per cent tariff." He further observed

[18] Alexander Legge, "The Policy and Program of the Federal Farm Board," Journal of Farm Economics, XII (January 1930), 7.

[19] New York Times, July 4, 1930, p. 26.

that the "burdensome surplus" justified the organization of producers which could adjust output to demand.[20] Legge later insisted that the farmers were beginning to realize that "their present unhappy condition is a result of long years of unregulated production." He also maintained that the Farm Board, whose "first emphasis" had been placed on the importance of farmers organizing "to control the production and marketing of their crops," offered the "permanent remedy" for the farm situation. Legge concluded that it must be a voluntary solution for "anything done must be done on the part of the farmer, as we have no authority to make them do anything, and wouldn't exercise that authority if we did."[21]

Although some Republicans had long advocated farm contraction, the Farm Board had no real lever for inducing such action. Still, the voluntary reduction campaign continued. In February 1931, Legge again requested a 20 per cent cut in wheat acreage, warning "that unless farmers voluntarily comply with its program the board would withdraw from the market in an effort to stabilize prices."[22] Although willing to use threats to induce reduced production, the Farm Board refused to endorse a plan of Texas bankers to deny credit to farmers who refused to reduce cotton acreage by 25 per cent.[23] By March with both the wheat and cotton acreage reduction campaigns failing, Legge expressed dis-

---

[20] Ibid., July 8, 1930, p. 13.

[21] Ibid., July 22, 1930, pp. 1 and 4.

[22] Ibid., February 6, 1931, p. 3.

[23] Ibid., January 18, 1931, II, 20.

illusionment with the voluntary program and doubt as to the intelligence of the American farmer. "When cotton prices get down to about five cents," he declared, "maybe they'll begin to see things our way. But if prices go up again they'll go back over the fence like a flock of sheep."[24] With the failure of the voluntary cooperative control program, the Federal Farm Board continued to follow some of the practices which Coolidge, Hoover and others had attacked as being unsound during the prolonged fight over the McNary-Haugen bills. It must have been sadly amusing to the McNary-Haugenites to see the Farm Board endeavoring to set prices on agricultural products through the cooperatives and stabilization corporations and become burdened with vast storehouses of unsalable wheat and cotton.

Despite efforts of the Farm Board, agricultural prices plunged almost steadily downward from the peak of prosperity in 1929. Even at that time farm products averaged only 91 per cent of parity.[25] During the three bitter years that followed, the situation markedly worsened. Between 1930-32 industry reduced production of manufactured goods by 59 per cent and maintained prices "within 16 percent of what they had been in 1929." Farmers, however, cut their output for sale only 6 per cent, and farm prices dropped 63 per cent.[26]

---

[24] Ibid., March 6, 1931, p. 41.

[25] Mordecai Ezekiel and Louis H. Bean, Economic Bases for the Agricultural Adjustment Act, U. S. Department of Agriculture (Washington: Government Printing Office, 1933), 7.

[26] Agricultural Adjustment Administration, Industry's Production Policy and the Farmer, G-44 (Washington: Government Printing Office, September 1935), 1.

Reduced exports was a major factor in the fall of farm prices. The value of farm exports in 1931-32 totaled about 60 per cent less than in 1928-29.[27] In 1932 the foreign sale level of pork products, the major livestock export, reached its lowest point in 50 years.[28] While the economic collapse of 1929 was a severe blow to farm exports, it merely accelerated a decline obvious since 1921. In spite of declining foreign markets, American farmers retained in production the millions of acres added during World War I. Even during the depression acreage planted was maintained at about 10 per cent above the prewar level.[29]

Reduced exports plus continued high production resulted in greater offerings to a smaller domestic market and record carry-overs in some of the major cash crops. The world carry-over of American cotton in the 1932-33 season totaled 13 million bales, or "about two and a half times" normal. The 370,000,000 bushel wheat holdings was over three times the usual carry-over.[30] Smaller foreign purchases and continued high output had a major influence on the farm economy. Excessive supplies thrown upon the domestic market forced prices down. As a result, farmers tried to produce more than before in order to meet

---

[27] Louis H. Bean, "Agriculture and the World Crisis," Yearbook of Agriculture, 1933, U. S. Department of Agriculture (Washington: Government Printing Office, 1934), 93.

[28] U. S. Agricultural Adjustment Administration, Analysis of the Corn-Hog Situation, C. H.-7 (Washington: U. S. Government Printing Office, 1933), 3.

[29] Ezekiel and Bean, Economic Bases for the AAA, 32-33.

[30] "Report of the Secretary of Agriculture," Yearbook of Agriculture, 1934 (Washington: U. S. Government Printing Office, 1935), 3-4.

their standing obligations. Illustrative of this was the five million acre increase in cotton planted in 1933 over that of 1932.[31] With prices often too low to pay the cost of production, farmers seemed to feel that their only salvation was to produce even greater supplies at, probably, still lower prices.

Prices of most commodities plummeted after 1929 with some reaching levels lower than any recorded in modern times. The decline was most acute in agricultural and other raw materials.[32] By February 15, 1931, some farm prices were the "lowest of any period on record,"[33] and they continued to go down. The shrinkage in gross farm income from $12 billion in 1929 to only $5 billion in 1932 indicated the extent of the disaster.[34] With farm commodity prices falling early in 1933 to about half of the prewar level, the relationship between farm prices and costs became disastrous.

Although agricultural prices had dropped drastically, there had been only a slight decline in farm expenses especially in fixed debt charges and taxes. The debt burden in 1932, compared to gross income, was three to four times heavier than in the prewar era. It also took about four times as much of farm products to pay the more than doubled taxes as in the 1910-14 period.[35] With the 1910-14 average

---

[31] Ibid., 28.

[32] Ezekiel and Bean, Economic Bases for the AAA, 2.

[33] New York Times, March 3, 1931, p. 28.

[34] Louis H. Bean, "Agriculture and the World Crisis," 93.

[35] Ibid., 94.

as 100, the general level of farm expenses in the fall of 1932 remained at 140 per cent while agricultural prices had dropped to about 55 per cent. In September 1932 the exchange value of agricultural commodities was only 56 per cent of the prewar level. For some farm products circumstances were even more calamitous. The exchange value of 100 pounds of hogs, for example, stood at only 42 per cent, while a bushel of wheat retained only 37 per cent of its 1910-14 exchange value. The purchasing power of some farm products dropped lower than at any time since the 1870's.[36]

The worsening economic condition of agriculture intensified the pressure for some more effective type of farm relief program. As early as the fall of 1931, Representative Wright Patman of Texas asked President Hoover to set minimum prices on farm products.[37] Within another year farmers were acting on their own to gain higher prices and to prevent the loss of property through mortgage foreclosures or tax sales. In 1932 the Farmers Holiday Association attempted to prevent the sale of farm commodities until prices were raised. On February 5, 1933, Milo Reno, national president of the militant organization, warned that farmers must have "quick relief or a nationwide farm strike" would be called.[38] The next month delegates of Farm Holiday groups from 16 states met in Des Moines, Iowa. They threatened such a strike unless their legislative requirements were fulfilled. These included a nation-

---

[36] *Ibid.*, 94.

[37] *New York Times*, August 10, 1931, p. 5.

[38] *Ibid.*, February 6, 1933, p. 3.

al moratorium on foreclosures, the refinancing of farm loans at low interest rates, the federal operation of banks as public utilities, and cost of production for farm commodities.[39]

Meanwhile, the threat of force to prevent the sale of property for debts or taxes had spread throughout much of the nation. Almost daily during the first three weeks of January 1933 farmers blocked "one or more" mortgage foreclosure or tax sale.[40] A group of 800 men at Lemars, Iowa early in the month halted a sale by threatening to hang the agent of the mortgage holder from the "highest tree in Lemars." The group also "cuffed and bruised" the sheriff and prevented the judge from going for help.[41] Although this growing disrespect for the rights of mortgage holders and a willingness to use force was most prevalent in the Midwest, signs of a similar spirit cropped up in the East. In Doylestown, Pennsylvania a bidding committee for the Farmers' Protective Association of Bucks County purchased the personal property of a fellow farmer for $1.18. The property was then returned to the farmer under a "99-year rent-free lease."[42] In spite of these rather forceful reactions to their economic situation, most farmers demonstrated a willingness to wait for the development of a more practical agricultural relief plan.

---

[39] Ibid., March 13, 1933, p. 11.

[40] Ibid., January 22, 1933, pt. IV, 7.

[41] Ibid., January 5, 1933, p. 14.

[42] "At the sale three plow horses were bid in by the farmers' committee at a nickel apiece, fifty chickens were knocked down for 3 cents, five cows, three heifers and a bull for a quarter and all household furnishings for 6 cents." Ibid., January 5, 1933, p. 14.

During the trials and tribulations of the Federal Farm Board, the older two-price schemes were joined by a third major farm program. Domestic allotment advocates supported the idea of a fair exchange price only on the domestically consumed portion of the farm crop. On the exported share of his production, the farmer would receive only the world price. Unlike other such propositions the system offered no major incentive for increasing production.[43] This represented a definite, though hesitant, step toward a program of aiding agriculture through restricting output.

As originally discussed during the late twenties, the domestic allotment plan contained no provision for controlling production. Revised after 1930 by M. L. Wilson, a farm economist at Montana State College, and others, the 1932 version of the allotment scheme was definitely tied to a control program. Reduction and regulation of the agricultural plant, discussed throughout the twenties, became a vital part of agricultural relief proposals during the last year of the Hoover Administration. Widespread support now developed for some type of reduction program. Even the Farm Board indicated that something more effective than the Agricultural Marketing Act was necessary. "Prices can not be kept at fair levels unless production is adjusted to meet market demands," declared the Farm Board in December 1932. At the same time, the Board further emphasized that "any method which provided higher prices and did not include effective regulation of acreage or of quantities sold, or both, would tend to increase the

---

[43] W. R. Ronald, "The Origin of the Domestic Allotment Plan," Congressional Digest, XII (February 1933), 37.

present surpluses and soon break down as a result."[44] Others agreed that farm output must be decreased. A Georgia farmer, J. M. Gaston, suggested that the government loan money to needy farmers to buy the already harvested surplus cotton, "on condition that they will not grow any cotton or allow any to be grown in 1933 on any land they own or control."[45] Another farmer, A. Heckscher of New York, proposed that each American farmer produce only a "one-half crop" in 1933. This, he believed, would leave the farmer the domestic market and the foreigner could "shift for himself."[46]

At this time the necessity for some control over production was virtually forced on those groups leading the fight for agricultural relief. All but the most obstinate now recognized that the possibility of dumping surpluses abroad had disappeared with the world economic crisis. Withholding farm supplies by the Farm Board had failed dismally and had demonstrated the impracticality, even the foolhardiness, of extensive federal price-lifting action without some type of control over production. In December 1932, a Washington, D. C. conference of the leaders of major farm organizations backed some type of government program to regulate crop output. As a principle necessity for any agricultural policy, the farm spokesmen suggested that "production of farm products must be reduced in line with effective demand."[47]

---

[44] U. S., Congress, House, Federal Farm Board, Special Report of the Federal Farm Board on Recommendations for Legislation, December 7, 1932, House Document 489, pp. 4-5.

[45] Letter to the Editor, New York Times, January 1, 1933, IV, 6.

[46] Ibid., December 19, 1932, p. 14.

[47] Ibid., December 15, 1932, p. 8.

Edward A. O'Neal, President of the American Farm Bureau Federation, placed his organization behind the movement to control the "constantly recurring crop surpluses." He insisted that:

> It is now necessary that we set about in a consistent way to retire submarginal lands from cultivation, developing a program of forest rehabilitation, setting aside ample areas for parks and public playgrounds and doing all things necessary to preserve for future generations as much of the value of the lands as can be preserved.[48]

To the old production control advocate, Henry A. Wallace, there remained "no alternative but the direct and logical plan of trying to prevent surpluses from coming into existence."[49] Even the confirmed opponent of output regulation, George N. Peek, now admitted its necessity. He claimed, however, that restriction should not be adopted as a permanent policy but used for the emergency only.[50]

The theory behind reducing farm production, with a few added quirks, remained basically that of the old supply and demand school. Most of those who advocated this policy felt that United States tariff and credit policies had doomed the farm export trade. Proponents of control maintained that agriculture must adjust to the domestic market plus what small amount could be profitably exported. The justification, often cited, for restricting production was that consumers paid about the same for food whether prices of farm products were high or low. The farmer, therefore, could reduce his production, save the labor and cost of greater effort, and sell his smaller supply at higher prices. As

---

[48] Ibid., December 6, 1932, p. 38.

[49] Wallace, New Frontiers, 186.

[50] New York Times, February 15, 1933, p. 8.

each individual farmer could not easily cooperate with more than six million other farmers on a voluntary basis, it was necessary to create a coordinator to enable cooperation among interested farmers. M. L. Wilson explained government-aided mutual action as merely granting to the farmer some of the advantages which other producers had always had under American capitalism:

> Only the farmers have been unable to control their own operations. This plan [domestic allotment] provides a mechanism through which farmers can secure for themselves some of the same advantages which the planning and control of production have given to other producers under our present capitalistic institutions.[51]

By the 1932 election the basic ingredients essential to the vigorous New Deal farm relief programs had gained wide acceptance. There are three major trends evident in the evolution of farm policy after 1920. Fundamental, and most readily accepted, was the principle that agriculture had the right to equality with other industries, an idea most commonly expressed in the demand for parity prices. Basic to this objective was the recognition that government action on a more extensive scale than ever before in history was essential to farm equality. Last, and most difficult to win acceptance, was the realization that accompanying such government aid some degree of control or national planning was required. As these three axioms were being united in the midst of the depression, the nation was poised at the gateway to the modern era in government-agriculture relations.

During the campaign of 1932, Franklin D. Roosevelt affirmed

---

[51] M. L. Wilson, "Explanation of Domestic Allotment," United States Congressional Record, 72d Congress, 1st Session, vol. LXXV, part 14, p. 15643.

his acceptance of the farm relief ideas proposed in the twenties as well as his adherence to agricultural fundamentalism. Without agricultural prosperity, he felt that national prosperity could be only "artificial and temporary." The basis of American economic difficulty, he declared, lay in the "lack of equality for agriculture." Beyond calling for "national planning in agriculture," candidate Roosevelt failed to set forth any definite policies, although it was evident that he leaned toward the principles of the domestic allotment plan.[52]

Agriculture's failure to receive a fair share of the nation's income in the 1920's was widely proclaimed during the early thirties as a major factor in causing the depression. A natural result of such thinking was the belief that the quickest way to end the economic crisis was to return prosperity to the farm. Senator Arthur Capper clearly expressed this common view:

> There are many who believe--and I am one of them--that the way to start our economic machine running is to apply the weight at the right place by restoring the purchasing power of agriculture. That will get the wheels off dead center and start the general exchange of commodities and services that will restore industry and end unemployment.[53]

Roosevelt told a group in Boston that "you are poor" because the farmers are poor. If agriculture were made prosperous, the country would return to prosperity.[54] As the Roosevelt Administration prepared to take over

---

[52]Speech on the Farm Problem, September 14, 1932; Topeka, Kansas, The Public Papers and Addresses of Franklin D. Roosevelt: The Genesis of the New Deal; 1928-32, I (New York: Random House, 1938), 697 and 699.

[53]Arthur Capper, "Congress and the Domestic Allotment Plan," Congressional Digest, XII (February 1933), 44.

[54]New York Times, November 1, 1932, p. 16.

from the vanquished Hoover, it was obvious that one guiding principle of future farm legislation would be to raise agricultural income.

Henry A. Wallace, the new Secretary of Agriculture, had pointed to surplus production and farm price problems while still editing Wallaces' Farmer in February 1933:

> The problem is 50,000,000 surplus acres, for which there has been no effective demand abroad during the past two years. Furthermore, there is no likelihood of an effective demand abroad during the next two years. Lowering tariffs on manufactured goods and negotiating reciprocal tariffs may restore a part of this market, but I do not see any prospect of it all being restored. The European nations have been making desperate efforts to act as debtor nations should, and, therefore, have increased their tariffs on American farm products and have handled their currency exchanges so as to make almost impossible any large purchases of American farm products. Furthermore, they have fostered the increase of their wheat and hog production to the greatest possible point.

None of the old palliatives such as lowering the tariff, Wallace insisted, were sufficient "to restore the purchasing power to American agriculture."[55]

Secretary Wallace called a special conference on farm legislation to meet during the second week of March. Leaders of many of the major farm organizations, representing most of the major commodities, were present. The gathering demonstrated full agreement on the desired goals, but revealed little unanimity on the legislative methods to achieve them. Nevertheless, Wallace warned the nation on March 10 that "it will take time to bring about an effective demand for our surplus products at home and abroad. There is little likelihood of an effective demand abroad for our surplus farm products during the next two years."

---

[55] Henry A. Wallace, "Odds and Ends," Wallaces' Farmer, LVIII (February 18, 1933), 5.

In the meantime, he advised, "we must adjust downward our surplus supplies until domestic and foreign markets can be restored."[56] The farm leaders held the old Peek-Johnson idea of fair exchange value for farm products as their prime objective, with some type of control over production as the basic method. W. R. Ronald suggested in a memorandum that the legislation grant to the Secretary power "to lease agricultural land and/or enter into contractual agreements" to control farm output.

Although the farm leaders seemed to prefer a leasing program to the allotment plan, no agreement could be reached on a single production control program.[57] The group, therefore, recommended that the legislation be "so flexible that the Secretary could apply whatever scheme seemed best adapted to a given commodity." According to Wallace, the cotton, wheat and corn representatives strongly favored an acreage rental control system; the cattle people were uncertain and the agents of the dairy cooperatives were the "most skeptical of all."[58] President Roosevelt presented the draft of a farm bill prepared by the Department of Agriculture to Congress on March 16.

In submitting the proposal for legislative consideration, the President emphasized the urgency of the situation and the necessity for new and drastic tactics:

> I tell you frankly that it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls

---

[56] Henry A. Wallace, "Farm Crisis," Radio Address, March 10, 1933, in Democracy Reborn, selected from public papers and edited by Russell Lord (New York: Reynal and Hitchcock, 1944), 41-42.

[57] Ibid., March 12, 1933, p. 16.

[58] Wallace, New Frontiers, 163.

> for the trial of new means to rescue agriculture. If a fair administrative trial of it is made and it does not produce the hoped for results I shall be the first to acknowledge it and advise you.[59]

While the spirit of emergency and readiness for experimentation dominated the Roosevelt attitude toward farm legislation, others remained unconvinced about the efficacy of the "new and untrod path." Congressional scrutiny of the measure took far longer than had been expected.

Although Secretary Wallace had hoped for the passage of farm legislation during the month of March, it was not until May 12 that the Agricultural Adjustment Act was ready for the signature of the President. The new measure adopted the major principles enunciated by farm lobby groups since 1922 and was designed to draw support from advocates of most farm relief programs. Congress declared that suffering by "the basic industry of agriculture" and the resulting effects on the national economy made enactment of emergency legislation necessary.

Achievement of a price giving "agricultural commodities a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period" became the goal of New Deal farm policy.[60] To accomplish this objective, the Secretary of Agriculture received authority to experiment with a variety of methods.

To control production agreements could be made with individual producers for reductions in acreage planted or supplies for market of

---

[59] The Public Papers and Addresses of Franklin D. Roosevelt, II, 74.

[60] The base period on all products, except tobacco, was August 1909 through July 1914.

any of the basic commodities.[61] As compensation for reducing output, participating producers were to receive rental or benefit payments. Revenue for the payments and other expenses was to be obtained through processing taxes, levied and collected from the first domestic processor of any crop on which the Secretary declared benefit payments were to be paid. Authority was also granted to make marketing agreements with producers, processors and others who handled farm products for the purpose of raising prices. In addition, the Secretary received the power to use "the proceeds derived from all taxes imposed under this title . . . for expansion of markets and removal of surplus agricultural products. . . ." Apparently the basis for this last section, included on Peek's suggestion, was the old surplus dumping idea.[62] Wallace never approved this scheme and little was accomplished along the line of encouraging exports. The authority to purchase and remove surplus products, however, proved very useful in subsequent New Deal activities and was later expanded.

With the passage of the Agricultural Adjustment Act the nation began a most ambitious experiment in economic planning. Congress had emphasized the measure's emergency nature by declaring the act terminated whenever "the President finds and proclaims that the national

---

[61] The term basic commodities, as control advocates first used it referred only to major export crops, such as cotton and wheat, and to a few crops important enough to influence the price and supply of other products, such as corn and hogs. Political necessity forced a considerable expansion of the basic commodity list. In the first AAA those termed basic were wheat, cotton, field corn, hogs, rice, tobacco, and milk.

[62] George N. Peek, Why Quit Our Own (New York: D. Van Nostrand Company, 1936), 98.

economic emergency in relation to agriculture has ended. . . ." Thus, many of the legislators regarded the act as simply a temporary measure designed for the specific and sole purpose of increasing agricultural income for as many of the nation's farmers as possible. Others, such as Roosevelt and Wallace who had been talking about national planning, saw more long range purposes in the legislation. There were, indeed, provisions in the legislation which lent comfort to the national planners. Economic equality was not only to be established but also maintained. Under the law, the Secretary of Agriculture was to determine and inform the President when the emergency had passed. If the farm emergency were equated with the concept of parity, it definitely would not be a short term affair.

Obviously, the Agricultural Adjustment Act did not solve the farm problem; it merely ordered and granted powers to the Secretary of Agriculture to endeavor to accomplish that feat. Although he recognized the relief task as the immediate goal of the new legislation, Wallace sought to emphasize the necessity for uniting price-raising and relief with national planning. In explaining the farm bill, he pointed out that:

> The method to be used in increasing the farmer's purchasing power is by restoring the balance between production and consumption as rapidly as possible. Let's help the farmer, the bill says in effect, plan his production to fit the effective demands of today's and tomorrow's rather than yesterday's market.[63]

Control of production, he urged, must be viewed not only as a tool of long-range planning but also as the major means of immediately raising

---

[63] New York Times, March 19, 1933, p. 2.

prices. Increasing prices without instituting controls, he insisted, would only mean greater production in subsequent years and renewed low farm prices. According to Wallace, the "first effort" must adjust production downward to provide amply for domestic requirements "plus that amount which we can export at a profit." Such action would "reorganize agriculture," taking out of production that surplus land "on which men and women are . . . toiling, wasting their time, wearing out their lives, to no good end. . . ." It would also mean reducing supplies and raising prices to parity. Secretary Wallace concluded his address on the farm act with a clarion call to farmers to unite and look to the future with hope:

> I want to say, finally, that unless, as we lift farm prices, we also unite to control production, this plan will not work for long. And the only way we can effectively control production for the long pull is for you farmers to organize and stick, and do it yourselves. This act offers you promise of a balanced abundance, a shared prosperity, and a richer life. It will work, if you will make it yours, and make it work.
>
> . . . .
>
> I hope that you will come to see in this act, as I do now, a Declaration of Interdependence, a recognition of essential unity, and of our absolute reliance one upon another.[64]

The Heaven Wallace sought was a manipulated economy to "maintain a continually balanced relationship between the income of agriculture, labor and industry."[65] The Secretary labeled this the theory of "balanced abundance," which contrasted markedly with what critics characterized as the "theory of scarcity."

---

[64] Henry A. Wallace, "The Road to Higher Prices; Farm Act Gives Farmers Opportunity to Control Production," Radio Address printed in Wallaces' Farmer, LVIII (May 27, 1933), 1.

[65] Wallace, New Frontiers, 22.

The first two and one-half years of the Agricultural Adjustment Administration demonstrated the great flexibility of the powers granted to the Department of Agriculture for solving the farm problems. As programs were instituted, efforts were made to combine the relief and planning needs of American agriculture. Programs taking millions of acres of cotton, wheat, tobacco, and corn out of production were put into effect as rapidly as possible. The contracts usually called for an immediate partial payment of the benefit allowance. Loans were made on crops which were kept on the farm, again putting money into the hands of the farmers. Products of various kinds were purchased and distributed through relief channels, aiding both the farm and urban needy. These measures carried out the double goals of the farm legislation. In making benefit payments early and in purchasing agricultural commodities, the AAA put the farmer on what amounted to relief. At the same time, before the farmer received his relief check, he usually signed a contract which committed him to reduce his production, thereby participating in the program of national planning.

CHAPTER II

LIVESTOCK PROBLEMS AND DEVELOPMENT OF THE EMERGENCY HOG MARKETING PROGRAM

Since passage of the Agricultural Adjustment Act was delayed until the growing season was well advanced, a sense of urgency permeated the development of early commodity control measures. Cotton and wheat farmers were considered among the most needy, and general agreement existed among both producers and the AAA planners that production must be restricted. Consequently curtailment programs were promptly instituted for cotton and tobacco, although bad weather destroyed the prospects of a bumper wheat crop and the need for a wheat reduction program. The plowing up of 10,495,000 acres of growing cotton plants and the distribution of millions of dollars in benefit payments served as a worthy introduction to the emergency measures adopted by the AAA in 1933. During the early summer, control programs were also developed which gave wheat producers cash in 1933 in return for promises to reduce acreage in 1934 and 1935. The livestock producers, however, appeared to be overlooked during the early and hectic days of the AAA.

Hog producers, along with cotton and wheat farmers, had been regarded as needing help since the early twenties. Almost every farm relief proposal introduced from the early McNary-Haugen plans to the passage of the Agricultural Adjustment Act included swine as a basic commodity. Most of the plans had also included corn. Control of corn, "primarily a raw material used by farmers" to produce livestock, was considered by most agricultural authorities as almost essential to any livestock regulation program.[1] Because of the close price relationship between pork and beef, a joint hog-cattle program was also considered desirable. Cattle producers, however, compared to other farm commodity groups maintained a relatively favorable position throughout the twenties and had been little interested in the various relief measures.

Livestock producers suffered with other farm groups in the price drop of the early twenties. Hog prices, for example, fell from an average of $16.23 per 100 pounds in 1919 to only $7.13 in 1923, which was slightly below the $7.25 prewar average.[2] The livestock industry revived more quickly than the rest of agriculture, and the disparity between livestock producers' costs and prices was gradually decreased between 1921 and 1929. The favorable situation for livestock growers was of short duration, however. Although livestock prices did not drop as precipitously as did those of some other farm commodities, they declined steadily and disastrously after 1929. By 1931 income from livestock had dropped 19 per cent below the 1924 level, while income from grains had fallen almost 74 per cent.[3] After 1931, however, the

---

[1] D. A. FitzGerald, Livestock Under the A A A (Washington: The Brookings Institution, 1935), 1.

[2] G. F. Warren and F. A. Pearson, The Agricultural Situation; Economic Effects of Fluctuating Prices (New York: John Wiley and Sons, 1924), 62.

[3] "Report of the Secretary of Agriculture," Yearbook of Agri-

price decline, especially for hogs, continued at an accelerated pace. In 1932 the farm price of hogs was only one-third that of 1929. The farm price of beef cattle had dropped 50 per cent below the 1929 level which had been unusually high because of a small market supply.[4]

In reality, it was not the low price as such which caused the trouble. Instead, the principal problem centered on the unfavorable relationship which existed between producers' costs and the prices received for livestock. This problem had, of course, been present since the end of World War I. Costs had increased markedly during the war, but they did not decrease afterwards to the degree livestock prices declined. The marked increase in this disparity between costs and prices by 1932 had a disastrous influence on livestock producers. In that year the purchasing power of 100 pounds of pork had dropped from 85 per cent of the 1910-1914 level in 1929 to only 44.5 per cent. The situation was not so serious for beef cattle producers, as 100 pounds of beef in 1932 retained 75 per cent of the prewar purchasing power.[5] The continuing relatively favorable position for cattle growers induced leaders of that industry to oppose inclusion of beef as a basic commodity in the Agricultural Adjustment Act.[6]

---

culture, 1933, U. S. Department of Agriculture (Washington: U. S. Government Printing Office, 1934), 4.

[4] FitzGerald, Livestock Under the A A A, 20.

[5] Ibid., 22.

[6] Agricultural Emergency Act to Increase Farm Purchasing Power, Hearings before the Senate Agriculture Committee, 73d Congress, 1st Session, March 1933. Testimony of F. E. Mollin, Secretary of the American National Livestock Association, pp. 259-269.

Because beef cattle were not included on the basic commodity list, the Administration could not develop an over-all livestock control program. Instead, adjustment planners were forced to concentrate on swine and the closely related crop, corn. Indeed, these two commodities had never really recovered from the collapse of the early twenties. In the three year period, 1919-1921, corn prices fell by two-thirds and hog prices over one-half.[7] Not even in 1929 did the corn-hog industries fully recover. A short crop in 1930 lifted the price of corn to 90 cents a bushel by fall, but the price then declined to only 19 cents in 1932, which was only 28 per cent of the prewar parity price. Swine prices suffered a similar fate declining in December 1932 to their "lowest level" since 1878. Hog prices, only $2.95 per 100 pounds in Chicago, were well below the "average price of all farm products."[8] The gross income from hogs in 1932 was only one-third that of 1929, and their purchasing power was only two-fifths that of the 1910-1914 period.[9]

The grave hog price situation resulted both from long-term factors and the temporary influences of the depression. Declining exports and reduction in farm work stock were two principal old influ-

---

[7] U. S., Agricultural Adjustment Administration, Corn-Hog Adjustment, C.H.-113 (Washington: U. S. Government Printing Office, 1935), 86.

[8] "What's New in Agriculture," Yearbook of Agriculture, 1934, U. S. Department of Agriculture (Washington: U. S. Government Printing Office, 1935), 112-113 and 116; U. S., Department of Agriculture, "The Agricultural Outlook for 1933," Staff of Bureau of Agricultural Economics, Miscellaneous Publication No. 156 (Washington: U. S. Government Printing Office, 1933), 20-21.

[9] "Economic Situation of Hog Producers," Letter from the Secretary of Agriculture, February 9, 1933, 72d Cong., 2d Sess., Senate Document No. 184, 1.

ences on the swine industry. Among temporary causes, the decline in domestic buying power was of major importance.

An almost continuous decline in the foreign demand for American pork products after 1919 seriously affected the domestic hog situation. By 1932, pork exports had dropped below the prewar level. In the previous decade hog producers had lost an export outlet for approximately eight or nine million head.[10] Refusing to reduce their production to compensate for the loss, American hog farmers forced additional pork products onto an already depressed domestic market. If, as studies indicated, the total expenditure of consumers for hog products depended not on the price but on their own income, the only possible result of such excessive supplies was lower prices. The truth of this was demonstrated in February 1933. At that time the retail price of pork had dropped below the 1910-1914 level, although the retail prices of other farm commodities, including wheat and cotton products, remained above the prewar average.[11]

Farm mechanization and the consequent reduction in work stock numbers also influenced the corn-hog situation. With a reduction of 10 or 11 million horses and mules, the output of approximately 15 million acres was freed for production of grain, especially corn, to be turned into meat.[12] Much more of this went into the production of pork than

---

[10] Mordecai Ezekiel and Louis H. Bean, Economic Bases for the Agricultural Adjustment Act, U. S. Department of Agriculture (Washington: U. S. Government Printing Office, 1933), 17-18.

[11] Ibid., 21-23; U. S., Agricultural Adjustment Administration, The Corn-Hog Problem, C.H.-1, U. S. Department of Agriculture (Washington: U. S. Government Printing Office, 1933), 3.

[12] D. A. FitzGerald, Corn and Hogs Under the Agricultural

beef as pork constituted a far larger proportion of the total meat supply than before World War I.[13] The price of corn was also basic to the "hog cycle," a relatively regular rise and fall in hog production. When corn was cheap, farmers were inclined to increase hog production. When corn prices went up, swine producers cut their output. By 1933, the pork industry was prepared to enter the expansive phase of the cycle. This close relationship between hogs and corn further complicated the construction of a control program for either.[14] Efforts to develop separate programs for the two farm commodities proved extremely difficult. A domestic allotment scheme for hogs appeared too complicated, while rental of corn acreage, it was feared, would take too long to affect the swine industry to be of any real benefit to hog producers. As Secretary Wallace said, the delay in help for the Corn Belt came "not from any lack of interest, but from an inability to see any way to help."[15]

The general outline of control programs for cotton and wheat had been under consideration for some time, and spokesmen for producers of those commodities had generally accepted the plans. But, such was

---

Adjustment Act: Developments up to March 1934 (Washington: The Brookings Institution, 1934), 5.

[13] FitzGerald, Livestock Under the A A A, 10.

[14] C. F. Sarle, "Control of Hog Production by Reducing Corn Production," Confidential Plan, May 12, 1933, Agriculture Division of the National Archives, Record Group 145. All archival material hereafter cited is located in the Agriculture Division of the National Archives, Washington, D. C.

[15] Henry A. Wallace, New Frontiers (New York: Reynal and Hitchcock, 1934), 186.

not the case for corn-hog farmers. Not only was there no commonly accepted program but there was no recognized spokesman or organized group representing corn and hogs. Also, producers were extremely slow in expressing their desires.[16] By the time the Department of Agriculture turned to consideration of the corn-hog problem, its officials had apparently decided that for their own protection, as well as for achieving broad producer cooperation, the farmers should organize and present their own control program.

Corn Belt pressure, however, remained invisible or at least unorganized until after the hog situation worsened and then appeared only with encouragement from the Secretary of Agriculture.[17] A speculative boom which developed during the summer brought a temporary rise in prices for corn and other commodities but not pork. Instead, excessive supplies started to hit the market in May. With domestic consumption up only slightly, exports up even less, and storage supplies rapidly increasing the hog picture was indeed dark. Adding to the dismal prospects was the June pig survey of the Department of Agriculture which indicated a 13 per cent increase in sows for farrowing in the Corn Belt.[18]

---

[16] "The plans of the Department have been stopped cold by the question as to whether the producers wish to co-operate." A. G. Black to the Corn-Hog Producers Meeting, Des Moines, Iowa, July 18, 1933. As quoted in D. A. FitzGerald, Corn and Hogs, n., p. 10.

[17] Because of the large proportion of both corn and hogs produced in the ten state Corn Belt area, the Department always emphasized this region in dealing with the corn-hog problem. This was true in organizing a producer group, in working out a hog program and in trying to arouse producer support and response to the corn-hog programs.

[18] "Report of the Secretary of Agriculture," Yearbook of Agriculture, 1934, p. 38.

A somewhat abortive attempt was undertaken in May to organize the corn-hog producers. C. V. Gregory, editor of the Prairie Farmer, called for a parley on the corn-hog problem to meet in Chicago late in the month.[19] Wallace obviously knew of and supported the purposes of the gathering. Other than asking the Secretary to appoint a group to represent the interests of hog farmers,[20] the meeting accomplished very little. The need for a representative pressure group was still felt. On May 30, J. S. Russell, farm editor of the Des Moines Register, declared that the lack of organization was proving a handicap to corn-hog producers in getting consideration in Washington for a program.[21] It was not an accident, therefore, that Iowa farmers confronted with the deteriorating hog situation led the way in creating a corn-hog pressure organization.

Roswell Garst, Coon Rapids, Iowa, one-time partner and an old acquaintance of Secretary Wallace, reports that Russell conferred with Wallace about the economic problems of the Corn Belt and specifically about the corn-hog situation. The Secretary informed Russell, Garst states, "that he was not going to impose any programs on any group. The wheat program had been asked for by the wheat growers--if the corn and hog farmers wanted a program, they would have to ask for it."[22] Garst and Russell took an active role in getting the Iowa producers to

---

[19] Des Moines Register, May 24, 1933, p. 16.

[20] Ibid., May 26, 1933, p. 13.

[21] Ibid., May 30, 1933, p. 9.

[22] Roswell Garst to the author, August 1, 1960.

organize. According to Garst, they opened their campaign at a meeting of the Iowa Association of Farm Cooperatives. Because of the "great jealousy" which existed among the better known farm organizations, this, they felt, was "an inoxious place to start."[23] In any case, Russell reported on June 8 that the Federation of Iowa Farm Organizations had agreed to sponsor a meeting on corn and hogs.[24]

Russell, Garst, Donald Murphy, editor of Wallaces' Farmer, and a few others organized the meeting.[25] Representatives from the state farm organizations and about 50 farmers without any organizational ties attended the gathering. On June 16, 1933, the Iowa conference established a permanent state corn-hog committee with Garst as chairman. Requesting early action to aid Corn Belt producers, the group supported production control. These promoters suggested a corn acreage reduction program for 1934 but with immediate partial cash benefits. Another recommendation was the payment of a bonus on light hogs to reduce market tonnage over the next year. The delegates directed the committee to present details of their suggestions to the Agriculture Department.[26] More important to the development of a hog program than the Iowa recommendations, however, was the initiation of a Corn Belt pressure group.

Organization of the Iowa committee served as the lever the Administration had needed to push the desired regional organization.

---

[23] Ibid.

[24] Des Moines Register, June 8, 1933, p. 18.

[25] Roswell Garst to the author, August 1, 1960.

[26] "Iowa Corn and Hog Men Ask Action," Editorial, Wallaces' Farmer, LVIII (June 24, 1933), 4.

On June 30, A. G. Black, head of the Corn-Hog Section of the AAA, sent telegrams to farm leaders and farm groups in the remaining nine Corn Belt states telling them of the Iowa activity, encouraging similar meetings, and announcing a regional corn-hog conference,[27] which Wallace had suggested be held in Des Moines about the middle of July.[28] The Department of Agriculture obviously took a leading role in creating a national corn-hog producer pressure group. Black sent members of the Iowa committee as organizational agents to the other states. Garst worked in Illinois and Indiana, R. M. Evans campaigned in Minnesota and South Dakota, and other committee members were active in the remaining Corn Belt states.[29] Once organization began, it proved so effective, Garst said, that "in about a week we had corn-hog committees in every state that was prominent."[30]

On July 18 representatives from Iowa, Illinois, Indiana, Kansas, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin gathered in Des Moines. A. G. Black, representing the Administration, emphasized the importance of the meeting:

> I am trying to learn what farmers want and are willing to do and the farm act administration will give heed to demands of the producers. Just what action is taken and how soon it is forthcoming will depend largely on what develops out of this

---

[27] Copies of Black telegrams, June 30, 1933, National Archives, R. G. 145.

[28] Des Moines Register, July 2, 1933, p. 5.

[29] "I appreciate your sending Mr. Garst, of Iowa, to the meeting, and I may say that he made a good impression and was very helpful." J. S. Skinner to A. G. Black, July 8, 1933, National Archives, R. G. 145.

[30] Roswell Garst to the author, August 1, 1960.

conference.

> Certainly it is not the purpose of Secretary of Agriculture Wallace and the farm act administration to force anything on the farmers. We are hoping they can formulate their own program.[31]

Although there was no unanimity on methods, the group "expressed a determination to use every available means of bringing hog prices up to a level with their prewar purchasing power." The conference backed this objective with an endorsement of the "regulation of the production of corn and hogs if necessary. . . ."[32] Consequently, a National Corn-Hog Committee of Twenty-Five was created to carry "out an aggressive campaign to bring hog prices to a higher level."[33] Twenty-one of the members were named by the delegations from the various states, according to the importance of the state as a corn-hog producer. The other four were appointed by the Corn-Hog Administrator, A. G. Black.[34] In reality, the actions of the delegates may have belied the actual opinion of the people they represented. Representatives of almost half the states opposed any corn production program which logically would have meant opposition to hog reduction also. There is no question but that Black and a few of the control supporters exerted considerable pressure on the group to get the National Committee established. Indeed, L. W. Drennen, chairman of the Polk County (Iowa) Democratic Central Commit-

---

[31] _Des Moines Register_, July 18, 1933, p. 1.

[32] _Ibid._, July 19, 1933, p. 1.

[33] _Ibid._

[34] "Action on Corn-Hog Reduction," Editorial, _Wallaces' Farmer_, LVIII (August 5, 1933), 4.

tee, accused Black and the Farm Bureau of "ramrodding" the meeting and preventing some delegates from expressing their opposition.[35] Although Drennen exaggerated, it is doubtful that the group as a whole would have supported production control had the supporters of control not been able to present the dismal hog price situation as a justification. After the conference, the National Committee went almost immediately to Chicago for important meetings with representatives of the Administration and the meat packers.

During the preceding months there had been plenty of discussion but no real decisions on the corn-hog problem. Several serious obstacles merit attention. The natural difficulties of planning a program for hogs because of the close relationship to the corn and beef industries have been discussed. Too, the absence of any consensus on a program either within the AAA or among farmers, and the lack of a producer pressure group has received attention. Still another reason for slowness in developing a hog program was the conflicting views of Henry A. Wallace and his control group and the export-dumping advocates led by George N. Peek, now AAA administrator. During Senate hearings on the agriculture bill in March, Wallace expressed his belief that it was necessary to control hog output. He also emphasized that it was "necessary to control corn acreage if you are going to control the hog situation." Wallace warned that the high output and low prices of corn in 1932 had greatly stimulated hog production.[36] While still editor of

[35] Drennen to Henry A. Wallace, July 19, 1933, National Archives, R. G. 145.

[36] Agricultural Emergency Act to Increase Farm Purchasing Power, Hearings before the Senate Agriculture Committee, 45 and 141.

Wallaces' Farmer, the Secretary had supported the allotment plan for corn and hogs. He suggested that farmers be paid $4 an acre to cut corn acreage by 15 per cent and that a $1 per hundred bonus be paid on hogs if the total weight was reduced 20 per cent, and providing that no hog sold weighed over 210 pounds.[37] Wallace obviously regarded both corn and hog output as excessive. Although the 1933 hog program did not exactly follow his suggestions, the bonus idea on light hogs may well have influenced the plan developed by the National Corn-Hog Committee.

Administrator Peek maintained quite different ideas as to the cause and solution of the hog problem. He denied that foreign price or overproduction hurt the hog farmer. Peek insisted that "the difficulty with hogs lies in the processing industry, in the distributive systems. . . ." He further maintained that the essential necessity for improvement of the hog situation was "a straightening up of the distributive system."[38] The conflict in attitude within the Administration over the cause of and the solution of the hog problem was a factor hindering the development of a program for the pork producers. That some type of control program would be worked out became evident, however, when A. G. Black, chief of the farm economics section at Iowa State College, was appointed to head the Corn-Hog section of the AAA. Not only had Black been in "close touch" with Wallace in regard to production

---

[37]"Benefits of the Allotment Plan," Editorial, Wallaces' Farmer, LVIII (January 7, 1933), 4.

[38]Agricultural Emergency Act to Increase Farm Purchasing Power, Hearings before the Senate Agriculture Committee, 76.

control measures but he had also been associated with "other corn belt economists and farm organization officials in preliminary conferences" on the corn-hog problem.[39] The appointment of Black was taken by the editor of Wallaces' Farmer as proof that the Secretary was "determined to take a personal part" in helping farmers to develop a corn-hog program.[40]

Wallace had been kept informed of the development of the Iowa Corn-Hog group. On June 10, Garst wrote to Paul Appleby, assistant to the Secretary, advising him of the coming state meeting of the corn-hog producers in Des Moines. Garst felt the Iowa gathering could be of considerable value in working out a plan "if we know what program the Department of Agriculture has for the corn-hog situation." He added that "we are particularly anxious to endorse only a program which he /Wallace/ will feel is sound and workable."[41] At the same time Garst wrote Wallace about the Iowa project and emphasizing the necessity of an immediate reduction in pork supplies. But, he wanted the Secretary's recommendations so as not to "embarrass" him with the "wrong suggestions."[42]

Even before the organization of the National Corn-Hog Committee, there had been conferences among AAA officials, farm representa-

---

[39]"Plans for Hog Reduction," Editorial, Wallaces' Farmer, LVIII (June 10, 1933), 1.

[40]Ibid.

[41]Garst to Appleby, June 10, 1933, National Archives, R. G. 16.

[42]Garst to Wallace, June 10, 1933, National Archives, R. G. 145.

tives from the Corn Belt, and processor representatives. On July 5, Black met with Garst, Ed O'Neal, President of the American Farm Bureau, C. V. Gregory, Earl Smith, President of the Illinois Agricultural Association, and unofficial producer representatives in Chicago to discuss the corn-hog problem. Although most of the discussion at this meeting pertained to proposed trade agreements with the meat processors, some consideration was given to the production control problem. The farm group agreed "that a reduction in production of corn and hogs was necessary." But, the producers insisted that efforts should be made to increase prices while output was being reduced. One way to put money into the pockets of farmers immediately and at the same time to reduce future production was considered. Sentiment favored the payment of a bonus on brood sows to be marketed during the months of August and September. This would cut the number of hogs coming to market during the next year and would also provide some extra income for Corn Belt farmers. The producer representatives saw one drawback to the scheme. They feared the action might harm the normal market and, therefore, insisted that some "special outlet" be found for the meat product before the bonus campaign started. For this purpose, the group supported the creation of an export corporation to handle the pork. To pay for the bonus program and for export losses, a differential tax by weight on hogs was suggested.[43] Roswell Garst, who was in Washington when the June pig survey report was made, claims credit for developing the "idea of killing the pregnant sows" because, as Garst later wrote,

---

[43]"Report of Conference with Producers," Chicago, July 5, 1933, National Archives, R. G. 145.

"we would have raised so many pigs that fall that they wouldn't have paid the freight to market."[44] Something of this sort was mentioned, however, two months before the July meeting. C. F. Sarle, AAA economist, suggested in May that to control hog production it might be necessary to reduce the number of brood sows farrowing in the fall of 1933.[45] Considering the communication between Garst and Wallace, it seems probable that the bonus sow scheme originated in the Department of Agriculture.

On July 6 the producer group met with representatives from the processing industry. Black and Guy C. Shepard, chief of the Meat Processing and Marketing Section of the AAA, also attended the conference. Both groups strongly supported the current attempt to work out a sale of pork surpluses to Russia. But beyond that point little agreement could be reached. Some of the packers recognized that the Agricultural Adjustment Act was designed to work "for parity prices on hogs," but they offered no suggestions on how to raise prices. They denied that there was any need for reducing hog production and opposed the idea of a bonus on piggy sows. One processor contended that the purchase of a million sows, as planned under the bonus scheme, "would have a bad effect upon all prices." The packers also insisted that any processing tax on hogs would hurt rather than help the farmers. The producers argued that if they supported the export and trade agreement plans which would exempt packers from antitrust laws, the packers must recog-

[44] Roswell Garst to the author, August 1, 1960.

[45] C. F. Sarle, Confidential Memorandum on Methods of Control for Corn and Hogs, May 12, 1933, National Archives, R. G. 145.

nize the right of producers to parity prices and support production control measures.[46] Although subsequent talks were held with the packers, no definite agreement could be reached and the need for a temporary hog program for 1933 became more important than any possible agreement worked out with the processing industry.

Garst wired Administrator Peek on the same day that the producers and packers were conferring. The hog situation, he said, required "immediate action" and suggested a "credit export" of pork to Russia and a bonus program on one million piggy sows.[47] Until this time there had been no apparent sense of urgency or impending doom about the circumstances of the hog farmer. But, in the two weeks before the formation of the National Corn-Hog Committee demands for drastic measures to save the hog industry developed. On July 8, the editor of <u>Wallaces' Farmer</u> warned "we are headed straight for big trouble in hogs, unless we get busy with a reduction program." Although production should have been decreased, it had actually been increased. The editorial concluded:

> Worse news is coming in the fall. In the corn belt, 13 per cent more sows were bred for fall litters than a year ago. The national increase is 8 per cent.
>
> Cheap corn always is turned into cheaper hogs in the long run. Last winter and spring, it seemed more profitable to feed hogs than to sell corn. As a result, everybody and his brother have been going into the hog business.
>
> Hog prices are low now. What will they be when this increased

---

[46]"Report of Conference between Producers and Processors," July 6, 1933, National Archives, R. G. 145.

[47]Garst and Charles E. Hearst to Peek, July 6, 1933, National Archives, R. G. 145.

> load of spring pigs hits the market, and when the increase in fall pigs adds to the total?
>
> We are going to be forced to take drastic steps to cut hog tonnage.[48]

When the AAA representatives met with the National Committee in Chicago during the third week of July, they could only present the same pessimistic report. The parity price of hogs was lower than that of any other major farm product. Excessive supplies coming to market during the previous two and one-half months had increased hogs slaughtered in federally inspected plants by 30 per cent and further depressed prices. Storage supplies of both lard and pork were up greatly over the year before. At the same time, hog supplies for the fall and winter market would likely be larger than in 1932. In addition, a developing feed shortage indicated that large numbers of unfinished cattle would be thrown on the market to compete with hog products.[49]

On July 24, discussion turned to methods of immediately aiding the hog industry. C. F. Sarle presented the producer committee with the situation and previously suggested programs. Sarle pointed out that bad weather had reduced the corn crop by 500 million bushels. Thus, there was no need for action on corn in 1933. The hog situation, however, was quite serious and demanded immediate attention. Among suggested remedies, Sarle said, was a processing tax on hogs graduated according to weight which, it was hoped, would reduce the total amount

---

[48] "Headed for Trouble in Hogs," Editorial, Wallaces' Farmer, LVIII (July 8, 1933), 4.

[49] Minutes of the National Corn-Hog Producers Committee, Chicago, July 24, 1933, National Archives, R. G. 145.

of pork going to market. But, he was more enthusiastic about the bonus on piggy sows. Under this program, a $5 bonus could be paid over a four to six week period in August and September. If 600,000 head could be acquired, it would "probably" cut the next spring and summer marketing by three million head. To prevent "seriously depressing prices" this tonnage would be diverted out of "regular consumption channels." He estimated that the total cost of the project, both the bounty and the diversion to other outlets, would not exceed $20,000,000. Sarle optimistically forecast that this reduction in tonnage for the following spring and summer markets would materially increase prices, probably by "60 per cent during the latter half of this marketing year."[50]

The National Committee was quite receptive to the bonus plan on piggy sows, although some members questioned the practicality of its operation. It was pointed out that if the program were announced too early, "farmers would tend to defeat the program by breeding more sows to farrow next spring."[51] Some concern also existed about the disposal of the meat procured from the project. Guy Shepard attempted to remove any doubts along that line. Consideration, he said, had already been given to the problem, and there was some hope of selling the product to Russia. Indeed, Shepard added: "the details are all worked out with the exception of getting Russia to agree. . . . Two representatives of the packing industry are already on their way to London for the purpose of making the same deal [cotton] for 250 or 300 million pounds of pork

---

[50] Minutes of the Meeting of the National Corn-Hog Producers Committee, Chicago, July 24, 1933, National Archives, R. G. 145.

[51] Ibid.

products."[52]

At this point John Wilson, of Ohio, made the most momentous contribution to the development of the 1933 emergency hog program. "I suggest," Wilson said, "that the government buy 4 million pigs weighing between 40 and 140 pounds between, say, August 20th and October 1st."[53] He estimated the purchase program would cost $22 million and expected a processing tax on hogs to pay the expenses. Wilson saw some salvage value in the meat procured from the young hogs. The product could, he suggested, "be made into sausage and turned over to the Red Cross or sold to Russia." The plan would benefit the 1933-34 hog market, he felt, by reducing the available tonnage by 474 to 582 million pounds.[54]

Although some committee members expressed reservations about the program, Wilson, Garst and the AAA representatives maintained enough enthusiasm for all. To a protest that the plan would not help the price of heavy hogs, Wilson responded that "a psychological effect would cause the price of heavy hogs to rise." Sarle felt that "it should be possible to take out 10 per cent of the December 1st to June 1st pig crop," which "should have an immediate effect on prices." G. B. Thorne, of the AAA, felt that a "reduction of five per cent in the crop of pigs for the year should raise prices during half the year, or less, 20 to 25 per cent." Garst joined in support of the purchase plan, but he insisted that it be tied to the piggy sow project. Otherwise, "there

---

[52] Ibid. Shepard was referring to the RFC loan to finance the sale of cotton to the Soviet Union.

[53] Ibid.

[54] Ibid.

will be a tendency to hold sows back," thereby defeating the whole emergency program. Garst further emphasized that these proposals must be considered only as emergency measures, and added that "in the long run we must include a corn acreage reduction program to correlate with reduction in hog numbers."[55] The National Committee adopted an official report favoring the pig purchase program, added it to the bonus sow plan and prepared to recommend both to the Department of Agriculture.

Earl C. Smith, chairman of a special committee set up by the National Committee to work with Department Officials on emergency plans, called C. C. Davis on July 27 to report unanimous agreement of the program, and to ask for a conference with Secretary Wallace.[56] The emergency project as now envisioned included the purchase of 4 million young pigs weighing between 25 and 100 pounds and the payment of a $4 bonus on 1 million piggy sows weighing over 275 pounds. This was to be done between August 15 and October 1. The edible meat procured through the operation was to be sold on a "moderate basis to relief agencies," with the smaller pigs condemned to tankage. To finance the program, the committee recommended a "high" processing tax on all hogs over 235 pounds, except sows. It was hoped, continued the report, that the project would remove two billion pounds of live weight pork from the market during the next twelve months. Although the committee members recognized the temporary character of the scheme, they emphasized that their program to meet the "present emergency" would provide immedi-

---

[55] Ibid.

[56] C. C. Davis to George N. Peek: Memorandum on Call from Earl C. Smith, July 27, 1933, National Archives, R. G. 145.

ately "substantial and necessary cash" to the farmers. The report concluded with a promise to develop a long-term corn-hog control plan by October 1.[57]

While the Administration worked out the details of the Emergency Hog Marketing Program in the two weeks after July 27 evidence that the hog situation was worsening came to the attention of the Department of Agriculture. J. H. Bennett, manager of the Dakota Pig and Cattle Company, wired R. G. Tugwell: "Due to drought pigs can be destroyed at minimum expense and therefore curtail pork production materially. Will appreciate your influence in having production group request me coming to Washington for explanation. Have wired Administrators Black and Davis."[58] Although Bennett was given no encouragement, he later wrote Secretary Wallace presenting his ideas and adding that he was trying to get a petition carrying his plan through the South Dakota legislature.[59] While there is no indication that Bennett had any influence on the development of the emergency hog program, his suggestion of a similar scheme at the same time is interesting and indicative of the bad conditions in the Dakota area. Administration officials

---

[57]"The Report and Recommendations of the National Corn and Hog Committee," Probably prepared on July 27, 1933, National Archives, R. G. 145.

[58]There is no evidence that Bennett had any knowledge of the Chicago discussion as all plans were kept secret. His plan to destroy pigs is apparently another one of those interesting little coincidences which sometimes occur. In a later letter Bennett proposed using the product for "tankage or relief" which had also been discussed at Chicago; Bennett to Tugwell, July 28, 1933, National Archives, R. G. 145.

[59]Bennett to Wallace, August 1, 1933, National Archives, R. G. 145.

later used the drought situation as a further justification for their emergency program.

Requests for federal aid increased after the first of August. On August 9, a wire from Catarina, Texas asked for immediate help: "Please try hard to devise some emergency plan effective immediately to assist the southern hog grower who must market many hogs next thirty to forty days account shortage of feed and early maturity our feed crops this section."[60] The next day the agricultural agent of the Missouri Pacific Lines in Houston warned that it was "imperative southern hog raisers have quick action if proposed relief measures are of benefit to him this year."[61] On the twelfth a still more desperate appeal came from South Dakota. Charles H. J. Mitchell urged "all possible speed" in relief for hog producers: "Thousands of farmers in South Dakota who are unable to feed young pigs. Now selling them for twenty to thirty cents a head . . . time element exceeding [sic] imperative as no feed is available to carry these pigs."[62]

Meanwhile, the Administration prepared for the emergency program. Administrator Peek, on August 2, informed interested organizations that a "preliminary informal conference" would be held in Washington on the 10th to complete development of an "emergency hog program."[63] On August 5, the Administration began contacting relief

---

[60] W. H. McKinney to George N. Peek, August 9, 1933, National Archives, R. G. 145.

[61] Agricultural Agent Missouri Pacific Lines, Houston, Texas, to George N. Peek, August 10, 1933, National Archives, R. G. 145.

[62] Mitchell to Paul H. Appleby, Telegram, August 12, 1933, National Archives, R. G. 145.

[63] Peek, Night Letter, August 2, 1933, National Archives, R. G. 145.

agencies about the disposal of the meat procured under the emergency program. In confidential letters the agencies were asked how much additional pork could be used if it were made available at 35 per cent below the regular price. The Department emphasized that the pork was "not to be substituted for other meats," but added to normal consumption.[64] The AAA officials had obviously decided to accept the recommendations of the National Corn-Hog Committee for an emergency program.

When the interested groups gathered in Washington on August 10, Administrator Black presented the case for an emergency hog program. "In view of the present hog situation," he said, it was necessary to give first consideration to "raising the price of hogs" and then to how the emergency program could be tied to a more permanent corn-hog program. Black pointed out that hog supplies had increased rapidly during the summer and that swine prices had not risen with those of other commodities. Indeed, "hog prices are further from parity than they were a few weeks ago," he added. In addition, the feed situation was "the worst, perhaps, that the country has experienced for 50 years." The Administration, therefore, was prepared to go along with emergency measures to aid hog producers.[65]

Earl C. Smith submitted the program which had been developed by the National Committee. Details of the purchase of pigs and the bonus on sows remained essentially the same as in the July 27 recommen-

---

[64] Claude R. Wickard to Wayne Coy, August 5, 1933, Night Letter, National Archives, R. G. 145.

[65] "Proceedings of the Informal Conference on Emergency Programs for Hogs," Willard Hotel, Washington, August 10, 1933, National Archives, R. G. 145.

dations.[66] All of the representatives promised the full support of their organizations for the emergency project.[67] Even Milo Reno, President of the National Farmers Holiday Association, proffered his grudging cooperation:

> As far as I am concerned, I do not understand why it is necessary, at this time, when there are over 130,000,000 people in this country, to destroy the young sows. I think you are not going to solve the problem by the solution you are trying to give. I resent the idea of a group of supermen coming here and trying to show what price the farmers should get for their products. I think the farmers should give their views so the Administration can determine as to the price to be charged for their hogs, etc. . . . . We are willing to cooperate with anything that is adopted that will be beneficial for the farmers.[68]

Reno obviously resented the role of AAA representatives in drawing up the program, and he later withdrew his halfhearted support. At the conference, however, unanimous approval was given to the Emergency Hog Marketing Program.[69] Although the processors continued to express their opposition to the theory of reducing production, they agreed to cooper-

---

[66] Ibid.

[67] Organizations represented at the conference and approving the program included:

The American Farm Bureau Federation
The National Grange
The Farmers' Educational and Cooperative Union of America
The Corn Belt Meat Producers' Federation
The Iowa Farm Bureau Federation
The National Livestock Marketing Association
The National Livestock Exchange
The Institute of American Meat Packers
The Central Cooperative Livestock Commission Association
The American Stockyards Association
The United States Livestock Association

[68] "Proceedings of the Informal Conference on Emergency Programs for Hogs," Willard Hotel, Washington, August 10, 1933, National Archives, R. G. 145.

[69] Ibid.

ate in the emergency project. The producer representatives and packers had reached a tentative agreement in Chicago in meetings on July 24 and 25. The packers recognized the objective of parity prices on hogs and agreed to "cooperate in reaching it." The processors further promised their cooperation in any necessary "re-adjustment in production" projects. In return, the producer group agreed to support a relaxation in the terms of the antitrust restrictions to enable the packers "to reduce costs." The groups thus were to continue their efforts to reach a marketing agreement.[70]

Although everyone connected with the development of the hog project felt that some degree of secrecy was essential to its success, indications of a pork removal program were common. The National Committee made public its desire to remove 500 million pounds of pork and pork products before the end of 1933 in a price raising effort. On July 26, Earl C. Smith mentioned the piggy sow proposal, declaring that it was better to pay a "bounty of $5 or some such figure" for sows marketed now than to be forced to pay a bounty on all the hogs those sows would produce for the 1934 market.[71] On August 3, it was reported in the Des Moines Register that the hog program "may take the form of providing bonuses for piggy sows in order to reduce sharply the supply of pigs."[72] Thus, although no official announcement was made on the emergency measure until August 18, the general nature of the project

---

[70] The Prairie Farmer, CV (August 5, 1933), 4.

[71] Des Moines Register, July 26, 1933, p. 1.

[72] Ibid., August 3, 1933, p. 1.

was known early in the month. J. S. Russell reported on August 9, however, "authoritative information coming from Washington" which gave most of the details of the pig purchase proposal.[73] The Department of Agriculture also hinted during the first half of August at the possibility of a hog program. There had been some concern in the last Chicago conference about speculators taking advantage of the purchase project. The Department evidently wished to block such activity as well as to prepare and give comfort to distressed farmers. With these objectives in mind and obviously in response to complaints from drought stricken farmers, a press release issued after the Washington conference announced: "Farmers who are obliged to reduce the size of their feeding herd because of short feed supplies would qualify under a pig purchase plan, if and when it is put into effect."[74] Although the Department still refused to definitely commit the government to buy hogs, officials later said that they hoped this announcement would cause farmers to hold their hogs for the government. The hints seemed to elude many farmers who continued to sell at very low prices, but they were very useful to some of the sharper country buyers.

Even though purchases had not been officially announced, a reporter for the Des Moines Register declared on August 11 that they were assured, lacking "only the formal approval of President Roosevelt."[75] The Register was so certain of the buying program that interested Iowans

---

[73] J. S. Russell, "Premium Light Hog Prices Slated Next Week: Surplus Cut is Object of Buying Plan," ibid., August 9, 1933, p. 1.

[74] Oklahoma Farmer-Stockman, XLVI (August 15, 1933), 14.

[75] Des Moines Register, August 11, 1933, p. 1.

were interviewed for their reaction to the idea. Opinions expressed indicated some of the more common attitudes evidenced during and after the purchases. Miss Daisy Williams, Secretary of the Iowa Farm Bureau Federation, felt that "even if farmers do not exactly like the plan of killing off pigs to reduce numbers and raise prices . . . if the plan will help the hog price situation immediately, it should be given a trial." Joe Stack, Linn County farmer, voiced the attitude held by most producers who would participate in the program: "Anything that will raise the price of hogs to farmers will be a great help. I don't care much how it is done." U. C. Blattle agreed and said that "if they do that, my pigs are sold right now." John Callison, a farmer from Carroll County, called the plan sound and felt that it was "bound to result" in higher prices. "It looks like a long step," he added, "towards the farmers' salvation." Harry Duncan approved and was willing to let the government handle things: "It's O. K. if the farmers cooperate. Five million hogs out of the market should send hogs up and if it does there will be a shortage. We farmers can't tell where it will end. The government should know what it's doing."

Not everyone interviewed supported the move. All of the common objections were voiced. James McDonough denied there was any overproduction "when people go hungry." He also believed that "higher wages will solve the farmers' problems as well as the working man's." Others felt the government should allow the hog problem to "work itself out naturally" and that the plan would penalize producers of heavy hogs. Perry Chilcote expressed the traditional independent position of farmers. He opposed the idea because "this plan will stir up trouble.

Farmers don't like supervision." Dell Van Note, a Linn County farmer, raised a humanitarian objection. "It is wasteful," he said, "and waste never pays." Van Note further stated that "to slaughter piggy sows isn't according to natural laws."[76] Although there was opposition, the basic attitude was that of approval. The support, however, was not based on agreement with the control of production thesis, but on the farmers' need for money and higher prices.

Not until a week after his fellow Iowans had considered the purchase project assured did Secretary Wallace officially announce the government plan. Speaking in Chicago on the 18th, Wallace described without any equivocation the Emergency Hog Marketing Program. A plan, he insisted, "which arose from the grass roots, and which is backed by most of the leading farmers of the corn belt." Because "hog prices today are relatively lower than almost any other farm product," he added, "I am willing to give the scheme a trial." The project, Wallace continued:

> is to buy from farmers enough pigs or light hogs and enough sows due to farrow this fall to remove from fall and winter supplies between 600,000,000 and 700,000,000 pounds of hogs, live weight. The total reduction in tonnage for the 1933-34 marketing season, as a result of this emergency program, may amount to 1,800,000,000 pounds. The total is about 16 per cent of the hog tonnage normally marketed. If past experience is a guide, a reduction of 15 or 16 per cent in market supplies should increase hog prices for the season from 25 to 30 per cent.[77]

The Secretary explained that purchases would be handled through processors who would pay cash to the farmer and bill the costs to the Depart-

---

[76] Ibid., 4.

[77] Wallaces' Farmer, LVIII (August 19, 1933), 1.

ment of Agriculture. Wallace also emphasized the need for speed in executing the program:

> The necessity for haste will be understood by the corn belt. We must make the purchases before more weight is added to spring pigs, and before farrowing begins. In regions where drouth has left a feed shortage, and where farmers are compelled to market unfinished stuff at a sacrifice, we can perhaps offer some help. But above all is the necessity for speed in bolstering the purchasing power of the corn belt.[78]

Getting money into the pockets of the Corn Belt farmers had been the most vital concern of the producer committee and AAA planners throughout the development of the emergency program. Extremely low hog prices lent an even greater degree of urgency. Secretary Wallace indicated that the purchase program would benefit the farmers' income in two ways. The purchase price would be above the prevailing market value of the hogs and, because of the reduction in supply, higher prices would "likely be paid over the following nine months."[79]

Wallace expressed only one worry about the emergency project. He feared that the Corn Belt might fail "to recognize how really dangerous this program can be unless it is tied up closely to a long-time program." Without the understanding that this measure would be followed by a permanent corn-hog control program, Wallace insisted, he could not approve the buying of hogs. For, he felt that unless the emergency purchases were followed by a real reduction in corn and hog production in 1934, they would only worsen the economic condition of the hog producers. Without that reduction, Secretary Wallace maintained, "the

---

[78] _Ibid._

[79] _Ibid._

after-effects . . . would be disastrous to hog prices during the 1934-35 season and for some time thereafter."[80]

---

[80] *Ibid.*

CHAPTER III

CRITICISM OF THE OPERATION OF THE EMERGENCY PROJECT

The Emergency Hog Marketing Program of 1933 was designed to accomplish two goals. By paying at least twice the market value for pigs and giving a bonus of $4 on sows, the Administration hoped that the purchasing power of hog producers, especially in the Corn Belt, would be materially increased. This short range objective could be classed as purely a relief measure. More important, however, was the long range aim of reducing hog tonnage for the 1933-34 marketing season by 1,800,000,000 pounds. Although earlier estimates had been considerably larger, the Department of Agriculture in August expected such a reduction to result in a 25 to 30 per cent increase in prices. Two minor objectives also developed from the emergency purchase plan. From the first discussion of the project, a vital concern had been the disposal of the meat product outside of regular consumption channels. When the sale of surplus pork to Russia fell through, the idea of obtaining meat for the needy became firmly tied to the program. Finally, as the plains drought situation worsened in August and early September, increasing emphasis was placed on giving succor to the parched regions.

Unfortunately, planners of the Emergency Hog Program spent far more time anticipating the results of the project than they did organizing the details of its operation. The purchase of young hogs, which rapidly became the most vital portion of the whole scheme, did not come under consideration until the third week of July. It gained the approval of the various interested processor and producer organizations on August 10. Eight days later it was officially announced to the country, and on August 23 purchases began. Although the bonus on sows had been under consideration somewhat longer, the full plan from inception to execution received less than a month's study, a rather brief period to develop the procedure for such a complicated operation.

Original plans for the purchase program were quite simple. Approximately four million young porkers weighing from 25 to 100 pounds were to be bought at from 6 to $9\frac{1}{2}$ cents per pound. One million bred sows weighing a minimum of 275 pounds would also be purchased. The government offered to pay the regular market price without the normal pregnancy dockage plus an inducement bonus of $4 per head for the brood sows. Purchases were to be handled through designated processors who would pay cash for the hogs and bill the Department of Agriculture. The packers would process the hogs in the normal manner with the exception that all pigs under 81 pounds were to be turned into tankage. Inspectors from the Bureau of Animal Industry were to check the sows to see that they met the "soon to farrow" ruling of the program and to oversee the purchasing and processing operations. The processors would hold the product derived from the program in storage and later dispose of it through relief agencies at the direction of the Department.[1]

---

[1]The Prairie Farmer, CV (August 19, 1933), 4.

The purchases were to be financed by a processing tax levied on hogs, with the money paid for pigs and sows declared as "benefit payments." Through the tax processors would thus pay for purchasing and processing the hogs as well as for the administrative costs of the campaign. Just before purchases began, AAA economists estimated that the hogs would cost $38,650,000 and the full program would total $53,959,704. To provide this sum, the Department of Agriculture wanted a processing tax on all hogs marketed in the 1933-34 marketing season of 55 cents a hundred pounds live weight.[2]

The emergency hog measure was beset with problems throughout the duration of the purchase campaign. One of the most criticized of all AAA programs, the hog purchase scheme and its operation were attacked by farmers, politicians, humanitarians, and consumers as well as by professional New Deal critics. Attacks were directed against the whole concept of the program as well as against its administration. During the course of the campaign, however, the chief issues raised were those tied directly to the operation of the program. Some serious problems, most of them unanticipated, developed in the course of the purchases. Farmers became most aroused about the handling of pig purchases and the activity of professional buyers. For the Department of Agriculture, the most serious threat to the project centered in the unexpectedly great desire to sell pigs, the refusal to release the anticipated number of sows, and the demand from drought regions for a continuation and expansion of the purchases. But controversies also

---

[2]Estimation of Total Costs of Emergency Program, August 17, 1933, National Archives, R. G. 145.

developed over the stringent sow inspection system, the role of packers and commission firms in the project, the waste of food, the cutting off of a young pig's life before he had even tasted hard food, the throwing of pigs into the rivers, the use of sow meat for food, the attempt to thwart God and Nature, as well as a myriad of other largely unimportant, if not senseless, points.

Hog purchases began at six processing points on August 23 and trouble hit immediately.[3] During the first three days of operation, these centers were flooded and then overwhelmed with hogs offered to the government. The day after purchases started E. R. Morgan wired Secretary Wallace, saying: "I am in Kansas City today with two cars of my own pigs and no bids on them at five thirty PM tonight. Understand there are twenty thousand being carried over and another twenty thousand coming tomorrow. This is a perishable product. Please get us relief. Situation here at Kansas City surely demand your attention."[4] "For days," said Administrator Peek, "there was confusion, with little porkers grunting and crowding the streets of the stockyard towns," because, as he explained, "it was not foreseen that so many would arrive at once." After some reorganization, with an attendant though temporary halt in purchases so that processors could catch up on slaughtering, the pigs were able to make a more orderly entrance into "the happy rooting grounds."[5] Furthermore, to relieve the crowded

---

[3]The first six centers in operation were Chicago, Omaha, Kansas City, Sioux City, St. Joseph, and St. Paul.

[4]Morgan to Wallace, August 24, 1933, National Archives, R. G. 145.

[5]George N. Peek, as told to Beverly Smith, "The Farmers on Your Payroll," American Magazine, CXVII (January 1934), 72.

conditions at existing points a number of additional centers had been established. By August 25, 36 new centers were open and by September 7, 139 packing plants at 82 processing points were in operation.[6] More important, however, was the development of a system of orderly delivery. Following general directions of the AAA, each market center worked out a procedure for the sale of pigs. Generally, this meant that the producer had to have written permission before he could sell his hogs. Permit committees, made up largely of commission men and processors, now limited the receipt of hogs to the capacity of processors.[7]

Hog sales during the first three days presented the Administration with two other problems. The purchase of 107,020 pigs and only 3,179 pregnant sows[8] made it quite clear that the projected proportion of purchases was endangered. The tremendous desire to sell more pigs than the planners wanted and the refusal to sell sows haunted the agriculture planning officials throughout the duration of the purchase operation.

Before the end of August the pig shipment permit system ran into trouble. Messages began to pour into Washington complaining of the difficulty, if not impossibility, of getting shipping permits. Attempting to rectify the situation, AAA officials announced on September 1 that, beginning on the fifth, permits must be held on all pigs sent to market. Farmers could obtain permits through commission

---

[6] D. A. FitzGerald, Corn and Hogs, 21.

[7] D. A. FitzGerald, Livestock Under the A A A (Washington: The Brookings Institution, 1935), 65-66.

[8] FitzGerald, Corn and Hogs, 30.

firms or in some areas directly from the packers. No permits, it was emphasized, would be given to anyone other than the original owner. Further, permits would never be given for shipment of more than 200 head to any one person.[9] By this time sources of the problem were obvious. One important factor was a much stronger desire to sell pigs than had been anticipated. This was especially true in the drought regions and pig offerings simply exceeded the established quota and usually the ability of processors to handle them. But the thing which most aroused the ire of farmers was what they considered an unfair allotment of permits. Many insisted that only professional hog buyers, or speculators to use the farmers' term, could obtain permission to sell hogs.

In reality what the farmers considered speculative activity began even before government purchases started. In early August feeding prospects were very poor in the drought areas and hogs were worth next to nothing. Quite normally, many professional risk-takers purchased thousands of small hogs at very low prices. The Des Moines Register reported on August 18 that country buyers were buying up pigs "in anticipation of collecting" premium prices from the government on them, and urged farmers to consider the emergency program before selling their pigs.[10] When the government started buying pigs, it bought many of these hogs giving the speculator an extremely good profit. Even when the buyers, as was frequently the case, were innocent of intentionally

---

[9] AAA Press Release, No. 521-540, National Archives, R. G. 16.

[10] Des Moines Register, August 18, 1933, p. 17.

cheating, farmers resented the diversion of government money from its rightful place. To some, it seemed "as if buyers knew of it [purchase program] before the farmers did. They bought up these pigs and sold them for a big profit," insisted August Dahme, president of a Farmers Holiday Association. Dahme added, "I believe this act was intended to help the farmer and not make money for speculators." Dahme concluded that his group protested "most vigorously against the profiteering of buyers and speculators," especially when they were enriched on pigs bought by the government presumably from farmers.[11]

Although some buyers were quite innocent of intentional wrong-doing, it should be remembered that most of these purchasers were far better informed than the average farmer. They could deduce from the meetings of the Corn-Hog Committee and hints from the Department of Agriculture that some type of purchase program was under consideration. It was only natural that some would take advantage of the possibilities. Too, others with a genuine intent to defraud began to take advantage of the less perceptive farmers after the official announcement. Early in the campaign the Dakota Free Press in Aberdeen, South Dakota wired Wallace about this activity, saying:

> Farmers in this vicinity are being cheated out of their hog bonus by buyers. Please take immediate steps to reimburse and protect them. These buyers bought immediately after the bonus was announced. Before word reached the farmers. Loss to farmers amounts to hundreds of dollars.[12]

---

[11] Dahme to Henry A. Wallace, August 26, 1933, National Archives, R. G. 145.

[12] Dakota Free Press to Wallace, August 24, 1933, National Archives, R. G. 145.

Some of the speculators, through cooperation with the commission firms and permit committees, were able to cheat the government and farmers out of considerable sums.

Some farmers believed it was the duty of the government to compensate the farmer for his lost opportunity. A hog producer from South Dakota asked Secretary Wallace to pay "a premium" on pigs he had sold during the first week of August. Lack of "crops and no feed" had forced him to sell the pigs at two cents a pound. The speculator had then held the pigs until the government started buying when he sold them at a handsome profit. The farmer insisted that "this Bonus is due to the farmer's and not the byers [sic] if you give Bonus on pigs to farmers give to all and not a few will you?"[13] A large group of South Dakota farmers wired the Secretary reporting that they had sold their hogs to speculators and needed help in getting the benefit payments.[14] A. B. Bishman of Minnesota was even more expressive. He had sold his 31 hogs before government purchases began and had received only $210 for the lot. Bishman demanded:

> How are we to pay interest, taxes and live? If you are paying a bonus start your payments as of July 1-33 and give us poor devils a break. I would readily agree to cut my production of hogs 50% in fact we have already done that. Think it over.[15]

Other producers, with even less justification, wanted the

---

[13] Rienhold Laske to Wallace, August 28, 1933, National Archives, R. G. 145.

[14] John Madden and others to Wallace, August 23, 1933, National Archives, R. G. 145.

[15] Bishman to Wallace, August 14, 1933, National Archives, R. G. 145.

government to compensate them for their loss. W. R. Shortridge of Flasher, North Dakota wrote his congressman about his sons' loss of 25 pigs which died in transit to market. The pigs, Shortridge reported, "were weighed and processed at once same as if alive only the men did not have to hit them on the head. The Government lost nothing by their premature death," he insisted, for "they were removed from visible supply and from competition same as if they had arrived in good condition." The government was responsible for the loss, Shortridge maintained, because "had not the Government offered to buy them they would be at home today good as ever." He then asked his congressman to "please write to Secretary Wallace and ask him to pay my son for these pigs? He has a very poor crop and prices are so he has had a hard time to get along on the farm."[16] A farmer from South Dakota also asked the government to pay him for hogs he had intended to sell under the program. Before he could offer his "70 pigs and 13 brood sows" to the government, he had to kill and burn them because of cholera. He promised to furnish proof of his loss if the Department of Agriculture would consider paying for the destroyed hogs.[17]

A farmer from Missouri wanted "to know if your hog program is for the hog raiser or the speculator?" The Missourian maintained that

---

[16] Shortridge to H. J. Sinclair, September 11, 1933, National Archives, R. G. 145. Shortridge also suggested a solution to the farm problem: "why not Blue Eagle the farmer and have him get and pay twenty four dollars for a forty hour week of work. That would greatly reduce production as the big fellow would be hard pressed to make it pay. As it is so far the farmer is bitten by the eagle, stung, by paying much more and still sells for less."

[17] Manly Owen to Wallace, September 12, 1933, National Archives, R. G. 145.

the government was responsible for his loss because "the lack of proper publicity was no fault of mine." In recounting his loss, J. H. Boland wrote:

> We do not take a daily. Only the Weekly Star which comes on Wednesday. We did not know that you were going to have a hog program worked out before Oct 1. We had 81 pigs that we had to sell or feed. . . . a trader of Luton, Mo. came early Wed. morn, Aug 23 and offered $3\frac{1}{2}$¢ but finally gave 4¢ for them. He said he was taking them to his farm at Luton. Instead, he sent them as government hogs to Fowler Packing Company at Kansas City. We had payment on them stopped, but upon the urging of the County Agent Virgil Burke, gave up for an additional $25. That is supposed to have left them $105 profit from the deal.[18]

Thus, it soon became evident that the suggestions that the government might buy hogs had been of more value to the professional traders than to the farmers. This, with a lack of understanding on the part of some farmers about the price schedule, aroused considerable anger among the more impatient producers. William L. Butler of Albany, Missouri accused the government of stealing his 30 pigs when he did not receive as much for them as he had expected. He concluded: "If thats the way the government is going to help the farmer let the farmer help himself and leave the government out of it."[19] This sentiment was best expressed perhaps by August Dahme who insisted that "the new deal of our government does not work for us farmers."[20]

Bitterness over the activity of the speculators increased

---

[18] Boland to Wallace, August, no date, 1933, National Archives, R. G. 145.

[19] Butler to Wallace, August 28, 1933, National Archives, R. G. 145.

[20] Dahme to Wallace, August 26, 1933, National Archives, R. G. 145.

tremendously after the initiation of the pig permit system. A County Club Agent from Ohio, Lyman F. Baker, warned that "considerable sentiment against the hog administration" was being created by the activity of the speculators. Although farmers could not secure any shipping permits, "local stock dealers" were able to sell "all the pigs they wanted."[21] The postmaster from Fulton, South Dakota reported that "your program for buying up the surplus pigs in this country has been a decided flop, insofar as the individual farmer is concerned." "The local hog dealers," he continued, "have usurped the market to such an extent that farmers . . . have been unable to market their pigs." Although the local packing house claimed that it could handle no more pigs, he added, "the local hog buyer . . . is running an add [sic] in the Mitchell Daily, saying that he can handle from 1000 to 1500 pigs per day, under the 'government pig deal' until further notice." The postmaster, in his own expressive language, concluded: "Now then there must be a nigger in the woodpile somewhere, if he can dispose of these pigs and the man who raised them, cannot. On these pigs he is taking a toll of $1.00 per hundred below the Chicago market, making a clean up of $1.00 per hundred that should go to the man who raised these pigs."[22] On August 27 J. S. Russell stated that "some of the Iowa packers already have started to bar purchases from speculators." He added that reports from northwestern Iowa revealed "that speculators

---

[21] Baker to A. G. Black, September 14, 1933, National Archives, R. G. 145.

[22] Leon W. Kreidler to Wallace, September 2, 1933, National Archives, R. G. 145.

have bought as many as 500 to 1,500 pigs each from farmers in Iowa and South Dakota."[23] By the middle of September constituents were asking their federal representatives to apply pressure on the Department of Agriculture. After one of his voters complained to Senator T. P. Gore of Oklahoma that he could not secure a permit and that speculators were buying pigs at $1 each and selling them to the government for $2.25 to $6 each, the Senator vehemently protested to Wallace. There were grounds to "debate this whole policy of murdering pigs," stated Gore:

> but certainly if the Government is going to buy up these hogs and the taxpayers are going to pay twice what they are worth, the farmer who owns the pigs ought to get the benefits of the bounty or subsidy and not the speculators.
>
> You will pardon my language if I seem rather earnest and I feel that I ought to add that I do not think that the butchery of these pigs is as bad as the slaying of Rachel's children by Herod of Old.[24]

Neither Wallace nor anyone connected with the slaughter program could be expected to appreciate Gore's humor.

The permit system for shipping pigs had wrought order out of chaos, but it had also brought new and perhaps more serious problems. The supplementary permit regulations announced on September 1 did not end the complaints about unfair allotment of shipping permits. Instead, angry reports, especially from South Dakota and Oklahoma, continued to overflow the mailbags of the Department of Agriculture. Individual farmers or farm cooperative groups found the quotas full and no permits

---

[23] J. S. Russell, "Further Hog Buying Changes are Considered," Des Moines Register, August 27, 1933, p. 2.

[24] Gore to Wallace, September 14, 1933, National Archives, R. G. 145.

available, but professional traders and buyers could apparently obtain permits at will to sell any number of pigs.

During the first three weeks of the purchase campaign, all complaints about speculator activity were answered with a form letter. Farmers were told that the Corn-Hog Committee of Twenty-five had recommended the program, and the Department had announced on August 1 that a purchase program was under consideration. Farmers had been advised on several occasions during the first half of August to hold their hogs. Therefore, nothing could be done to rectify the situation.[25] When speculator activity continued in spite of the order that only "original owners" be given shipping permits, the government was forced to take more positive action.

On September 16 Director A. G. Black issued additional permit directives. "It has come to our attention," he said, "that in many cases preference is being shown to buyers and speculators. . . . May I urge you to give special consideration to original owners" in the future, he concluded.[26] At the same time a study was made by the Legal Division which concluded that there was nothing in the contracts made with, or early instructions to, the packers requiring them to purchase only from original owners holding permits.[27] Perhaps this prevented the AAA from taking a stronger position on the handling of permits and

---

[25] Claude R. Wickard to John Madden and Others, August 31, 1933, National Archives, R. G. 145.

[26] Black to John Agar, September 16, 1933, National Archives, R. G. 145.

[27] Nathan Witt to James Frank, September 18, 1933, National Archives, R. G. 145.

the activity of the speculators. For, the activity continued and with the approaching end of government buying the ire of farmers intensified.

An Oklahoma farmer wired Secretary Wallace on September 20 that farmers were "protesting rotten deal in pig buying." The "Oklahoma City stock yards traders," he insisted, were "getting seventy-five percent of permits," while "farmers no chance to sell, please give this your attention, unable to get permit since start, hundreds likewise."[28] On September 21 Black replied: "All pigs purchased for government at Oklahoma City Monday and Tuesday will be from actual producers who have not previously sold pigs not more than twenty from individuals on these days permits to be issued through county farm agents."[29] Such orders came late and a definite ill will lingered in Oklahoma. Four days later Ralph Magill of Custer City, Oklahoma, wrote Wallace "to try to find out" why farmers could not get shipping permits. He complained:

> I called the county agent at Arapaho the County Seat on August 29, and he advised me to write to a commission company at Oklahoma City and ask for a permit, and I did that the same day. I have been trying ever since. I called the county agent last Friday, Sept. 22, and listed my pigs with him; he said he had 3500 head listed and could only get permits for 200 head, and while in his office a man from another part of the country told me he did not know of a single farmer getting a permit, but he knew of one speculator who had bought from farmers and got permits and shipped 1000 head; another man told me he had a friend in Oklahoma City who had bought pigs from farmers and sold them to the Government and cleared $24,000. What we want to do is find out if this is farm relief or speculator relief. One speculator of Custer City sold 100 head one day last week, 25 in his name, 25 in his wife's name, 25 in his son's name and

---

[28] W. H. Catterall to Wallace, September 20, 1933, National Archives, R. G. 145.

[29] Black to W. H. Catterall, September 21, 1933, National Archives, R. G. 145.

25 in his brother-in-law's name.[30]

At least two farmers reported that speculators bought their hogs while representing themselves as government agents. R. L. Carpenter of Arkansas sold seven pigs and received only $2.10 in payment. This meant that he had been paid less than one cent per pound instead of the expected 8½ cents. Carpenter protested that he could not "think that this is part of the 'new deal,' and that you will sanction such treatment by your appointed representatives."[31] To a similar protest, Black replied that the program had "no provision for such instances," but he hoped action already taken by the AAA would prevent any repetition.[32] One of the most flagrant violations of at least the spirit of the emergency program was reported by L. W. Burton of Joplin, Missouri. Burton asked:

> Would it be a violation to have shipped pigs to the Government for process purpose, putting on names of people that do not exist, having the Government to O.K. same and checks returned by proper authorities to these factitous [sic] names, same being sent back through the mails for collection after the Government had acquired the names and post office address.
>
> . . . .
>
> I handled the case, and the party represented that the pigs were direct from the owners and the Government required me to furnish names and addresses of these owners, which in some cases the owners did not exist. The man that I did business with forged owners names and allso [sic] forged endorsements on checks to get the money.[33]

---

[30] Magill to Wallace, September 25, 1933, National Archives, R. G. 145.

[31] Carpenter to Wallace, October 9, 1933, National Archives, R. G. 145.

[32] Black to James Ingalls, September 13, 1933, National Archives, R. G. 145.

[33] Burton to Corn and Hogs Section Production Division, October 16, 1933, National Archives, R. G. 145.

Apparently Burton had been frightened by federal investigators checking just such activity as he reported. The tragedy of the purchase program was the betrayal of the spirit of the relief measure.

D. P. Trent, Director of Extension Service at Stillwater, Oklahoma, later attacked the whole permit-quota system. He was very critical of turning the permit system over to the American Institute of Meat Packers. According to Trent commission firms in Oklahoma City split the quota on the percentage each handled in 1932. Each firm then took care of its best customers and contended that that was what they should do. He also believed, without definite proof, that the commission firms sent truckers into the country to buy up hogs and then split the profits with the truckers. Trent further reported that one man from eastern Oklahoma had sold over 9,000 pigs in Kansas City, St. Louis and Chicago, which he had purchased for as little as 50 cents each.[34]

In expressing a not unique reaction to the handling of the pig purchase campaign, T. M. Kirk directed his bitter resentment at both the purchase program and Secretary Wallace and promised political retaliation. He wrote to Senator Elmer Thomas of Oklahoma:

> This Pig Deal is benefitting the traders, Com. Houses, and packers. Maybe they need and are as much entitled to Government Aid as the farmers are but I be d- - - if they should get it and charge it to the Farmers.
>
> But what else could you expect of a man in Sec. Wallace's position. He run a paper for a living and will continue to do so when Pres. Rosevelt [sic] has passed out the door that Hoover took and Wallace knows that the Packers and Com Men

---

[34] Trent to C. W. Warbuton, October 5, 1933, National Archives, R. G. 145.

advertise with their friends. He is looking after his own future, and I dont blame Him. He was not elected by the people. I blame the President who appointed and is keeping him in office and the Congress who gave him the authority and money to pull such deals.

And Sen. don't you think for a minute that this stuff is fooling very many of the farmers. We know that Wallace is not the farmers friend.

. . . .

In fact Senator, the Pig Deal makes the Infamous Tea Pot Dome Oil deal smell like a bed of roses. Even Pres. Rosevelt's great popularity is not going to stand many such jolts, and believe me the Congressmen who continues to support Wallace will have some tall explaining to do when he faces the farmers at the next election.[35]

Extent of the speculator activity has never been determined. Impatient and complaining farmers quite probably exaggerated. Paul H. Appleby, assistant to the Secretary of Agriculture, admitted that "to an extent" speculator activity "seemed to defeat the purpose of the emergency hog marketing program in that it was planned to give the producer a reasonable price for his animals in return for his cooperation in the plan."[36] If the report of Mrs. Guy Bensoof, secretary of an investigating committee for Grant County, South Dakota, was accurate and can be taken as typical, farmers lost a considerable part of their rightful bounty to the speculator. Mrs. Bensoof reported that she had one hundred verifiable affidavits on file which totaled a loss to Grant County farmers approximating $15,000.[37] By the third week of September

---

[35] Kirk to Thomas, September 17, 1933, National Archives, R. G. 145.

[36] Appleby to Kermith S. Huehn, September 25, 1933, National Archives, R. G. 145.

[37] Mrs. Guy Bensoof to A. G. Black, October 25, 1933, National Archives, R. G. 145.

government investigators were in the field checking on the complaints of farmers.[38] A few were actually prosecuted for their profit making.[39] This most difficult procedural problem could have been prevented with only a little care.

In the July 25 meeting of the Corn-Hog Committee the need to prevent speculators taking advantage of the purchases had been discussed.[40] When purchases began, however, there was no apparent attempt to make sure that the original owners alone benefited from the program. When the permit system was developed, though reports of speculator activity were already arriving, no attempt was made to control the giving of permits. The only concern was regulating the flow to market. Not until September 1 did Department officials make any effort to prevent or control the granting of shipping permits and that proved ineffectual. Although most permit committees endeavored to fulfill their duties honestly, some were blatantly unfair in their allotments. It was the middle of September before Corn-Hog Section officials made a determined effort to ensure that only original owners profited from the program.

Although the activity of speculators was a delicate and embar-

---

[38] A. G. Black to George W. Evans, September 22, 1933, National Archives, R. G. 145.

[39] The federal district court in northern Oklahoma declared in November 1935 that those who sold false permits and in other ways ignored the rules of the Emergency Hog Program had not violated any law. The federal judge ruled that rules made by Wallace or his underlings did not amount to law. Transcript of Remarks of Federal Judge in U. S. vs. Fred Hartley and others, National Archives, R. G. 16.

[40] National Corn-Hog Committee Meeting, Chicago, July 25, 1933, National Archives, R. G. 145.

rassing problem, it was not as serious a challenge to the success of the whole emergency program as the refusal of farmers to sell their bred sows. From the very start it was obvious that producers were hesitant about disposing of this class of hogs. On the first day of buying 29,500 pigs and only 800 sows were purchased.[41] On the second day, the proportion of pigs to sows was even greater, 95,000 to 1,500. Evidently, officials were puzzled by these results, as "no one could suggest a reason for the farmers' delay in shipping in their piggy sows."[42] The major deterrent to the sow campaign was the comparatively low price offered. The small bonus and falling sow prices made the sow offer far less attractive than the price paid for pigs.[43] Possibly a higher bonus on sows would have resulted in a more rewarding campaign. When A. G. Black first recommended the emergency sow bonus, he felt that "probably a payment of $10 per sow" would be "necessary to secure the marketing of a sufficient number."[44] During the July 25 meeting of the Corn-Hog Committee, a $5 bonus had been considered. By the meeting on August 10, however, the bonus had been set at $4, and the Administration consistently refused to increase the amount.

Other hindrances to a successful sow removal campaign existed. Complaints poured in about the "close inspection" given to the sows by

---

[41] Des Moines Register, August 24, 1933, Section A, 9.

[42] Ibid., August 25, 1933, Section A, 10.

[43] FitzGerald, Corn and Hogs. FitzGerald gives a full discussion of the difference in attractiveness between the pig and sow prices.

[44] Black: Memorandum for Chester C. Davis, July 13, 1933, National Archives, R. G. 145.

government inspectors. Farmers insisted that inspectors were turning down obviously piggy sows. During the early weeks of the purchases, twice as many sows were offered to the government as were accepted for the bonus, insisted C. E. Blomquist, manager of the hog department of Martin, Blomquist and Lee Commission Company. "The Inspectors," Blomquist continued, "have been very particular and our firm . . . [is] daily receiving complaints on account of the close inspection of these sows. All of them must show very close up."[45] When the inspectors turned down sows for government purchase, the farmer was forced to sell the sows to the packer at the regular market price or take them home with little prospect of improved prices. Not only did the price on sows go down during the campaign but also the processors usually docked the sows for being piggy.[46] Farmers who had this sales experience felt "that they had been tricked into something and that their sows had been practically stolen from them," said Lyman F. Baker of Ohio. Word soon spread and other farmers were afraid to sell their sows. Baker also warned that "these kind of tactics, if permitted to continue on the markets, will soon ruin any plan which the Agricultural Adjustment Administration may devise to help the farmer."[47]

Hog producers could be just as harsh in their complaints about the handling of the sow program as about the pig permit system. One

---

[45] Blomquist to A. G. Black, September 11, 1933, National Archives, R. G. 145.

[46] Howard Babcock to Wallace, September 11, 1933, National Archives, R. G. 145.

[47] Baker to A. G. Black, September 14, 1933, National Archives, R. G. 145.

wrote Wallace that he had sold three sows in Cincinnati, but he had not received the bonus. He continued:

> What I want to know is why I am not intitled to my bonus of 4 dollars apiece according to your agreement. Your buyer at Cincinnati must be doing crooked business or else you are gettin money under false pretenses and using the mail to defraud. You know what would be the consequences if I done business with Uncle Sam on these terms. If you expect the farmers to cooperate with you you ought to at least cooperate with them.[48]

Farmers tried to cooperate with the government, suggesting changes in the program.

Some farmers blamed the poor response to the brood sow offer on the rather high weight minimum. Each tended to suggest the minimum be set at whatever level his sows weighed. L. J. Calkins of Missouri recommended that the program be changed "to pay a bonus on all piggy sows from-say 150 lbs up according to weight same as on pigs."[49] Others suggested offering a higher premium to encourage marketing.

In response to the poor reception and to recommended changes, agricultural officials made an attempt to increase the number of sows being sold. On September 2 the weight minimum was reduced to 240 pounds, but, in spite of continued requests, it was not lowered any further. Early in the campaign Chester Davis admitted consideration of a boost in the sow bonus "because farmers are not offering enough sows."[50] But the Administration decided against any increase in the

---

[48] Kenneth Thomas to Wallace, September 18, 1933, National Archives, R. G. 145.

[49] Calkins to Clarence Cannon, August 30, 1933, National Archives, R. G. 145.

[50] <u>Des Moines Register</u>, August 29, 1933, p. 5.

bonus, indicating that it would be unfair to those farmers who had already sold.[51] Some pressure was also applied to the inspectors of the Bureau of Animal Industry to make them more lenient in approving piggy sows.[52] Nevertheless, farmers continued to hold back their sows.

Secretary Wallace suggested that sows were not being sold because "farmers like to speculate on the future." Farmers, he said, "have faith in this program" and are holding their sows for a rise in hog prices.[53] The refusal to sell brood sows, to a degree at least, was based on the idea that the pig purchase program would be repeated, and farmers felt that they needed the raw materials on hand to be ready to participate in the next purchase program. Clifford Gregory, member of the Committee of Twenty-five, stated on September 13 "that not one farmer in 40 believed that the Administration would not embark within a few months on another pig purchasing campaign." Farmers, he added, were getting "ready for it by breeding an extra number of pigs."[54] One week later Gregory agreed with Black that the farmers had not cooperated with the Administration in the emergency program.[55] There were other factors which also caused farmers to hold back their sows. Many producers probably hesitated to get rid of perhaps their

---

[51] AAA Press Release, No. 521-540, National Archives, R. G. 16.

[52] A. G. Black to J. B. Alexander, September 15, 1933, National Archives, R. G. 145.

[53] Des Moines Register, August 29, 1933, p. 5.

[54] Notes, Sub-Committee of Twenty-five, Meeting, Chicago, September 13, 1933, National Archives, R. G. 145.

[55] Notes, Sub-Committee of Twenty-five, Meeting, Chicago, September 20, 1933, National Archives, R. G. 145.

only brood sow. Moreover, not all farmers bred sows for fall farrowing and, thus, had none available for sale.

Although every possible facility was utilized to warn farmers that the program would not be repeated, the sow purchase campaign never got off the starting block. Typical of the attempts to convince producers that the purchase project would not be renewed was an editorial in Wallaces' Farmer, which stated:

> Perhaps the silliest comment made on the emergency hog program is that of the stockyards man who said: "Farmers won't sell their brood sows. They will keep them at home to raise more pigs to sell to the government at twice the market price."
>
> Every one ought to have sense enough to know that this offer on pigs and brood sows won't be repeated. When the marketing period ends, October 1, the offer will never be made again.
>
> It is an emergency program that will help now, but that wouldn't be of any use if there were the slightest chance that it would be repeated. It won't be. The rules on this emergency program were fixed so that nobody could beat the game. Nobody will have a chance to breed sows now and sell them as piggy sows before October 1. Nobody will be able to hold brood sows, let them farrow, and get pigs up to the 25-pound minimum by October 1. There isn't time.
>
> We hope that no farmer who needs the money from this bonus on pigs and piggy sows will cheat himself out of the premium by trying to beat the game by some trick. It can't be done.[56]

Such advice had little effect on the producers, however. Not even warnings from Secretary Wallace that the whole program was endangered had any apparent influence. Early in September the Secretary warned that his estimate of a hog price rise of 25 to 30 per cent could be realized only if the one million sows were sold. If the farmers held back, the benefits would be hardly one-half of the estimate. Producers who

---

[56]"Hog Offer Will Not be Made Again," editorial, Wallaces' Farmer, LVIII (September 2, 1933), 5.

refused to cooperate, he admonished, "are hurting themselves as well as their neighbors."[57]

The small receipt of brood sows enabled the AAA better to meet the drought problem. It became apparent quite early in the campaign that farmers wanted to sell many more pigs than had been anticipated. This desire could be partially laid to the good price being paid, but the basic reason was the drought and bad feed prospects. On the same day that the program was announced, Secretary Wallace received a telegram suggesting that the drought areas be given special preference in the hog purchases. Because the drought-stricken farmers had "no corn, no small grain /and the/ pigs are starving," they deserved special consideration.[58] Charles H. J. Mitchell of the Evening Huronite of Huron, South Dakota, also asked that special attention be given to the drought-stricken regions. Many farmers, he said, had already been forced to sell their hogs, with "approximately 75%" of the smaller hogs in his region already sold. Mitchell concluded that "it is rather tragic but nevertheless true that farmers in this territory actually sold small pigs at .05¢ a head."[59] The Administration proved sympathetic to these appeals. W. R. Ronald, editor of the Evening Republican at Mitchell, South Dakota, reported that one day after he called Director Black to report the drought conditions in his district the local abattoir began

---

[57]Press Release, No. 541-560, September 7, 1933, National Archives, R. G. 145.

[58]J. C. Foote to Wallace, August 18, 1933, National Archives, R. G. 145.

[59]Mitchell to Paul H. Appleby, August 24, 1933, National Archives, R. G. 145.

purchasing pigs.[60] With pleas for additional purchases and continuation of the program pouring in from the drought areas, supplementary pig quotas were approved during the first week of September. Additional allocations of pigs were made on September 6, 7, 8, 12, and 15, with "particular attention" being given to the drought regions.[61] On September 16 the AAA announced that the number of pigs purchased by the government might reach 5.9 million.[62] On the same day Black wired John Agar of the Agar Packing and Provision Company of Chicago that the "reason for extending pig quotas" was to help the farmers in drought areas, and he urged that special attention be given such farmers.[63]

The Department of Agriculture refused, however, to extend the time limit for purchases. Black wrote Marvin Jones, representative from Texas, that it would "be impossible . . . to continue the emergency hog marketing program after September 29."[64] In a reply to a request for continuation of buying from Governor Tom Berry of South Dakota, Wallace said that "after a survey of the drought areas, additional purchases may be arranged, purely as a matter of drought relief."[65] Actually, one

---

[60] Editorial, Evening Republican, August, no date, 1933, National Archives, R. G. 145.

[61] C. C. Davis to Marvin Jones, September 16, 1933, National Archives, R. G. 145.

[62] AAA Press Release, No. 631-34, National Archives, R. G. 16.

[63] Black to Agar, September 16, 1933, National Archives, R. G. 145.

[64] Black to Jones, September 16, 1933, National Archives, R. G. 145.

[65] Wallace to Berry, October 5, 1933, National Archives, R. G. 145.

Texas packer did receive permission to process 4,000 pigs in the first week of October.[66] Even without an extension of the purchase period, drought conditions and the holding back of sows led to the purchase of more than two million young hogs above the anticipated four million.

Another procedural issue which developed to worry the Administration was the role of packers and commission firms in the emergency program. Because the processing industry was not too enthusiastic about the whole project, some concern existed from the very beginning as to whether or not the processors would cooperate. During the early days of the campaign, about the only problem with the packers was the demand of so many small companies to participate.[67] Before long, however, complaints about commission charges, refusal of packers to co-operate and excessive profits for the processors began to arrive.

C. A. Randall attacked the commission men for charging the same to handle a pig as a full grown hog.[68] Replying for the Administration, Claude R. Wickard said that commission charges came under the Packers and Stockyards Act and the Department could not interfere.[69] Others demanded to know why the government pigs had to go through the hands of commission men.[70] To this, the Administration could only answer that

---

[66] FitzGerald, Corn and Hogs, 35.

[67] L. P. Buchanan to Wallace, August 25, 1933, National Archives, R. G. 145.

[68] Randall to Wallace, August 28, 1933, National Archives, R. G. 145.

[69] Wickard, September 1, 1933, National Archives, R. G. 145.

[70] Ray E. Shull to Arthur Capper, October 23, 1933, National Archives, R. G. 145.

plans intended for the purchases to be handled in the normal fashion.

Serious charges were thrown at the packers. Some packers, critics said, refused to cooperate with the purchase program, and others were making too much money out of the project. Early in September J. F. Porter, President of the Tennessee Farm Bureau, reported that the packing house at Nashville was "holding out on the pig program."[71] The Oklahoma Farmer-Stockman insisted "the delay and uncertainty in buying pigs at Oklahoma City and other southern markets" came from the lack of cooperation of the packers. "No one is to blame but them," editor Clarence Roberts added, for "they could have run at maximum capacity every day from August 15 to October 1 if they had only made formal request for the necessary allocation of pigs." Instead, from the very first, Roberts continued:

> . . . the packers at Oklahoma City seemed opposed to the plan. Word first went out that pigs would not be bought at Oklahoma City. The order was changed. For the first few days all the pigs were bought that could be forced through the tanks. Then followed a policy of delay in announcement of quotas. Runs were cut down to 2,000 per day, much less than half of plant capacity.
>
> When I arrived in Washington on September 14 and called to the attention of Dr. A. G. Black the situation at Oklahoma City he was surprised to learn that pigs were not being bought and handled at capacity. He at once got busy and quotas were increased.
>
> The way the deal worked out in the southwest, the man who tried to play fair and cooperate got the worst of it. . . .
>
> Speculators who rushed to the country to buy up pigs before word of the plan got around to farmers skimmed the cream from the whole deal. It is alleged that some of the commission firms bought pigs direct or on order for themselves; also that they

---

[71] Paul H. Appleby: Memorandum on J. F. Porter Call to Glen F. McHugh, National Archives, R. G. 145.

gave preference to speculators in issuing permits to ship pigs.[72]

Some of the complaints of this nature were unjustified in that government allocations were simply insufficient to meet the demand for permits. Some packers, those at Oklahoma City for example, refused to give full cooperation to the program. Although AAA officials pressured some packers to work at full capacity and to give permits to farmers rather than country buyers, they expressed satisfaction with the cooperation of processors in the project. G. C. Shepard, Chief of the Meat Processing Section, reported an "unfavorable experience" with only one packer and that with the processing end of the program.[73] Shepard also refuted the charge that packers were getting rich off the emergency purchases.

The packing industry, some critics claimed, "got most of the benefit" from the purchase program.[74] G. C. Shepard, however, maintained that he did not see how the packers had "made any profit" from the processing of the government purchases. It was an advantage, he said, for both the government and packers that the project took place when regular processing activities were limited. The program, thus, kept the plants busy and allowed the packers to keep their laborers employed. But, as for packers profiting from the program, Shepard insisted: "I do not consider that any of the charges made in these

---

[72] Oklahoma Farmer-Stockman, XLVI (October 1, 1933), 6.

[73] Shepard: Memorandum for General W. I. Westervelt, October 9, 1933, National Archives, R. G. 145.

[74] W. Warren Morton to Henry A. Wallace, September 28, 1933, National Archives, R. G. 145.

contracts would permit of any profit other than an infinitesimal one being made."[75] J. Holmes of Swift and Company also denied that the packing companies "got rich off the Emergency Program." Holmes suggested that with the additional expenses and problems the packers probably lost money.[76] By defending the processors AAA officials were also defending their decision to handle the matter in this fashion. Undoubtedly, Administration desire for packer cooperation in future programs further influenced its attitude toward complaints about the packers.

Obviously most of the dissatisfaction about the operation of the government purchase project could have been avoided with only a little careful planning and a few modest changes. Instead, the Administration was stampeded by the idea of urgency. Government planners seemed to consider the necessity of getting money to hog producers so important that the methods of doing so were of little consequence. Apparently AAA officials believed that if money were provided their task was achieved and the troublesome details would solve themselves. As a consequence, speculators profited at the expense of farmers and to the detriment of the reputation of the AAA. Also, the long range goal of the program was not achieved. Lessons of the Emergency Hog Marketing Program proved very useful to the AAA leaders, and these rather expensive experiences were applied in planning similar projects which followed.

---

[75] Shepard to W. I. Westervelt, September 26, 1933, National Archives, R. G. 145.

[76] Holmes to S. W. Lund, October 18, 1933, Archives, U. S. Department of Agriculture, Building.

CHAPTER IV

ATTACKS AGAINST THE WANTON WASTE OF FOOD; GOVERNMENT SLAUGHTER OF LITTLE PIGS AND PIGGY SOWS

Although criticism of the operation of the Emergency Hog Marketing Program was harsh at times, a more vociferous outcry came against the nature of the project. People ranging from humanitarians to the lunatic fringe assaulted the killing of helpless pigs, the slaughter of expectant mothers and the floating of dead pigs down the rivers. Some warned that the unnatural act would bring down the wrath of a vengeful God upon a sinful nation. The philosophy of controlling production to aid the farmer was attacked in protests against the waste of food, the attempt to achieve farm prosperity through starving the consumer into paying higher prices, and the killing of sows at a time when many farmers were without sows to produce pork. While Secretary Wallace expected difficulty, the furor created by the purchase program probably exceeded even his expectations.

Protests developed even before the official announcement of the slaughter project. On August 11 "an admirer" wrote President Franklin D. Roosevelt expressing his fear of the food reduction policy and warning of its possible consequences. Nature, suggested J. W. Bulger, served adequately to eliminate food. "Hunger and revolution," he warned, "are neighbors." With "hungry men . . . a menace to our great nation," Bulger objected to the government destruction of food.[1] On the same day Frank Moher expressed his astonishment that the United States would ever consider following such a policy. "You cannot starve people," Moher admonished Secretary Wallace, "into paying higher prices for food commodities if they do not have money to buy."[2] These early complaints were only an advance sample of what was to come.

Carl F. Fiedler, writing to Secretary of Interior Harold L. Ickes, introduced the more extreme type of criticism. "Any one seriously advocating such a scheme," Fiedler suggested, "should in the critics humble opinion be examined pronto for 'bats in the belfry' and sentenced to slow starvation."[3]

After Secretary Wallace announced the purchase program on August 18, opposition to the scheme became even more intense. The great corn-hog growing state of Iowa, home of both Wallace and Corn-Hog Section leader A. G. Black, developed as a center of protest. Two critical Iowans claimed to represent the consensus of opinion in that state. "General opinion of the people of Iowa," John R. Young told President Roosevelt, "is that the man who conceived the idea of slaughtering our unborn pigs should be put into the insane asylum and that the man who puts that idea into effect is a criminal who should

---

[1]Bulger to Roosevelt, August 11, 1933, National Archives, R. G. 145.

[2]Moher to Wallace, August 11, 1933, National Archives, R. G. 145.

[3]Fiedler to Ickes, August 14, 1933, National Archives, R. G. 145.

be put in the penitentiary for the rest of his life."[4] The basis of the Young protest was his fear that the hog reduction would hurt the corn market, and he was raising a "big crop of corn." Congressman Edward C. Eicher of Iowa also objected to the emergency purchase. The "concensus [sic] of opinion" about the project, Eicher informed A. G. Black, is that the purchase plan "will not bring results, and that it will prove to be another expensive experiment."[5] Although their claim to represent the consensus of opinion was based largely on fertile imaginations, it cannot be denied that Young and Eicher spoke for a large segment of the population. Protests of this type contained more validity than fear of divine retaliation. These critics, many of them without realizing it, were simply refuting the theory of reducing output to raise farm prices. Whether the protest was couched in the humanitarian terms of wasting food while thousands were hungry or in the more selfish considerations of destroying the corn market or raising consumer prices, the central issue was that of control over production.

A clear expression of opposition to the control theory came from Clarence Darrow, who objected: "Kill little pigs and throw them out on the prairies to decay while millions are hungry." Knowledge of political economy revealed, Darrow insisted, "that scarcity is undesirable; that paying farmers not to work, to cut crops, to boost prices is nonsense." The question of production had been solved, Darrow continued:

---

[4] Young to Roosevelt, August 20, 1933, National Archives, R. G. 145.

[5] Eicher to Black, August 22, 1933, National Archives, R. G. 145.

"We can make everyone rich if some are not too greedy. We must learn to get a fairer distribution of wealth. We don't want less. We want more. The problem is not overproduction. . . ."[6]

The most bitter tirades against the purchase plan came over the wanton squandering of food and the expected increase of prices. From Indiana came a most telling appeal to President Roosevelt. After asking the President for "one minute of your time which is so valuable to us," C. G. Ganett continued:

> I am coming to you pleading for the tiny pigs that are about to be destroyed without tasting but little if any hard food, while thousands of people in this section hardly know what pork taste [sic] like.
>
> There are thousands of homes that are cooking green vegetables without the seasoning of grease or meat.
>
> It is surprising to know how many small farmers, in the small farm sections of the country that have not a single pig to be fed for met [sic] this year and no funds to buy with.
> . . . .
> How the pigs would help us if we could only get them to feed and kill, if only two thirds of the people who are without meat could get [sic] this winter and the coming summer there would be but little surplus. Never before have I written a line to the President of our country or even had the slightest idea that he would take the time to consider a few lines from one who had only pledged a single vote, but in this case I am only asking our leader to consider sparing the flesh and food that nature has given us.

Ganett denied that there was a true surplus. "The over surplus," he insisted, "has been brought about by the people being unable to buy what they need."[7] With a family of seven and no money to buy livestock for his 144 mortgaged acres, Ganett hinted at something which others

---

[6] New York Times, July 15, 1934, p. 5.

[7] Ganett to Roosevelt, August 26, 1933, National Archives, R. G. 145.

openly advocated. If the government intended to buy millions of hogs, many felt the hogs should be distributed to those farmers who had none of their own.

D. P. Trent insisted that a distribution of live hogs to needy farmers would be no more expensive than the slaughter project. "I cannot quite become enthusiastic," Trent stated, "over the slaughtering of thousands of brood sows and gilts in this state when there are so many farm families which have no hogs whatever, and which do without meat most of the year. . . ." "Fundamentally," he continued, "there is not a surplus of hogs on the farms of Oklahoma as long as the children in 50,000 or 60,000 farm homes of the state are hungry for meat most of the year."[8] F. C. Jordan of the Farmer's Educational and Cooperative Union of America requested that some of the pigs be turned over to his Cornville, Arizona, local of the Union rather than being slaughtered.[9] The President of the American Association for China Famine and Flood Relief suggested that the young pigs be allowed "to grow up" and then used as food for China.[10] Most critics, however, simply objected to the wastefulness of the program.

A Frankfort, Indiana, resident wired President Roosevelt his objection to the tankage of "ninety percent of the pigs." "We protest," Claude E. Thompson said, "this action as being unamerican in principle

---

[8] Trent to Henry A. Wallace, August 23, 1933, National Archives, R. G. 145.

[9] Jordan to Henry A. Wallace, September 6, 1933, National Archives, R. G. 145.

[10] Wirt W. Hallam to George N. Peek, September 12, 1933, National Archives, R. G. 145.

in view of the fact that we have thousands upon thousands of undernourished men women and children in this country today who are unable to procure even a bite of meat." After urging distribution "of every pig fit" for food to the hungry, Thompson continued, "there are enough of the latter in this country to consume every pound of this meat without interfering with the regular meat business." This action, he insisted, would accomplish the goal of the Department and, at the same time, would "raise the physical and mental condition of the unemployed and rally the country as a whole to support the basic principles upon which this great nation of ours was founded."[11] As reports of the waste of hogs grew and were exaggerated, demands increased to use the meat for relief purposes. "More than fifty-six thousand small pigs are being destroyed and wasted in Cleveland this month," Mayor Ray T. Miller wired Wallace on September 2. "This meat," Miller continued, "totalling nearly three million pounds should be used to feed Cleveland's thousands of hungry families."[12] The squandering of food was also attacked by the Secretary-Manager of the Kansas Retail Grocers Association, who protested: "Public opinion does not seem to be in favor of such activities . . . in as much as there are some six thousand families in this city [Kansas City] out of work, they cannot conceive the idea of destroying food products."[13]

---

[11]Trent to Henry A. Wallace, August 23, 1933, National Archives, R. G. 145.

[12]Miller to Wallace, September 2, 1933, National Archives, R. G. 145.

[13]C. M. Sandstorm to Charles Brand, September 5, 1933, National Archives, R. G. 145.

The public belief that valuable food was being wasted had reverberations on other worthy projects. This caused David Liggett, Manager of the Indianapolis Community Fund, to write Wallace on September 14 that contributors to such organizations as the Community Fund "are wondering why this food stuff cannot be used to advantage instead of being actually burned. If you can give us the answer to this question which will satisfy a number of our important and sizable contributors, I will be very much obliged to you."[14] Complaints about the waste of food were based on the plan to tank all pigs weighing less than 81 pounds. Sows and heavier pigs were processed for relief purposes, but processing equipment would not handle the smaller pigs. Thus it was not feasible to preserve the lighter pigs for food. This, however, caused another tempest. Originally the small pigs were to be converted into fertilizer, grease and other by-products. But the vast number of pigs bought by the government made it impractical to carry out that project.

The Associated Press reported on September 10, 1933, that during the first nine days of buying at the East St. Louis market the government paid out $510,000 for hogs. Of that sum, approximately $332,000 was spent on small pigs which were "thrown away." Of about 100,000 pigs purchased, 75 per cent weighed below 81 pounds and were not processed for food. The tankage facilities of the packers, the article concluded, "were swamped and much meat was thrown into the Mississippi River or carted to dumps."[15] Reports of the bodies of

---

[14] Liggett to Wallace, September 14, 1933, National Archives, R. G. 145.

[15] Kansas City Star, September 10, 1933, enclosure in letter,

young pigs floating down the rivers gained wide circulation after the first of September.

L. W. Leonard, Ottumwa, Iowa, wrote the President attacking the "wanton destruction of underweight pigs." He protested:

> . . . their carcasses first thrown into a vat, then through some kind of pressing contraption, after which the carkas [sic] is passed into a shoot and cast into the river.
> . . . .
> Hundreds are thus disposed of every day there is much comment among the workmen at the plant about the matter. Many of them have approached me about the matter, they are under the impression that it is the order of the government, when they were led to believe that such meats were to be distributed to the needy. I have heard them say it was sickening to see pigs too small for consumption to be disposed of in this manner. . . . men who supported you in the last election say if this is the order of things they are through with the ticket. One man said if he could possibly get another job he would quit immediately on this account, people are fast losing faith in Mr. Wallace. I get many letters from all over the country, and its all the same cry. While reports are being constantly given out that everything is rapidly improving, when every body knows such is not the case. We should have facts, and facts only about everything.[16]

The attitude expressed by Leonard was the typical reaction to the rumors of rather barbaric methods of disposing of unwanted pigs.

The Administration was without doubt responsible for the practice of throwing tankage derived from the light pigs into rivers. Early in the campaign it was decided that there was no need to preserve all of this product. On September 6 G. C. Shepard, Chief of the Meat Processing Section, issued a memorandum which stated:

> Whenever the question is put up to us we are asking processors

---

J. A. Van Voorhis to Henry A. Wallace, September 10, 1933, National Archives, R. G. 145.

[16]Leonard to Roosevelt, September 8, 1933, National Archives, R. G. 145.

> to dispose of the fertilizer tankage in the most economical way. At some points where there is a stream of water adjacent and where this practice is permitted, this tankage is being dumped in the river. . . . We think you are quite safe and well advised in telling anyone who inquires of you to dispose of this fertilizer tankage in the most economical way, and to save the Government any possible handling charges.[17]

Although rumors of pig bodies floating down the river were exaggerated, there can be no doubt that the remains, and in some cases bodies of pigs, were thrown into the rivers.

In spite of his earlier statement, Shepard on September 18 denied the rumors in a telegram to Chester J. Brown saying: "Newspaper reports incorrect. Know of no instance of pigs being thrown in river to reduce surplus. Pigs are purchased for government account by processors who would not be reimbursed for purchase unless government instruction for disposition followed."[18] A few days later Shepard was even more emphatic in his denial of the rumors. Writing to Representative C. V. Parsons, he said:

> In reference to your telephone inquiry as to the truth of rumors being circulated in various newspapers, to the effect that under this emergency pig slaughter campaign pigs were being thrown into the river, burned up and otherwise destroyed, as compared with the ordinary method of slaughter, I wish to say that in my opinion these rumors are absolutely absurd. In the first place these pigs are being bought for the account of the Government. The packer purchasing these pigs acts merely as an agent. In order for him to be refunded for the amount paid for the pigs, he must produce a certificate from an inspector of the Bureau of Animal Industry, to the effect that the pigs were bought, that they were slaughtered and that they were processed in accordance with the instructions furnished by the Government. Otherwise the packer would not be paid for the pigs, or for his

---

[17] Shepard: Memorandum for Dr. U. G. Houck, September 6, 1933, National Archives, R. G. 145.

[18] Shepard to Brown, September 18, 1933, National Archives, R. G. 145.

> services. In the face of this information, the statement that the packer is buying the pigs and throwing them into the river is ridiculous.[19]

A cynic might say that he "doth protest too much," and the cynic would be right. A careful reading of the above letter reveals typical bureaucratic evasions of the issue. In this case Shepard was technically correct, but at the same time he presented a false picture.

The issue of the disposal of the light pigs remained alive throughout the purchase campaign. On September 30 George E. W. Luehrmann of St. Louis told A. G. Black that the "question is still in my mind, why do they take so many of these hogs, kill them, and let them float down the Mississippi River."[20] Black pointed out that light pigs could not be processed and that pigs from the drought areas were "literally . . . skin and bones." These were among the factors, Black said, which forced the AAA "to turn the light weight animals into grease, tankage and fertilizer in order to carry out the demands of the Producers' Committee. However, such statements as floating the dead pigs down the Mississippi River under Federal Orders are untrue."[21] Although the AAA denied any responsibility, it could not escape the blame for disposal of the light pigs in the rivers. Senator Elmer Thomas of Oklahoma wrote Wallace on October 16 that he had heard that at Minneapolis, St. Paul, Sioux City, and St. Joseph after the pigs

---

[19] Shepard to Parsons, September 23, 1933, National Archives, R. G. 145.

[20] Luehrmann to Black, September 30, 1933, National Archives, R. G. 145.

[21] Black to Luehrmann, October 2, 1933, National Archives, R. G. 145.

were slaughtered and the fat removed the residue was then "dumped into the river." If this were true, Thomas stated, "some statement should be made setting forth the facts and whatever action was taken so that the public could be advised prior to the convening of Congress."[22] On this occasion, however, Wallace denied the charge and said that only a certain amount of wet tankage was dumped.

Other critics were more concerned about the influence of the emergency purchase on consumer prices than whether disposal of the little pigs met humanitarian standards. "Imagine the preposterous scheme to deliberately, wantonly, recklessly do away with FIVE MILLION HOGS," Carl L. Fiedler exclaimed, "and make the consumer pay higher prices for pork at a time when TOO MANY of our fellow citizens are almost starving, many cannot afford to buy much if any pork at PRESENT PRICES, to say nothing of still higher prices to be imposed upon all consumers, as above contemplated,--just to aid recovery?" Fiedler added a warning that although "the city may not be able to endure long without PROSPEROUS FARMERS but neither can the farmer long continue to exist when the city dwellers are artificially impoverished, can not buy the crops and products of farm and field."[23] A Texan warned Wallace that the public was afraid of the emergency project. "The people," said W. W. Pearson, Manager of the Little Rock Tent and Awning Company of Greenville, Texas, "are literarly [sic] frightened to death at this move. People look at

---

[22] Thomas to Wallace, October 16, 1933, National Archives, R. G. 145.

[23] Fiedler to Harold L. Ickes, August 14, 1933, National Archives, R. G. 145.

this move as a crazy and foolish undertaking, one that will cause a great hardship on the buying public of the nation."[24] Similar attacks continued long after the purchase campaign ended. At a political rally in November 1934 Mrs. Hannah Durham, ex-vice chairman of the Republican State Committee of Pennsylvania, attacked the reduction program and, in passing, took a nasty swipe at Secretary Wallace. "Pork chops," Mrs. Durham raged, "are 10 cents higher than they were last year--and that 10 cents didn't go to the farmers, it went to those who killed the hogs and plowed crops under. I've heard it said," she continued, "'it's a good thing the Dionne quintuplets weren't born in the United States--or Henry Wallace would have plowed one of them under.'"[25]

Although most of the objections to the nature of the hog program centered around the general proposition of the waste of food, the disposal of light pigs and the attempt to raise prices, a number of other protests appeared. Some hog farmers felt that they were being discriminated against. One wrote Wallace that thousands of farmers had finished hogs but no pigs and asked "how can we exist with such discrimination."[26] Ross E. Peabody of Illinois also felt that some hog growers were "being penalized," but "we are for you," he told Wallace, and "are willing to cooperate, and greatly appreciate your efforts, and the sacrifice you are making for the good of the American farmers."[27]

---

[24] Pearson to Wallace, August 25, 1933, National Archives, R. G. 145.

[25] New York Times, November 4, 1934, II, 1.

[26] J. T. Stone to Wallace, August 30, 1933, National Archives, R. G. 145.

[27] Peabody to Wallace, August 30, 1933, National Archives, R. G. 145.

Some of the more sensitive objected to the program on basically humanitarian grounds. After Miss Elizabeth Thorsen of Minneapolis heard of the sow purchase program, she protested to Wallace: "Personally, I think it inhumane. Many pigs will be born enroute to market. There will be a great waste and waste never got anyone anywhere. What I protest is for sows to be shipped in that condition."[28] W. E. Behring of Nebraska also considered the slaughter program wrong. "Destroying pig life," he said, "sure is wicked. Destroying Prospect Mothers Pig [sic] life is bad."[29] James L. Houston of Nebraska was critical of Wallace and the project for another reason:

> I don't think that if your father was living he would want to give piggy sow meat to the poor of the country to eat. . . .
>
> No animal that has been bred and is two months with pig or calf is healthy meat--only profiteering farmers breed sows to fatten and market. Do you want your wife or children or yourself to eat piggy sow meat? The whole thing is wrong. . . .
>
> The wage earner or man or woman out of employment should eat pure, healthy meat--not sow who will soon farrow. Consult the leading physicians and you will find I am right--the health department should now [sic] allow such a deal. Who pays for all this bologna? The packers allow 40 pounds dockage and don't want piggy sows.[30]

Dan D. Casement writing for the Saturday Evening Post in 1935 summed up the humanitarian objection to the slaughter program. Even the passage of time had not erased his rage, Casement said:

---

[28] Miss Elizabeth Thorsen to Wallace, August 24, 1933, National Archives, R. G. 145.

[29] Behring to Roosevelt, August 29, 1933, National Archives, R. G. 145.

[30] Houston to Wallace, August 30, 1933, National Archives, R. G. 145.

> I swear that the spectacle of vast swarms of these sleek, sturdy, bright-eyed little fellows trotting cheerfully to the shambles could not but arouse in any man of normal sensibilities a feeling of pity far more poignant than would be inspired by the sight of droves of finished fat hogs on their way insensibly to fulfill their highest destiny. My personal reaction to the scene included always a rush of fierce, spontaneous rage against those so lacking in the instinctive regard for thrift and propriety as to sanction such a sin.

Casement's "pity and anger were too real and deep," he avowed, to be "appeased" by the "facetious" explanations of the Administration.[31]

Still another center of opposition to the emergency hog program developed among the cattlemen who had refused to have cattle included as a basic commodity in the AAA. Although cattlemen, in general, felt that "the hog industry should be allowed a free hand to experiment with the processing tax, birth-control, and other expedients," they objected to any measure, such as the purchase project, which might harm the cattle industry.[32] Charles E. Collins, Kit Carson, Colorado, wired Secretary Wallace on August 21 protesting the government plan for hog producers. "Cattlemen," he advised, "very much alarmed over the high price proposed to be paid by the government for pigs and the number." The program, Collins feared, would "reflect back to the cattle feed lots in the way of high prices for feeder pigs." The same beneficial results, he insisted, could be achieved for the hogmen at much less expense if an "equal amount of tonnage of fresh pork was removed daily from the market and distributed through same channels as proposed disposal of pigs."[33]

---

[31] Dan D. Casement, "Hog Latin," Saturday Evening Post, CCVII (March 16, 1935), 78.

[32] Editorial, Producer, XV (August 1933), 13.

[33] Collins to Wallace, August 21, 1933, National Archives, R. G. 145.

Collins wrote a follow up letter to Wallace on August 21, which contained the same objections but gave more details. The sow program, he said, should be continued, but the pig proposition should be abandoned. In his letter, Collins also emphasized the "bad cattle situation" and told Wallace that the cattlemen had established a Committee of Five to work on the problem.[34]

The most interesting reaction to the hog slaughter program came from a group, some of whom might be classed as religious fanatics, which carried the idea of its sinfulness to the extent that God would and did punish the nation for the unnatural measure. Something of this attitude was expressed during the campaign, but the belief was more prevalent during the drought of 1934 which vindicated, for many, their belief in the wrath of God. G. A. Gurley, writing to Wallace "purely in a confidential and personal way" on September 5, 1933, expressed this view very well:

> It seems to me that a lot of our God-fearing people might believe that the Almighty would not look with favor upon any government or any people sanctioning such destruction of food under any circumstances, and that the All Ruling Power might strike pestilence or some other calamity as Divine punishment.
> . . . .
> I am entirely in sympathy with your objective, but I realize that in undertaking such a tremendous task some vital things might be overlooked, and I believe I am discussing a very vital subject.[35]

The fears of Gurley proved correct almost immediately. On September 9 Rosa Unsworth wrote the Des Moines Register: "I think it is a great

---

[34] Collins to Wallace, August 21, 1933, National Archives, R. G. 145.

[35] Gurley to Wallace, September 5, 1933, National Archives, R. G. 145.

sin to willingly destroy so many pigs when so many poor souls are starving to death. I am afraid we will have some great famine sent on us."[36] By the summer of 1934 the belief that God would retaliate for the sinful measure had centered on the drought-stricken Plains States. June 10, 1934, Francis Wymond asked:

> May not this terrible drought in the west be a rebuke to this country for the ruthless destruction and curtailment of food products by the present administration? In this country of plenty many persons have starved and many thousands more are getting barely enough to keep alive, but in spite of this state of affairs, the government deliberately destroyed vast quantities of food instead of conserving and dealing it out to those in need.[37]

In July Morris Markey, reporting on a trip to South Dakota, described a feeling there which blamed the government for the drought and sermons being preached which warned that "God does not approve" of the pig slaughter or other crop reduction measures.[38] By August even the Socialist leader, Norman Thomas, was bringing God into the farm problem. Control of farm output to bring prosperity "might have worked," Thomas remarked, "if God had not joined the AAA."[39]

With the serious drought and the emergency measures of the government receiving considerable attention by late summer of 1934, the thesis of God punishing the farmer reached a crescendo. The Christian Herald quoted a city man as telling a farmer:

---

[36] Des Moines Register, September 10, 1933, Section G, 11.

[37] New York Times, June 10, 1934, IV, 5.

[38] Morris Markey, "Nature the Farmer," Saturday Evening Post, CCVII (July 21, 1934), 82.

[39] New York Times, August 20, 1934, p. 7.

> This drouth is widespread. For your personal sin, whatever it may be, God would not afflict your neighbors. God might send fire to burn your barns, some plague might take your stock or even some member of your family, but God would never punish the farmers in Iowa for some sin you have committed personally. Remember, this lack of rain covers twenty-one states; it must be that you farmers have sinned collectively. Now take this matter of controlled production, the killing of little pigs and contracting with the government to withhold at least 20 per cent of your good, God-given land from cultivation. . . . God will punish you, if you set yourselves to control production.[40]

The editor of Wallaces' Farmer answered this gruesome theory, saying: "when it comes to a choice between knocking a runt pig on the head and condemning a farm boy to grinding poverty, we'll knock the pig on the head and give the boy a chance. To us, a boy is worth more than a pig." The editor continued that so far as regulating production, he ranked "Moses as a theological authority considerably ahead of any of the men who are sent out to spread poison against the farm program in corn belt homes."[41] Undoubtedly some who advanced this theory as well as other attacks on the control programs were politically inspired. But the Producer felt it necessary to refute the punishment of God thesis as late as January 1935. "Pious people," the cattlemen's journal said, "have advanced the suggestion that a wrathful Deity had chosen the drought as an instrument with which to punish our Secretary of Agriculture for interfering with eternal law." Those who refused to accept the theory, however, preferred "to think that nature simply had exhausted her reservoirs and was busy storing up another supply of water while the sun kept grinning."[42]

---

[40] Editorial, Wallaces' Farmer, LIX (August 18, 1934), 4-5.

[41] Ibid.

[42] "The Year of the Drought," American Cattle Producer, XVI (January 1935), 15.

Many critics of the hog purchase program considered it to be something of a farce. One Missourian felt the whole project "was handled illegally, but most of the people think it was handled pretty much the same as the Volstead Act--just another joke."[43] Grant I. Flakne, Secretary-Treasurer of the Carroll County Farm Bureau of Missouri, believed that "this Pig-Sow buying was all right for the 'In and Out' hog raiser, but a hog farmer raising two litters a year it was just like a kid sitting in a dentist's office waiting with a toothache and the dentist gave him a stick of candy to suck on until he got ready to take care of the tooth."[44] Flakne, at least, realized the purchases were of an emergency nature and must be followed with something more permanent than "a stick of candy." E. B. Savage of Hammon, Oklahoma, however, regarded the project as a "dismal failure." In a letter to Wallace, he wrote: "Recently there was an endeavor on the part of the Federal Government to raise the price of hogs by buying and processing the surplus pigs of the nation. As it turned out it was a dismal failure, not one hog raiser in one hundred being benefited. In fact the only people who profited, it seems, were the packers, and possibly a few of the big hog raisers and speculators."[45]

No explanation offered by the control advocates would have satisfied most opponents of the hog purchase project. Beyond pointing

---

[43]L. W. Burton to A. G. Black, October 2, 1933, National Archives, R. G. 145.

[44]Flakne to Wallace, October 18, 1933, National Archives, R. G. 145.

[45]Savage to Wallace, December 1, 1933, National Archives, R. G. 145.

to the miserable state of the hog producers and declaring that the reduction campaign would leave ample supplies of pork for the domestic market, the Administration could do little to counteract the vicious attacks. Wallace attempted to do this in an address at Des Moines, stating: "I can not say it too strongly: Nobody will starve if we reduce hog production; but farmers will go without the necessities of life if we don't."[46] George N. Peek later attempted to answer the "thousands of letters" which denounced the "'slaughter of the innocents.' At first," he admitted, "it does seem shocking to kill these small hogs. But, on second thought, is it any less shocking to kill them some months later when they are in the prime of youth?"[47] In a later reflection, Wallace acknowledged that "it was a foregone conclusion that the public would not like the idea of slaughtering baby pigs." He then continued with a surface facetiousness but an underlying seriousness:

> Doubtless it is just as inhumane to kill a big hog as a little one, but few people would appreciate that. They contended that every little pig has the right to attain before slaughter the full pigginess of his pigness. To hear them talk, you would have thought that pigs are raised for pets. Nor would they realize that the slaughter of little pigs might make more tolerable the lives of a good many human beings dependent on hog prices. We simply had to make up our minds to face an unfavorable public reaction.[48]

Wallace probably had the pigs in mind when he declared that "no one has ever characterized the Agricultural Adjustment Act "as a bed of

---

[46] "Nobody to go Hungry," Wallaces' Farmer, LVIII (November 25, 1933), 5.

[47] George N. Peek, as told to Beverly Smith, "The Farmers on Your Payroll," American Magazine, CXVII (January 1934), 72.

[48] Henry A. Wallace, New Frontiers (New York: Reynal and Hitchcock, 1934), 180.

roses."[49]

It should not be construed that no one approved of the emergency hog measure. Many people who hoped to profit from the project were ecstatic about the program. A typical reaction of this nature was a communication from the Salem Equity Exchange. "This pig proposition," the writer exclaimed, "is the best and quickest relief that can possibly come to them [farmers] and how badly they need it." To partly detract from his praise, the writer continued: "We are in position to handle these pigs for you and I hope we can get the work."[50] A far greater indication of approval of the purchase program came in the tremendous sale of pigs. D. A. FitzGerald estimated that as many as four or five hundred thousand farmers participated in the project,[51] and many more were hopeful of doing so when the purchases ended. Although many farmers continued to oppose controlled production, most of them were too practical to allow their principles to hinder participation in a profitable proposition. The buying of pigs demonstrated that when offered twice the market value farmers could quiet their moral objections long enough to eagerly take part in the program. Although FitzGerald believed that some producers sold hogs merely to cooperate with the government program,[52] farmer reaction to the purchase plan made

---

[49] Henry A. Wallace, "As Farmers Plan for the Future," Wallaces' Farmer, LIX (February 17, 1934), 3.

[50] H. W. Long to Henry A. Wallace, August 21, 1933, National Archives, R. G. 145.

[51] FitzGerald, Corn and Hogs, 36.

[52] D. A. FitzGerald, Notation on "Report Meeting between Administration and Sub-Committee of National Corn-Hog Committee," Chicago, September 20, 1933, National Archives, R. G. 145.

it obvious that their major interest was in profit. Their refusal to sell sows while demanding enlarged purchases of pigs made this clear. A sampling of farm opinion by the New York Times revealed that where government checks had been received from such programs as the emergency hog purchase and the cotton plow-up farmers were on the whole "rather happy and satisfied." But in areas where cash had not been paid out farmers were discontented and talking of farm strikes and other radical action. The major interest of farmers, according to the report, centered on cash and "higher prices--much higher, if possible," and they did not care what methods were used to achieve that goal: "If the slaughter of hogs meant higher pork prices, the farmer is for that too."[53]

That profit making was the prime basis of hog producers support of their emergency relief measure should be neither surprising nor derogatory to the reputation of farmers. In spite of the tendency to glorify the agricultural segment of the nation, farmers always have been more practical than theoretical. They could see, appreciate, and eagerly grasp the price margin in the pig offer. The miserable economic state with the drought situation helps to explain but does not mitigate the farmer's reaction. That few hog producers were willing to support the program because of a deep faith in production control was conclusively demonstrated by the poor result of the sow program, which was the main control aspect of the project. In reality, this merely vindicated the traditional individualism of farmers, with each looking out

---

[53] New York Times, October 29, 1933, VIII, 8.

for his own interests and being relatively unconcerned about his fellow agriculturalists.

The response of hog producers to the Emergency Hog Marketing Program revealed that farmers held a very pessimistic opinion of the future. The farmer's refusal to sell sows and demands for greater pig purchases forced the government to abandon the original plan of buying 4,000,000 pigs and 1,000,000 sows. By October 7, 1933, the Department of Agriculture had acquired 6,188,717 pigs and 222,149 brood sows at a cost of $30,643,102.[54] Although producers eagerly sold their pigs to the government, AAA officials realized early in September that the campaign would not accomplish its basic purpose. Dissatisfied with the lack of farm cooperation, the Administration joined the National Corn-Hog Committee in consideration of more fundamental measures to benefit the Corn Belt.

During the course of the purchase campaign, relief, in the sense of cash for hog producers, became the most vital portion of the program. The shift of emphasis from control of future pork supplies to cash relief was further emphasized by the demand for greater purchases from the drought areas. When Secretary Wallace reported to the Senate on the emergency project, he placed great importance on the distribution of well over $30 million[55] to farmers in 41 states. The program Wallace maintained, had given "timely relief" to producers in those states where the drought had "materially reduced feed supplies." Many of the pigs,

---

[54] FitzGerald, <u>Corn and Hogs</u>, 35.

[55] FitzGerald estimates that farmers actually received, after subtraction of marketing costs, approximately $24 million. <u>Ibid</u>., 40.

Wallace continued, "would have starved to death since farmers were without money to purchase feed and the pigs were not in salable condition."[56] Before the end of the purchase period, the Department of Agriculture apparently decided that the control phase of the project had failed and that the major emphasis of the publicity and defense of the measure should be placed upon the getting of money to hogmen, providing drought relief and supplying needed meat to the urban needy.

While the emergency program removed approximately one billion pounds of pork from the market, this removal had no immediate effect on hog prices. Indeed, this, other than some expectation of a psychological influence, had not been expected. Pigs purchased by the government would not have gone to market for some months. The sow removal, since most of those bought would probably have gone to market anyway, seemed to keep sow prices higher than they would have been without the program. But it would have no real effect on hog supply for some months. Not until the late spring of 1934 was there any noticeable rise in hog prices, and this very definitely could not be attributed solely to the emergency purchases. A number of other factors, the acts of nature as well as government, also exerted influence on the swine market. There was a marked reduction in market supplies of hogs after the first quarter of 1934, but the degree of responsibility of the purchase project for that reduction cannot be determined.

Indeed, if the economic advisor to the Corn and Hogs Section

---

[56]Letter from the Secretary of Agriculture, "Emergency Hog Marketing Program," Senate Doc. 140, 73d Cong., 2d Sess. (Washington: U. S. Government Printing Office, 1934), 4.

was correct, the emergency program may have increased rather than decreased pork supplies for 1934. On September 26, he wrote: "a decrease of 10 to 20 per cent was in prospect for farrowings in the spring and fall of 1934 had there been no emergency pig and sow program. The effect of that program is to reduce this prospective reduction to 5 to 10 per cent next spring."[57] As early as September 2 C. F. Sarle, AAA economist, noted that the bred sow program was "backfiring." Higher prices during the winter, Sarle felt, were "likely at least partially to offset the influence of this season's short feed grain crops in reducing hog supplies for the 1934-35 season."[58] From past experience hog experts expected the short corn crop of 1933 and resulting higher prices to bring about an automatic reduction in hog production. If the emergency purchase caused hog prices to rise too early, AAA economists obviously feared that the program would defeat its own objectives.

The National Corn-Hog Committee had promised to have a permanent control program ready by October 1. Plans were studied throughout the purchase campaign. On September 2 the Committee report and recommendations for a permanent program were presented to the Administration. The corn-hog representatives felt the pig project made a long-term program feasible, if further surpluses were diverted and if a reduction plan were established for 1934-35. The Committee, therefore,

---

[57] Economic Advisor, Corn and Hogs, "Economic Analysis of Plan Submitted by the National Corn-Hog Committee," Confidential; September 26, 1933, National Archives, R. G. 145.

[58] C. F. Sarle, "Suggestions for Hog-Corn Production Adjustment Program for 1934-35 and Later," Confidential; September 2, 1933, National Archives, R. G. 145.

suggested a three point program. First, it wanted the establishment of parity prices for hogs by November 1, 1933, and not less than parity price maintained until June 1934. This price setting was to be accomplished through agreements between the Secretary of Agriculture and the processing industry. Second, the government should continue to purchase surplus hogs. The pork could be "reduced to sausage" and diverted from regular market channels by distribution to the unemployed. Third, the Committee recommended a program for reducing corn acreage and hog production. Contracts would be signed with producers granting $1 on each hog sold weighing less than 220 pounds. Also, a corn acreage leasing program should be instituted.[59]

Essentially, this was a preliminary report used as a basis of discussion. A number of different suggestions and possibilities came under consideration. The Committee probably even discussed some variation of a recommendation which had been made a number of times. Somewhat humorously Jay O. Hormel of the Hormel Packing Company reported a scheme to have the government "conscript" all boars. Under the plan, "the boars could be made available to farmers at a service fee which would move up or down in order to encourage or discourage breedings." Although Hormel did not back the conscription idea, he had suggested a birth certificate plan which someone in the Administration had called "birth control." Hormel remarked that the boar conscript plan was birth control "in the raw."[60]

---

[59] "Report and Recommendations of the National Corn and Hog Committee for a Permanent Program," September 2, 1933, National Archives, R. G. 145.

[60] Hormel, "A Suggestion on Hog Control," August 12, 1933, National Archives, R. G. 145.

Discussion of a program to replace the emergency project continued into the latter part of September. On the 13th a sub-committee of the National Committee of Twenty-five met in Chicago. Here the attitude of Secretary Wallace and the disappointment of the producer representatives with the purchase project became clear. Roswell Garst told the sub-committee that Wallace did not see how it would be possible to control the production of corn and hogs alone. The Secretary felt, Garst stated, that the law needed to be changed to allow the Administration to "control all feed crops and all livestock."[61] The drive of the Department of Agriculture to broaden the coverage of the Agricultural Adjustment Act to take in beef cattle was very strong at this time; however, any immediate program had to be designed for corn and hogs alone. Although Clifford V. Gregory of Illinois criticized the producers because they were not supporting the purchase project and were expecting another government bonus scheme, he joined the other representatives in requesting continued government aid for the Corn Belt. The reporter of the meeting recorded: "The attitude of the whole group meeting during the day however, was that all other groups had raided the Treasury at other times and they felt that it was quite logical for the corn-hog belt farmer to get his share from the pork barrel for a change."[62] By September 20, when Administration representatives met with the Corn-Hog Sub-Committee, price-fixing had become the center of attention.

A. G. Black, Chief of the Corn-Hog Section, spoke for the price-

---

[61] "Notes, Meeting Subcommittee of Production Committee of Twenty-five," Chicago, September 13, 1933, National Archives, R. G. 145.

[62] Ibid.

fixing advocates:

> The very-long-time program should not be the one to receive our consideration at the present time except as it is tied up with the emergency and can be developed from any emergency program put into effect in the near future. The real problem to face now is that of a price-fixing venture tied up and made contingent upon the signing up to reduce production in the future. This would involve a stabilization program for the purchase of a certain amount of hogs or hog products by the government. The stage is all set now for an immediate price-fixing program and by spring or early summer could gradually be worked into a long-time reduction program.[63]

Black's statement indicated the extent which the attitude of the government had changed since the announcement of the purchase program and to which the Administration was now preparing to go. No longer, it seemed, was the plan to replace immediately the purchase project with a permanent corn-hog control program. Instead, the purchases might be followed by other emergency programs which would involve price-fixing and future reduction of output. Perhaps the motivating factor here was the belief that cattle would be placed on the basic commodity list, making possible the long desired general control program. In any case, the AAA leaders appeared ready at this point to go along with the committee suggestion of immediately establishing parity prices on hogs and making further large scale government purchases.

On September 21 the Corn-Hog Committee agreed on a plan to fix hog prices. The committee asked that hog prices be pegged in Chicago at a minimum of $8 a hundred from November 15 to June 1934. Suggestions for reduction in production included the leasing of 20 per cent of the normal corn acreage and a proportionate cut in pork output. The

---

[63]"Meeting of Administration and Sub-Committee of the Corn-Hog Committee," Chicago, September 20, 1933, National Archives, R. G. 145.

group also asked that hog prices be established $1 per hundred higher on all hogs weighing less than 220 pounds sold by farmers contracting to reduce produce. To maintain the parity price the committee requested further large government purchases of surplus pork. The program would be financed by a processing tax.[64] The heart of the plan and the most important to producer representatives was the hope of establishing parity prices on hogs at an early date.

Economic advisors in the Department of Agriculture, however, opposed the producer plan of immediately fixing hog prices. In an economic analysis of the committee plan, the economic advisor of the Corn-Hog Section insisted that the purchase program had reduced by 5 or 10 per cent the prospective reduction in farrowing for the spring of 1934. "Further price increase for hogs contemplated by the Producers Committee Plan," he said, "is likely to result in no decrease whatsoever in the 1934 spring pig crop and a fall crop in 1934 possibly 5 per cent larger than this fall."[65] Thus, the emergency purchases already had exerted exactly the opposite of the desired effect and the price-fixing demand of the producers would even further the unwanted trend.

The Administration abandoned the price setting plan of the producer group. It was felt, however, that the idea of further government purchases of hogs had some merit. Although doubtful that such

---

[64] J. S. Russell, "Agree on Plan to Fix Hog Prices," Des Moines Register, September 23, 1933, p. 1.

[65] "Economic Analysis of Plan Submitted by the National Corn-Hog Committee," Confidential; September 26, 1933, National Archives, R. G. 145.

buying could be used to peg prices, officials of the AAA believed that purchases could be used to support hog prices whenever it seemed supplies would be most excessive and likely to result in price declines.[66] Thus, while rejecting the scheme of government purchases to fix prices, the Department of Agriculture continued to buy hogs in subsequent programs as a means of aiding swine producers.

---

[66] FitzGerald, Corn and Hogs, 66.

CHAPTER V

THE FEDERAL SURPLUS RELIEF CORPORATION

The most lasting and in many ways the most important result of the Emergency Hog Marketing Program was the creation of the Federal Surplus Relief Corporation. This organization represented one of the wisest and at the same time most radical departures from tradition taken by the first Roosevelt Administration. It successfully combined the two goals of supplying the needy with food and other staple goods and reducing surplus agricultural supplies. In the most simple way ever attempted, the national government sought to solve the "paradox of want in the midst of plenty."

As Henry Wallace declared: "Not many people realized how radical it was,--this idea of having the Government buy from those who had too much, in order to give to those who had too little. So direct a method of resolving the paradox of want in the midst of plenty doubtless could never have got beyond the discussing stage before 1933."[1] Although earlier proposals had suggested the purchase and use of pork products for families on relief rolls, the Federal Surplus Relief Corporation developed immediately out of the hog purchase project. The

---

[1] Henry A. Wallace, New Frontiers (New York: Reynal and Hitchcock, 1934), 183-184.

plan finally recommended by the National Corn-Hog Committee included the use of meat products for relief purposes. Even before the Administration approved the purchase scheme, relief agencies were contacted about using the pork.[2] Early in August Secretary Wallace began negotiations on this matter with Harry Hopkins, head of the Federal Emergency Relief Administration. Wallace announced on August 15, 1933, that he was then "cleaning up the last details" with Hopkins.[3] When the possibility of selling the meat abroad fell through, there remained no question about the desirability of providing all edible pork to the needy. Determined to keep the product out of the normal domestic consumption channels, producer representatives and AAA authorities eagerly turned to the relief agencies. They emphasized, however, that this meat should not be substituted for meat already in the allowances but should be added to the regular relief supplies.[4] Showing great concern for the unemployed, AAA officials and hog producers insisted that consumption of meat was pitifully low and that this pork would be a welcome and needed addition to the meager diets of those without jobs.

Wallace remarked later that giving meat to the needy was the only real justification for the government program of reducing food supplies. "The paradox of want in the midst of plenty," he claimed, "was constantly in our minds as we proceeded with schemes like the

---

[2] Claude R. Wickard to Wayne Coy, August 5, 1933, National Archives, R. G. 145.

[3] Press Conference, Transcript, August 15, 1933, National Archives, R. G. 16.

[4] Claude R. Wickard to Wayne Coy, August 5, 1933, National Archives, R. G. 145.

emergency hog slaughter. . . . To many of us, the only thing that made the hog slaughter acceptable was the realization that the meat and lard salvaged would go to the unemployed."[5] At the same time relief authorities desired to increase the amount of meat in the diet of needy citizens. With the great agricultural surpluses, the idea of buying excess farm supplies and giving them to the unemployed seemed natural. The feeling that this was desirable "was so general in Administration circles" that the FSRC was created. "At last," Wallace rejoiced, "we had a mechanism through which the surplus could reach the hungry."[6] Harry L. Hopkins, chairman of the new corporation, also emphasized the importance of the emergency purchase project in the founding of the FSRC. "Obviously pork," he said, "was its first commodity, since pork was in a way the corporation's reason for being."[7] Thus, the necessity of handling the meat procured from the emergency hog slaughter program and the desirability of improving the diet of indigents caused the government to establish the FSRC. But additional motivations existed for the Administration's decision to create this radically new agency.

President Franklin D. Roosevelt announced on September 21 that seventy-five million dollars had been set aside to purchase surplus agricultural supplies to feed the needy.[8] Some observers immediately assumed that the surplus-relief purchase project was "the administra-

---

[5]Wallace, New Frontiers, 183-184.

[6]Ibid.

[7]Harry L. Hopkins, Spending to Save; the Complete Story of Relief (New York: W. W. Norton & Company, 1936), 156.

[8]Des Moines Register, September 22, 1933, p. 1.

tion's answer to a growing criticism of the destruction of food while thousands of people are hungry."[9] Without doubt that consideration did influence government action. Although the Administration had expected opposition to the reduction programs, the widespread and often violent outcry against the wanton waste of food was surprising. The Wallace attitude revealed clearly that this influenced the Department of Agriculture in its backing of the FSRC. He emphasized that the new corporation made it easier to carry on control programs:

> So far as the AAA was concerned, it could now proceed with its task of adjusting production to the needs of the American people, rather than merely to the buying power of the American people. It became possible to attack the surplus problem from both top and bottom, treating it as a result of both overproduction and under consumption, the degree of each varying widely, to be sure, with the commodity. The new Corporation could not absorb all of our farm surpluses, but it could give us new assurances that no one would go hungry or ragged because of any of our adjustment programs.[10]

The FSRC through its buying and distributing food to the relief families, therefore, allowed the AAA to continue its food reduction projects with at least a clearer conscience. Wallace further indicated that the double purpose of the corporation, to feed the needy and to relieve the farm commodity surplus, gave the AAA every reason for both morally and financially supporting its activities.

The FSRC had tremendous responsibilities and powers. As far as the future of the AAA control programs were concerned, however, the main value of the corporation lay in its ability to remove agricultural

---

[9] Richard Wilson, "U. S. to Support Farm Prices," Des Moines Register, September 24, 1933, Section G, 1.

[10] Wallace, New Frontiers, 183-184.

surpluses. According to its Certificate of Incorporation, the agency's powers to participate in the agricultural control projects were:

> (a) To relieve the existing national economic emergency by expansion of markets for, removal of, and increasing and improving the distribution of, agricultural . . . commodities. . . .
>
> (b) To purchase, store, handle and process surplus agricultural . . . products. . . .
>
> . . . .
>
> (g) In general, to carry on any and all other business necessary or convenient to the attainment of the foregoing objects or purposes. . . .
>
> . . . .
>
> (j) To enter into and encourage farmers, producers and others to enter into marketing plans and agreements and to cooperate in any plan which provides for reduction in acreage or reduction in the production for market of agricultural commodities;
>
> (k) To engage in any activity in connection with or involving the production, carrying, shipping, storing, exporting, warehousing, handling, preparing, manufacturing, processing and marketing of agricultural . . . commodities. . . .
>
> (l) To borrow money and to draw, make, accept, endorse, warrant guarantee, transfer, assign, execute, and issue bonds, debentures, mortgages, promissory notes, bills of exchange, acceptances, warrants and all kinds of obligations and nonnegotiable, negotiable or transferable instruments without limit as to amount, and for the security of any of its obligations to convey, transfer, assign, deliver, mortgage, and/or pledge all or any part of its property or assets. . . .
>
> . . . .
>
> (q) To enter into, make, perform and carry out contracts of every kind and description for any lawful purpose without limit as to amount, with any person, firm, association, corporation, municipality, country, state body politic, territory or government or colony or dependency thereof;[11]

[11] Federal Surplus Relief Corporation, Incorporated Under the

Obviously the FSRC had very broad powers to aid the AAA in dealing with the farm surplus problem. For this reason the Department of Agriculture was willing to cooperate with the FERA in establishing the corporation and to share with the Relief Administration in financing the FSRC programs. The AAA contributed through processing taxes on farm commodities to the purchase of surplus agricultural products. With the precedent-shattering Emergency Hog Marketing Program serving to set the FSRC on its feet, it rapidly developed into a major operation. On September 21 the President announced that money taken from AAA and FERA funds would be used to purchase surplus agricultural commodities for the needy. On October 4 the FSRC was chartered with Harry Hopkins at its head and Henry A. Wallace and Harold I. Ickes as the other two directors. Almost immediately plans for large scale purchases of pork, beef and other farm commodities were revealed. Since producer demands for either further or new surplus purchase programs were impressive, the agricultural authorities saw the corporation as basically a surplus removal agency.

Requests for government purchase programs came from several farm commodity groups. The hog industry, having experienced the advantages of selling to the AAA, simply requested the continuation of the emergency project. Thus, Governor Tom Berry of South Dakota wired Secretary Wallace requesting the purchase of additional thousands of pigs in his state.[12] The Cooperative Shipping Association of Kenmare,

---

Laws of the State of Delaware, Amended Certificate of Incorporation, National Archives, R. G. 145.

[12] Berry to Wallace, September 30 and October 9, 1933, National Archives, R. G. 145.

North Dakota asked that the "pig buying program" be extended through October.[13] From Texas came the report that scarcity of feed would prevent farmers having their pigs ready for sale by the end of September and the request that buying be continued through October 15.[14] F. S. Rickard, in charge of granting pig shipping permits in Omaha, reported that, although he had permit requests for almost 300,000 pigs, none of them could be granted because his quotas were completed.[15] Similar backlogs of requests existed throughout the country especially in the drought areas and probably several million pigs were waiting for government buyers when the program ended. Throughout September the National Corn-Hog Committee of Twenty-five discussed the establishment of parity prices on hogs and the continued buying of hogs by the government to maintain that price.[16] Earl C. Smith, chairman of the producer committee, strongly recommended on October 2 that a "substantial portion" of the money set aside for unemployment relief be used for surplus removal.[17] Smith naturally wanted the continued purchase of hogs. Obviously hoping to get away from the much criticized emergency hog project, the Agricultural Department refused to continue pig purchases. Secretary

---

[13] Kenmare Cooperative Shipping Association to Wallace, September 25, 1933, National Archives, R. G. 145.

[14] S. W. Norwood to Marvin Jones, September 11, 1933, National Archives, R. G. 145.

[15] Des Moines Register, September 27, 1933, p. 9.

[16] Report and Recommendations of the National Corn-Hog Committee, September 2, 13, 20, 1933, National Archives, R. G. 145.

[17] Smith to C. C. Davis, October 2, 1933, National Archives, R. G. 145.

Wallace suggested to Governor Berry, however, that "additional purchases may be arranged," but purely as a relief measure.[18]

Other farm commodity groups also requested government purchase programs to grant farmers relief and to remove surplus stock. Some spokesmen for the dairy industry proposed in August that a processing tax be used to purchase and slaughter "low producing dairy cows" and to remove surplus dairy products.[19] More insistent in demanding aid were the once proudly independent beef cattle producers who had opposed including cattle as a basic commodity in the Agricultural Adjustment Act. Before the end of June some stockmen professed repentance for their opposition and pleaded for government help. Late in June Dolph Briscoe, President of the Texas and Southwestern Cattle Raisers Association, admitted that cattle should have been included in the farm program and asked Wallace to aid the ranching industry.[20] On July 12 Briscoe again stressed the seriousness of the cattle situation and asserted that only government action could "save the beef producers from ruin."[21] Although Briscoe was ready for the ranchers to come under the AAA, most cattlemen merely expressed a desire for federal help, justifying their plea by emphasizing the drought conditions and declining cattle prices.

After the purchase project for hogmen was announced, cattlemen

---

[18] Wallace to Perry, October 5, 1933, National Archives, R. G. 145.

[19] J. S. Russell, "New Deal Bringing Radical Changes to Farming in Corn Belt," Des Moines Register, August 20, 1933, Section L, 5.

[20] Briscoe to Wallace, June 29, 1933, National Archives, R. G. 145.

[21] Ibid., July 12, 1933.

seized on the idea of selling their product to the government. Following the middle of August, petitions for a beef purchase program poured into Washington. Jesse E. Short of Tennessee recommended that the Administration pay "ten cents a pound" for "all calves between 200 and 400 pounds."[22] Similar requests came from Texas, Mississippi and a number of other states. The Advisory Board of the Spearfish Livestock Association, Spearfish, South Dakota, passed a series of resolutions on September 3, one of which "resolved that the Federal Government, through the extraordinary powers granted the President, buy 2,000,000 she cattle at a price comensurate [sic] with debts generally holding against said cattle, and that said cattle be slaughtered and their food products delivered to the poor through the Red Cross order."[23] Agricultural Adjustment Administration officials almost eagerly reminded cattlemen that their own action prevented the AAA from doing much to help the cattle industry.[24] Although the Department of Agriculture used the desire of stockmen to get industry support for the inclusion of cattle as a basic commodity, agricultural officials were willing for cattlemen to be aided in the meantime. The Producer, voice of the cattle industry, maintained that the American National Livestock Association played a leading role in getting the government to organize the surplus relief corporation, because:

---

[22] Short to Wallace, August 26, 1933, National Archives, R. G. 145.

[23] F. S. Thomson to Franklin D. Roosevelt, September 5, 1933, National Archives, R. G. 145.

[24] C. C. Davis to Thomas J. Poole, August 4, 1933, National Archives, R. G. 145.

> Prompt action by the government has repeatedly been urged. In a telegram to the Secretary of Agriculture dated September 26, Secretary Mollin suggested that $25,000,000 of the $75,000,000 be used for the purchase of 75,000,000 pounds of margarine . . . and that all of the remainder, or the major part of the whole amount, be allotted to buying up large quantities of the lower grades of beef.[25]

Although the claim of importance for the livestock organization was extravagant, the demands of cattlemen for aid did not go unrecognized by the Administration.

Agricultural officials eagerly welcomed the FSRC as a way to satisfy the demands of the hog, dairy and cattle industries without undertaking new AAA emergency purchase programs. They also hoped that through judicious buying the FSRC could help control surplus production, could soften the blow of the processing tax on the hog market and, possibly, could be used to fix prices on farm products. One agricultural official was reported to have admitted that "where you are not controlling production there is one way of fixing the price and that is to buy the product."[26] In any case, some farm observers regarded the buying program as the "key to hog prices" in the winter of 1933-1934.[27] As the Department had virtually committed itself to an attempt to fix hog prices, it seems evident that some authorities intended to use FSRC purchase for that purpose.

Quite naturally, livestock was not the only farm commodity

---

[25]Producer, XV (October 1933), 16-17.

[26]Richard Wilson, "U. S. to Support Farm Prices," Des Moines Register, September 24, 1933, Section G, 1.

[27]J. S. Russell, "Buying Food for Needy Seen as New Way to Farm Aid," Des Moines Register, October 1, 1933, Section G, 1-2.

purchased by the FSRC. In addition to hogs and cattle, the corporation bought or received from the AAA such diverse products as butter, cheese, cereal, apples, sugar, syrup, potatoes, flour, coal, blankets, and cotton to distribute to relief families. The organization also purchased over 13 million bushels of feed and over 16 million pounds of seed for farmers in the drought states. In general, the corporation gained control of farm commodities in three ways. With money derived from processing taxes, the AAA often purchased and donated surplus commodities to the relief corporation. In other cases, the FSRC used relief funds to buy the needed supplies outright. Finally, the FERA at times granted funds to the state relief administrators to purchase local crop surpluses.[28] The pork procured from the AAA emergency project, however, was the first commodity handled by the FSRC, and the purchase of hogs or pork products constituted a major part of the activity of the corporation during its first eight months.

By dropping processing down to 71 pound pigs during the last week of the purchase campaign,[29] the AAA procured almost 100,000,000 pounds of pork to distribute to families on relief rolls. Harry Hopkins started preparations for meat distribution before purchasing ceased. On September 14 he informed Thad Holt, Director of the Alabama Relief Administration, of an agreement with the AAA to distribute between 50 and 100 million pounds of pork. He reiterated the AAA determination that this product was not to supplant the regular relief meat allow-

---

[28] Hopkins, Spending to Save, 156-157.

[29] Henry A. Wallace to the Institute of American Meat Packers, September 23, 1933, National Archives, R. G. 145.

ances.[30] By October 19 nineteen million pounds of the emergency product had been ordered shipped to relief agencies, and orders for two million more were in sight. G. C. Shepard, Chief of the Meat Processing Section, emphasized, however, that the remaining 80 million pounds "must be cleaned up not later than December 15." Otherwise, the success of the long time corn-hog program "in bringing about an early advance in the price of light hogs" would be endangered. Shepard also believed that the purchase and distribution of additional hogs must "immediately follow, and continue at the rate of fifty million (50,000,000) pounds per month." He further insisted that "Mr. Hopkins' plans should be coordinated with those of the long time corn-hog program, so that we can proceed right along as outlined above."[31]

In November 1935 M. L. Wilson, acting Secretary of Agriculture, explained the transference of the emergency pork. Writing to Hopkins, Wilson noted that the AAA had officially offered the edible product on September 16, that it had been accepted on the 22nd and that the AAA had donated and delivered 97,064,159 pounds of pork with a value of $11,229,326.28 to the FSRC.[32] Well before the relief families had consumed the emergency meat, the government began additional purchases of hogs and pork products.

During October 1933 the organization for purchasing surplus

---

[30]Hopkins to Holt, September 14, 1933, National Archives, R. G. 145.

[31]Shepard: Memorandum for A. G. Black, October 19, 1933, National Archives, R. G. 145.

[32]Wilson to Hopkins, November 22, 1935, National Archives, R. G. 16.

agricultural products and the relationship between the AAA and the FSRC was being developed. On October 9 the AAA created a Special Commodities Section, headed by Major Robert M. Littlejohn. The agency was to explore and recommend methods for removal of surplus farm commodities and to act as agent between the AAA and the FERA in the surplus removal projects.[33] On October 24 Secretary Wallace and Harry Hopkins agreed on the relationship between the FSRC and the Department of Agriculture. The task of the relief corporation was to "transfer basic farm surpluses from the open market to relief families."

In performance of this responsibility, the FSRC would purchase, as the agent of either the AAA or the FERA, farm products in a way to achieve the greatest possible price for the farmer and to reduce price depressing surplus supplies. The Secretary and Hopkins further agreed that processing and distributing expenses would be paid by the FERA, and the FSRC operating expenses would be met by the AAA.[34] Six days later Wallace emphasized to Hopkins what the AAA regarded as one of the most important tasks of the relief corporation. Agricultural officials, he declared, were particularly anxious to use the relief purchases of pork "to pad the blow" of the processing tax on hogs.[35]

---

[33] George N. Peek: General Office Order No. 6, October 9, 1933, National Archives, R. G. 124.

[34] Hopkins to Wallace, October 24, 1933, National Archives, R. G. 145.

[35] A processing tax on hogs had been a matter of concern for several months. The processing industry maintained from the first that consumers were paying all they would for pork. The processors, therefore, wanted a very low tax and warned at the same time that the producers would pay the tax through lower hog prices. Some economists in the Administration had agreed from the first that the producer would

For this reason, he requested the purchase of 50 million pounds of pork on December 1 to counteract the first advance in the tax.[36]

On November 4 the Administration announced plans to purchase up to 300 million pounds of pork, equalling approximately 3 million live hogs, by July 1934. At this time, government officials planned to make monthly purchases from the packers, with the packers offering bids on commercial cuts to the relief corporation. Although the FSRC had no intention of paying over the market price for these purchases, AAA planners anticipated a marked reduction in future hog tonnage and resulting price benefits because specifications established a maximum weight on hogs processed for the corporation. The maximum varied in different purchases between 200 and 235 pounds. During the developmental stage, the relief administration and the AAA, using the hog processing tax, intended to divide fairly equally the expenses of the relief purchases. When Jacob Baker, assistant to the president of the

---

pay at least a part of the tax. Two problems thus existed. There was the fear that producers would be forced to pay the tax and the belief that a major rise in pork prices to the consumer would cause a shift to beef or other replacement products. The National Corn-Hog Committee, fearing such a shift, also recommended a low processing tax. The Administration planned a graduated tax, to start at 50 cents a hundred on November 1 and with 50 cent increases scheduled for December 1, January 1 and February 1. This was changed in December with the January and February jumps being postponed a month. The sudden and sharp drop in hog prices starting in October was viewed by many as an effort of the processors not only to pass all of the tax back to the producer but also to increase their own margin of profit. Wallace charged, apparently correctly, that the processors were telling the farmer hog prices were low because of the tax and at the same time telling the consumer pork prices were high because of the tax. In any case, the producer was paying a major part, if not all, of the tax, and the Administration wanted to use FSRC purchases to prevent further declines in prices.

[36]Wallace to Hopkins, October 30, 1933, National Archives, R. G. 145.

FSRC, informed Wallace of the plans for the first pork purchases, he emphasized that the FSRC had not made any commitment as to the exact amount of money the organization would spend on removal of surplus pork. The relief corporation intended, he assured the Secretary, to spend about the same on this "surplus removal program that the Agricultural Adjustment Administration" does, but there would be no matching of funds.[37] The first of the regular pork purchases by the relief corporation caused a revision of many of these early plans.

The FSRC officials had planned to buy 75 million pounds of pork in November. This amount, agricultural officials estimated, would result in the removal of 750,000 of the lighter hogs from the market. As this would equal about 16 or 17 per cent of the normal marketing during the last two weeks of November and the first two weeks of December, the AAA hoped for a marked improvement in hog prices. When bids were opened on November 17, however, the FSRC discovered that packers had offered only 45 million pounds, and the corporation agreed to buy only 30 million pounds. Deducting the normal processing costs from the bid price, the processors should have paid an average of $5.50 per hundred for the live hogs. Instead, the packers were able to purchase the hogs at an average of about $3.50 per hundred. Hog prices declined steadily in the month following November 17. Since the first FSRC pork purchase was less than half of the planned acquisition, the anticipated effects on prices were not achieved. Indeed, the 300,000 hogs purchased for the relief corporation did not make a significant

---

[37]Baker to Wallace, November 1, 1933, National Archives, R. G. 145.

dent in the total marketing for the period. In addition, hog receipts increased around 20 per cent over the same period in 1932. As a result the packers made about $2 a hundred or approximately $3 per hog more than had been expected.[38] A government observer in Chicago reported that after the FSRC contracts of October 17 were awarded prices on light weight hogs declined 50 to 75 cents per hundred. It was apparent, this observer felt, that the packers had "out traded" the FSRC.[39] Although it is doubtful that the packers who received relief contracts had anticipated such a large margin of profit, the unfortunate experience with the purchase of commercial cuts of pork plus additional problems brought about a change in the method of relief purchases of pork. In future buying the FSRC relied largely on purchases of live hogs with selected processors acting as purchasing agents for the government.

Even before the November 17 purchase of commercial cuts, the relief corporation had gained some experience in buying live hogs. In an abortive effort to set hog prices, the FSRC bought several thousand hogs at well above the market price after November 10. The price pegging attempt began immediately after the hog processing tax went into effect on November 5. A sharp price decline caused commission men in Chicago to set a minimum price of $4.50 per hundred on hogs. The packers refused to buy at that price, and on November 10 more than

---

[38] D. A. FitzGerald, Corn and Hogs Under the Agricultural Adjustment Act; Developments Up to March 1934 (Washington: The Brookings Institution, 1934), 51-53.

[39] V. E. Foster, "Market Conditions and Comments--Chicago," National Archives, R. G. 124.

22,000 hogs remained unsold. The packing houses persisted in their obstinacy. On November 11 Commander Robert W. Clark in Washington talked on the telephone to a government agent, E. H. Cope, in Chicago. Clark informed Cope that $200,000 had been deposited in the First National Bank of Chicago in the name of the Farmers Grain Corporation for him, and that he was to buy hogs on the open market. When Cope declared that hog prices were quite low, Clark responded that this situation had prompted the purchase orders and that Cope was to buy about 10,000 head paying the $4.50 asking price of the commission men.[40] In a later conversation on the same day, the Chicago representatives reported that they had bought 19,700 hogs, "those remaining on hand," paying $4.48 per hundred.[41] Thus the FSRC began its first and totally ineffective purchase of live hogs. By paying well above the price packers were willing to offer, the government made this a definite and, although not so desired, open and publicized effort to peg hog prices. Government purchases continued and spread to markets outside Chicago, although that city remained the major center of activity. Needless to say, the endeavor proved both expensive and absolutely ineffectual.

On November 14 Jacob Baker, assistant to Hopkins, received a report on the price setting effort. Hog buying continued, it was reported, and the "major part" of the $300,000 provided for Cope had

---

[40] Memorandum on Telephone Conversation between Commander Clark, Captain Cope and Captain Parsons, November 11, 1933, National Archives, R. G. 124.

[41] Transcript of Telephone Conversation between Commander Clark calling Captain Cope and Mr. Baxter--Chicago, November 11, 1933, National Archives, R. G. 124.

been expended. It was recommended that another $500,000 be provided for the purchase program.[42] The same day another conversation was held between Washington and the Chicago agents. Cope received orders to buy another 9,000 hogs, but he was not to pay more than $4.60 a hundred. The officials in Washington suggested that Cope get someone else to do the buying "in order to keep it quiet that the Government was the purchaser of the hogs." Cope responded that it had been virtually impossible to keep it unknown.[43] The next day Cope reported difficulty with the buying and expressed doubts about the efficacy of the endeavor to peg prices. Packers, he declared, had cancelled their purchase orders and were shipping hogs to Chicago for the government to buy. FSRC purchases, he warned, were not influencing prices anywhere except in Chicago. Cope concluded with the recommendation that the corporation cease its price setting campaign.[44] In recognition of its failure, and undoubtedly because of the awards to be made on November 17, the government ended the live hog buying project. D. A. FitzGerald reports, however, that price fixing purchases continued into December and that the FSRC bought a total of 130,000 hogs.[45] FitzGerald apparently included in this total some 94,000 hogs purchased by the relief corporation in December, which properly should not be included in the price

---

[42] Joseph Simon: Memorandum for Mr. Baker, November 14, 1933, National Archives, R. G. 124.

[43] Transcript of Telephone Conversation between C. E. Parsons and Cope, November 14, 1933, National Archives, R. G. 124.

[44] Memorandum on Telephone Conversation between Cope, Parsons and Clark, November 15, 1933, National Archives, R. G. 124.

[45] D. A. FitzGerald, Livestock Under the A A A (Washington: The Brookings Institution, 1935), 74.

setting attempt of November.

The government's experience with the meat processors during November brought a sharp conflict between the Department of Agriculture and the Institute of American Meat Packers. In addition to the problems with the FSRC purchases, Secretary Wallace found it difficult to reach a marketing agreement with the processors. There had been suggestions of possible friction even before the formation of the FSRC. Late in September, Norman Draper, director of the Washington office of the processors organization, offered a number of suggestions to the Department of Agriculture on any possible future purchases either by the AAA or for relief purposes. The best policy, Draper told C. C. Davis, would be for the government to ask the Institute what was available and the approximate price the packers would want. Draper implied rather strongly that the processors wanted and should have considerable influence in deciding when, how and what the government bought.[46] The Department's reaction to the Institute's desire for power might be found in a memorandum from A. G. Black to Secretary Wallace early in October. When you see the President, Black suggested, you might keep in mind that J. O. Hormel has declared "that he and the other independent packers would be delighted to, and able to, do the processing of hogs purchased by you out of processing taxes in the event that the large packers refused to be cooperative." Hormel had further suggested that if the "hogs were purchased direct from the farmer and processed, the cost would be considerably less than if purchase of meat were made upon the

[46] Draper to Davis, September 29, 1933, National Archives, R. G. 124.

open wholesale market." That method of operation would also "mean that the farmers would get all the necessary benefits, and at the same time Hopkins' organization /FSRC/ would be getting hog products at lower prices."[47] Although keeping Hormel's suggestions as a possible alternative, the Administration determined to follow the original plans in the November 17 purchases. This resulted in exorbitant profits for packers who received contracts. Actually, the fortunate packers were probably as surprised as anyone at the size of their profit. Hog prices at the time bids were drawn up were about $4.50 per hundred and many, including government economists, were forecasting future increases. Whether the packers expected the great profit or not was unimportant, as the attitude of government officials was undoubtedly influenced by the occurrence.

Other developments also served to create ill will toward the packing industry. On November 25 C. C. Davis, Director of the Production Division of the AAA, warned George N. Peek that very low hog prices were to be expected through December unless the government went into the "market immediately" and made "large purchases." Davis further noted the rumors that packers were attempting to force hog prices down.[48] Public response also probably contributed to the rift between government officials and the processors. Letters, such as that written to Wallace by Mrs. Ralph Lawson of Silver City, Iowa, must have created

---

[47] Black: Memorandum to Secretary Wallace, October 9, 1933, National Archives, R. G. 145.

[48] Davis to Peek, November 25, 1933, National Archives, R. G. 145.

some uncomfortable moments for the Secretary. Mrs. Lawson warned Wallace:

> . . . I have always had good words to say for you in the face of rumors to the effect that you have become like the rest of the politicians and are simply making use of your position to further your own interests. . . .
>
> But here is the trouble,--since that time this business with the packers has created the most serious doubts any of us have ever had. We can not help wonders whether they have you fooled, scared, or bought. . . .
>
> . . . if those of us who have been conservative and taken the side of the government give up hope of a fair deal youll [sic] learn the meaning of righteous indignation because of confidence betrayed.[49]

Although Wallace took no action against the processing industry at this time, the uncooperative attitude of the packers continued, probably even increasing early in December when the government changed its purchase system.

A serious discussion now developed between the relief corporation and the agricultural planners over the method of removing surplus pork. The difference of opinion was caused by the relatively small purchases made up to the end of November. Also the first advance in the processing tax on hogs would come on December 1, and the Department of Agriculture was anxious that large pork purchases be made to prevent a depressing effect on hog prices. Obviously disappointed with the small purchase on November 17 and with declining hog prices, C. C. Davis declared that the AAA was not receiving the "cooperation and support" from the relief organization that "had been anticipated."[50]

---

[49] Mrs. Ralph Lawson to Wallace, November 22, 1933, National Archives, R. G. 145.

[50] Woodbury Willoughby: Reminder to George N. Peek, November 23, 1933, National Archives, R. G. 124.

Davis later insisted that "large purchases" of pork must be made by the government immediately to save the hog market from even lower prices.[51]

A further delay in large scale buying now developed over changing the method of buying pork. Because of its earlier experience with the packers, the FSRC cancelled its planned purchase on December 1 and proceeded to develop a new purchasing system. To partially make up for the cancellation and to offer some protection to hog prices, however, the corporation began purchasing live hogs on December 4.[52] Nevertheless, AAA officials regarded that project as merely a temporary expedient and obviously became somewhat disgruntled with the FSRC during the period devoted to the development of a new program. Although agricultural officials were probably as dissatisfied with the processing industry as the FSRC, they were evidently so eager to continue purchases at any cost that they were willing to go on buying commercial cuts from the packers.

Robert M. Littlejohn, Chief of the Special Commodities Section of the AAA, informed Peek on December 5 that hog prices in Chicago had declined $1.30 a hundred since the FSRC had awarded contracts for the November 17 purchase of pork. Littlejohn then discussed the various proposed methods of purchasing. Although agreeing that direct purchase of live hogs assured the farmer fair prices, he did not favor the idea

---

[51] Davis to George N. Peek, November 25, 1933, National Archives, R. G. 145.

[52] C. E. Parsons to Bureau of Animal Industry, Department of Agriculture, December 5, 1933, National Archives, R. G. 124.

because it would force the government to establish purchasing machinery. Littlejohn also considered the plan of using the packers as buying agents for the government unpromising. This method was too complicated as it would require a larger staff and would, he felt, make it necessary for the government to audit the books of the packing houses. Besides, he doubted that the packers would cooperate with the plan. Littlejohn maintained that the method of purchase used by the corporation had a "direct bearing" on the "mission" of the AAA. He admitted, however, that agricultural officials could not "dictate until AAA funds are being used." He wanted, therefore, to speed up as rapidly as possible the contribution of AAA money to the surplus relief buying program.[53] On the next day A. G. Black informed Littlejohn that, in spite of his objections, a plan was under consideration for buying live hogs which avoided a complicated government buying organization. Littlejohn, Black insisted, should study the idea.[54] This plan called for using designated packers as buying agents.

The FSRC retained the final word in purchasing methods at this time. Harry Hopkins directed Commander Clark on December 13 that in the future all hogs would be bought live by the government or its agents. The corporation would not buy any more finished pork.[55] Some of the AAA officials continued, nevertheless, to urge the surplus relief

---

[53]Littlejohn: Memorandum for George N. Peek, December 5, 1933, National Archives, R. G. 124.

[54]Black: Memorandum for Littlejohn, December 6, 1933, National Archives, R. G. 124.

[55]Robert M. Littlejohn: Memorandum for George N. Peek, December 13, 1933, National Archives, R. G. 124.

corporation to buy at least some commercial cuts from the processors.[56] The AAA evidently hoped such action would win the friendship of the packers. In spite of this attitude, on December 20 Secretary Wallace authorized the FSRC to pay not more than $10,000,000 for approximately 1,350,000 live hogs, to be purchased for the AAA.[57] This renewed the drive for large surplus relief purchases of pork.

With the new system of purchasing came a different method of financing. Starting with the purchases in late December the packers bought the hogs and billed the government for their price, receiving a small fee for acting as buying agents of the corporation.[58] Under the new program the AAA, using the processing tax funds, paid for the live hogs and the relief agency, using FERA money, paid processing charges and distributing costs. Although this was the general method of financing, there were exceptions. At various times the AAA paid for some purchases of commercial cuts, and the FSRC bought some live hogs and also paid for some of the purchases of commercial cuts and lard.[59]

Prior to the start of the new system the FSRC had purchased in the two weeks after December 4 some 94,000 live hogs at eight markets.[60] Evidently the relief corporation began this project on its own

---

[56] C. C. Davis to Jacob Baker, December 20, 1933, National Archives, R. G. 124.

[57] Wallace to the FSRC, December 20, 1933, National Archives, R. G. 124.

[58] James A. Bull, "Report on Visit to Pork Processing Plants," January 13-February 14, 1934, National Archives, R. G. 124.

[59] FitzGerald, Livestock Under the A A A, 77.

[60] Administrator's Report, Surplus Relief Operations, National Archives, R. G. 124.

in an effort to replace the discontinued purchases from the packers and to pacify the AAA. By December 12, however, Hopkins reported to Wallace that the AAA had agreed to take over payment for the "daily purchase of live hogs." Hopkins further declared that an agreement had been worked out to continue hog purchases, under which the AAA bought live hogs and the FSRC paid all other expenses.[61] C. C. Davis later offered to Hopkins the appreciation of the AAA for the December purchases which "served to bridge the gap" between the purchase of commercial cuts and the new live hog buying program. Davis also advised Hopkins that the AAA had "set aside" five million dollars to pay for the hogs.[62]

The major live hog buying project by the FSRC was proclaimed on December 22 when the corporation announced plans to start daily purchases at many markets throughout the country.[63] Under the new system, packers acted as agents of the corporation and were paid a "small buying charge per head." The processors were paid separately for processing the hogs. This method of buying and the distribution of amounts and sites of purchases were designed to give more aid to the producer and to best sustain markets. The December project called for purchasing to begin late in the month at a rate of about 20,000 hogs per day, five days a week, over a period of three weeks.[64]

---

[61] Davis to Hopkins, January 10, 1934, National Archives, R. G. 124.

[62] Hopkins to Wallace, December 12, 1933, National Archives, R. G. 124.

[63] FSRC, Press Release, December 22, 1933, National Archives, R. G. 124.

[64] Administrator's Report, Surplus Relief Operations, National Archives, R. G. 124.

Under the live hog buying project, the disgruntlement and uncooperative attitude of the meat packers obviously increased. With the first scheduled purchases ending and new purchase awards to be made, the differences between the Administration and the processors came into the open. On January 21 Secretary Wallace wrote William Whitfield Woods, President of the Institute of American Meatpackers, expressing his dissatisfaction. He was disappointed, Wallace declared, with the way packers were cooperating with the AAA purchases of live hogs through the FSRC. There was no need, he insisted, for the failure of the processing industry "to give real cooperation in this program."[65]

Officials of the packing organization immediately asked to meet with the Secretary to discuss the misunderstanding. On January 29 Wallace met with the packer representatives. As a result of the conference, a recommendation committee consisting of members from the AAA, FSRC, and a packer representative was established.[66] Evidently the processors satisfied Wallace as to their willingness to cooperate with the hog program, for not only were live hog purchases continued, but they were also increased by an additional 10,000 head per day. This expansion lasted only seven days and was quite obviously dictated by the 50 cent jump in the hog processing tax effective on February 1. In addition, the reconciliation was affirmed by a renewal of the purchases of commercial cuts which was designed to give relief to the packing industry.[67] After the creation of the joint committee, relations

---

[65]Wallace to Woods, January 21, 1934, National Archives, R. G. 145.

[66]FitzGerald, Corn and Hogs, 54-55.

[67]FitzGerald, Livestock Under the A A A, 75-76.

between the government and the processors remained satisfactory and purchases of both live hogs and commercial cuts continued off and on into September of 1934.

After the start of the live hog buying program, the agricultural officials exerted considerable influence over the purchase policy. This was obvious both in the timing of the larger purchases and the resumption of the commercial cut buying. In January the relief corporation reemphasized its surplus removal role. The FSRC was purchasing hogs not only to feed the needy but also "to assist in the stabilization of the hog market through the purchase and utilization of pork in excess of the normal requirements of the customary trade channels." The corporation continued to demand the lighter weight hogs, buying only those weighing between 100 and 200 pounds.[68] This, of course, carried out the idea of the AAA that the removal of light hogs would result in a greater reduction of future hog tonnage. Further use of the FSRC by the AAA came whenever the processing tax on hogs was increased. Although purchases were heavier in January than in any other month, buying increased sharply after January 1 to meet the February 1 tax advance and again purchases were greatly expanded to offset a further tax increase on the first of March.[69] Total purchases in March were rather small, however, as hog prices began to go up.

Since hog prices were rather good throughout the spring months of 1934, the FSRC found it unnecessary to make large surplus removal

---

[68] FSRC, Schedule No. 32, January 22, 1934, National Archives, R. G. 124.

[69] FitzGerald, Livestock Under the A A A, 75-76.

purchases. Indeed, there were some periods when buying ceased completely. At last the removal of the six million pigs bought by the government in August and September 1933 was causing higher hog prices. Not until the drought conditions in late spring forced large numbers on the market did the relief organization resume large scale buying. On May 11 C. C. Davis authorized the FSRC to buy on the AAA account 15,000 hogs per day for 15 market days. He suggested that the country be divided into four buying regions to add greatest support to the hog market.[70] On May 23 W. R. Gregg, acting Secretary of Agriculture, transferred five million dollars from the AAA to the FSRC and authorized the purchase of 700,000 live hogs.[71] Obviously the Department of Agriculture was very concerned about the hog market situation at this time. The problem, however, was not as serious as officials feared. During June the last of the extensive buying took place when live hog and pork product purchases totaled the equivalent of 256,749 hogs. Between June and September the hog tonnage removed from the market by the government declined steadily and rapidly. In July the equivalent of only 17,000 were purchased, and in September, the last month of activity, the amount taken equalled only 750 hogs.[72]

In all, the AAA paid for 1,236,399 hogs weighing 213,823,045 pounds live weight as its contribution to the surplus relief operations. The cost of live hogs was $8,225,906. Also, the AAA bought for the

---

[70] Davis to Harry Hopkins, May 5, 1934, National Archives, R. G. 124.

[71] Gregg to FSRC, May 23, 1934, National Archives, R. G. 124.

[72] FitzGerald, Livestock Under the A A A, 75.

relief corporation some 33,338,846 pounds of pork products which cost $2,790,720.[73] The total cost to the Department of Agriculture in its support of the FSRC surplus pork removal operations was slightly over $11 million. It should be remembered that the FSRC bought some hogs, both live and commercial cuts, as well as paying for both processing and distribution of the relief meat. In all the surplus relief operations removed the equivalent of 2 million live hogs, averaging 380 pounds, from the regular market supplies between November 1933 and September 1934.[74]

In the FSRC's pork operations the removal of price depressing supplies from the market was more important than the need of obtaining extra meat for the needy. During the months of December, January and February of 1933-1934, when the largest purchases were made, the FSRC still had on hand some of the pork procured from the Emergency Hog Marketing Program of the previous August and September.[75] The relief organization was further used in trying to pad the price depressing influences of the processing tax on hogs. Whenever the tax was increased, purchases were expanded. The objective of setting hog prices proved impossible. Other than the abortive November trial no real attempt was made to set prices or pay above the current market price for hogs. The policy, A. G. Black declared, was to have the packers buy hogs for the government "at prices in line with the prices they are

---

[73] Philip G. Murphy: Memorandum for C. C. Davis, April 18, 1935, National Archives, R. G. 124.

[74] FitzGerald, Livestock Under the A A A, 78.

[75] FitzGerald, Corn and Hogs, 49.

paying for hogs of corresponding weight and grade bought for their own account."[76] Some producers believed that the government could and should force up commercial prices and were disappointed that the FSRC did not pay above the market price in an attempt to do so.[77]

In contrast to the pig purchase project, however, the hog buying programs of the Federal Surplus Relief Corporation aroused very little criticism. There are, of course, obvious reasons for the better reception received by the relief operations. Not only were the purchases, ostensibly at least, made solely for the sake of the poor but also there was no basis for humanitarian objection to the program. In addition, politically inspired opposition to feeding the needy might well have been dangerous. There were, however, some political attacks aimed at the great powers enjoyed by the FSRC. Obviously the relief corporation's activity could draw support from a much broader base than could the emergency hog purchases. The FSRC operations were not designed to aid only one farm commodity group, but would instead benefit the producers of a number of agricultural commodities as well as the hungry. Since the purchases of the relief corporations were not aimed directly at reducing production, this type of government program avoided most of the critical areas which had brought so much opposition to the previous project. Equally important, perhaps, the procedure of the FSRC evaded most operational problems confronted in the AAA hog buying program.

---

[76] Black to C. E. Blomquist, March 1, 1934, National Archives, R. G. 145.

[77] FitzGerald, Livestock Under the A A A, 77.

CHAPTER VI

CATTLE RANCHERS CAPITULATE TO THE AAA; THE DEMAND FOR FEDERAL AID BRINGS A PRODUCTION CONTROL PLAN

The vaunted independence of cattle ranchers, displayed as recently as the Congressional hearings on the Agricultural Adjustment Act, temporarily capitulated before low prices and spreading drought in the summer of 1933. Within a few weeks after the passage of the farm relief bill which had omitted cattle as a basic commodity, stockmen throughout the nation began to appeal to Washington for aid. The nature of the help desired by beef producers remained unclear until after the announcement of the emergency hog purchase project. In August, however, cattlemen started to advocate a similar government buying program. While some petitioners admitted that ranchers had been wrong to stay out of the farm program, many others attacked the government for trying to destroy the most important industry in the country and demanded immediate large-scale relief measures.

Dolph Briscoe, President of the Texas and Southwestern Cattle Raisers Association, was one of the first to repent and ask federal assistance. "Personally," Briscoe wrote Secretary Henry Wallace on June 29, "I wanted cattle left in the Farm Bill recently passed." Only the opposition of members in his association, he said, had caused him "to ask that cattle be excluded." But, Briscoe advised, "I believe today they [cattlemen] are favorable to including cattle in your program for raising prices and curtailing production." The cattle situation was "serious and must have immediate action," he insisted. "There is no time to call meetings or hold conferences," Briscoe contended. But "someone with courage and foresight like you and Mr. Morgenthau must take the matter in hand if any help is had."[1] Most cattlemen did not bother to either commend Wallace for his "courage and foresight" or hint at participation in control programs. They simply demanded government help.

Early in July Briscoe wired the Secretary to reemphasize the serious cattle situation and to renew his plea for federal assistance:

> Cattle prices considerably lower than at this time year ago but price of feed and other commodities necessary to cattle production greatly increased and advancing daily. Drouth situation will at an early date necessitate the feeding of cattle on the range to prevent serious death loss. The high price of all kinds of feed due to recent advances is going to make it extremely difficult for herds to be preserved. Western range states largely dependent on cottonseed cake as feed. . . . Reduction of cotton acreage is causing daily advance. Unless some cheaper method of preserving the herds than at present apparent producers of beef animals will be ruined. Feel there is no more serious situation in America today than this and none that warrants your thought and immediate action more. . . . Only federal action can bring relief.[2]

By emphasizing the drought and the advancing cost of production, Briscoe hit at two of the most common grievances of cattlemen. After June 1933 the feeling that the cattle industry was suffering as a result of New

---

[1] Briscoe to Wallace, June 29, 1933, National Archives, R. G. 145.

[2] *Ibid.*, July 12, 1933.

Deal recovery measures was frequently expressed. Although Briscoe recognized that the ranchers had remained outside the program at their own request, others did not.

With the heat of July irritation of the stockmen increased. "I am a rancher and farmer," a Texan wrote, "and I feel that we are being discriminated upon in-as-much-as feed stuff and dressed meat have advanced, and live stock are getting cheaper everyday, and in some cases it is impossible to make sale."[3] J. James Hollister of Caviota, California insisted the beef industry had been betrayed by the "big" ranchers who kept cattle out of the farm relief act. "They are reactionary," Hollister declared, "they are followers of the Hoover-Coolidge policies. Today they ridicule the Agriculturel Relief Act and I believe are going to be a great obstacle in putting it over." He continued that the "rank and file of cattlemen must be assisted today by the government and if they were given a chance to declare themselves would emphatically elect to come under the control of the Agricultural Adjustment Act."[4] Some of the "big" cattlemen were also requesting government action.

F. E. Mollin, Secretary of the American National Livestock Association, wired Wallace on July 31: "May I refer to my wire of July fourteenth in which recommendation is made that conference be held early date Kansas City between producers, packers and your Department to work

---

[3]Bose Reader to Wallace, July 14, 1933, National Archives, R. G. 145.

[4]Hollister to Wallace, July 16, 1933, National Archives, R. G. 145.

out relief plan. Appreciate your advising if you have made decision as to this suggestion."[5] The only cattle program possible under the AAA was some type of marketing agreement, and Wallace was unenthusiastic about that. He had already suggested to Mollin that the conference be delayed until the middle of August. By that time, Wallace declared, the feed situation, which his department considered more important than the marketing problem, would be more clear.[6] Although the cattle organizations were very insistent about making agreements for fairer treatment with the processing industry, the Administration remained indifferent to their pleas. Wallace admitted that there was "a great deal of interest in the development of a program," but he insisted that the leaders of the cattle industry hold a conference "at which the entire problem might be discussed, and suggestions made which will assist us in meeting the peculiar situation that surrounds the cattle problem."[7] At the same time AAA officials were expressing hope that something might be done to relieve the serious cattle situation, they were also reminding cattlemen that "cattle were eliminated /from the Agricultural Adjustment Act/ at the request of livestock men in various parts of the country."[8] Undoubtedly agricultural officials were hopeful that the

---

[5]Mollin to Wallace, July 31, 1933, National Archives, R. G. 145.

[6]Wallace to Mollin, July 25, 1933, National Archives, R. G. 145.

[7]Wallace to Marvin Jones, August 2, 1933, National Archives, R. G. 145.

[8]C. C. Davis to Thomas J. Poole, August 4, 1933, National Archives, R. G. 145.

worsening cattle state and the drought would influence stockmen to ask for the inclusion of beef cattle as a basic commodity. By early August cattlemen had yielded to Administration pressure for a conference of industry leaders. Representatives of several major cattle organizations were called together in Denver on August 14 and 15 where the Department of Agriculture and the AAA were also represented.[9]

A movement developed during August which might well have been foreseen. A. Mills of Harrison, Mississippi, inquired of C. W. Warburton, Director of Extension Service, why the emergency hog program was not extended to calves and cows.[10] A few days later Wallace received the same suggestion.[11] The standard answer to petitions of this nature emphasized that because stockmen were not under the Agricultural Adjustment Act the AAA could do nothing for them.[12] Government representatives stressed this point at the Denver conference, which resulted in a unanimous resolution in support of a marketing agreement and the appointment of a Committee of Five to work with the Administration and the packers to that end.[13]

On August 26 Victor Christgau, one of the AAA representatives

---

[9]Victor Christgau to John Costello, August 12, 1933, National Archives, R. G. 145.

[10]Mills to Warburton, August 20, 1933, National Archives, R. G. 16.

[11]Jesse E. Short to Wallace, August 26, 1933, National Archives, R. G. 145.

[12]C. W. Warburton to A. Mills, August 28, 1933, National Archives, R. G. 16.

[13]Dolph Briscoe, "Report of the Committee of Five," Producer, XV (February 1934), 17.

at Denver, reported on the cattle situation. He emphasized the great number of excess cattle and the "serious trouble" confronting the industry because of drought conditions extending from the Dakotas to Texas. Christgau suggested a number of possible relief measures. Some cattlemen, he felt, needed direct help, but others would profit from liberalized credit. Relief agencies might help by providing feed in some of the drought areas. Another possibility was for the Department "to cooperate in a program of taking surplus beef off the market for food distribution by relief agencies."[14] By late August, therefore, the idea of relief purchases of beef to reduce the surplus cattle situation had been presented to the office of the Secretary of Agriculture. With the government pig buying project putting thousands of dollars into the pockets of hog raisers, the demand from cattlemen for equal attention increased.

At a meeting of the Northeast Oklahoma Cattlemen's Association it was pointed out that cattle prices were $2 per hundredweight less than at the same time in 1932. The Oklahoma stockmen declared that it was "imperative that something be done at once." The cattlemen, therefore, called upon "the President of the United States and the Secretary of Agriculture . . . to devise means of rescuing the industry from the disaster with which it is threatened. . . ."[15] Albert Cambell of New Meadows, Idaho expressed confidence that the Committee of Five would develop some "emergency plan" to remove the price depressing surplus

---

[14] Christgau: Memorandum to Paul Appleby, August 26, 1933, National Archives, R. G. 16.

[15] Producer, XV (September 1933), 14.

stock. But he felt that "we cattlemen must see to it that we do not again find ourselves facing the same problem of overproduction." Cambell suggested, therefore, "that the cattle-growers . . . work out an agreement with the governmental agencies which are loaning money on cattle, whereby the borrower would be required either to spay or to sell for slaughter a certain percentage of heifer calves and yearling heifers before they reproduce. This . . . would keep the production nearer in line with the demand."[16]

Either Texas suffered more from the 1933 drought than other states or the Texas ranchers were more willing to abandon their vaunted principles than those of other regions, for Texas led the way in demanding federal relief. From Cuero, Texas came a suggestion that the government buy canner cows and have them canned for relief families, a program which would give "great benefit to all concerned."[17] On September 2 Dolph Briscoe, perhaps the leading representative of the Texas cattle industry, wrote Victor Christgau: "I am still of the opinion that we should use a plan with cattle similar to the hog plan. The money to do this could be advanced by the Treasurer and paid back with a processing tax after Congress meets in January. Please consider this plan and talk it over with Mr. Davis and, if you both think it will work, I will put it up to our Committee and endeavor to get them to adopt it."[18] Unlike many stockmen Briscoe favored adding beef cattle

---

[16] Albert Cambell to the Producer, August 28, 1933, published in XV (September 1933), 19.

[17] Newton M. Crain to Wallace, August 29, 1933, National Archives, R. G. 145.

[18] Briscoe to Christgau, September 2, 1933, National Archives, R. G. 145.

to the basic commodity list and approved a processing tax on beef.

R. L. Wiley, a "life-long Democrat" who helped elect Franklin D. Roosevelt, agreed with Briscoe. Those who caused cattle to be left out of the farm act, he wrote, were "either fools or traitors" to the beef industry. "Does the Department of Agriculture," he demanded, "mean to sit idly by and witness this fearful cataclysm work its fury on the hapless cattlemen without an effort to save them?"[19] Without any doubt most of the stockmen who objected to cattle being exempted from the basic commodity list did so not because they wanted controlled production but because they saw money-producing programs put into effect for those farm groups whose commodities came under the AAA. This is made most obvious by the constant emphasis of cattlemen on the harm done to their industry by the federal price-raising projects instituted for other commodity groups.

By September the theory that Administration recovery measures were a major cause of the deteriorating cattle situation had become extremely attractive to stockmen. The attacks took in all recovery activity but especially centered on farm programs such as that for cotton which raised the cost of production for beef producers. An editorial in the industry trade journal, the Producer, expressed this view very well:

> The "New Deal" is on everybody's tongue. NRA banners are posted in the windows of every business house; they are hanging in many homes; they adorn automobiles that dash past you. But so far the live-stock industry, instead of sharing in this national recovery which is being so widely advertised, finds

---

[19] Wiley to A. G. Black, September 4, 1933, National Archives, R. G. 145.

> itself between the horns of a dilemma, in part created by the various business-recovery moves.
>
> . . . .
>
> How long the live-stock industry will be asked to hold the bag remains to be seen. Patient and long suffering though it be, there is a limit to human endurance. Today NRA to the live-stock industry appears to mean "No Relief Allowed." Let us pass the "New Deal" around, and make its benefits apparent to all, instead of permitting it to be improperly used to add to burdens already too heavy to bear.[20]

In reality, cattlemen proved to have a very small portion of the "patient and long suffering" character which their journal claimed for them. Although, it must be admitted that the constant reiteration of the USDA that little if anything could be done for cattlemen partially justified their feeling of being ignored, if not that of being persecuted. W. A. Paddock, among many, demonstrated very well the impatience of the stockmen. On September 13 he asked Secretary Wallace:

> I wonder if your Department is giving any attention to the interests of an industry which is suffering from . . . governmental activities; in fact, a continuation of present policies would put them entirely out of business. I am speaking of the large livestock industries who have for ages been producing beef on the ranges of this country.
>
> . . . .
>
> Just why your Department should presume to destroy an industry as large a portion as this, is beyond my understanding. Perhaps beef is not a proper food for human beings, but it has always been so recognized.[21]

The Nephi Four-Mile Creek Cattlemen's Association of Utah expressed the same view in a meeting on October 20. Pointing to the beef cattle price decline and to the drought conditions, the Association declared that since "relief has already been given by the United States government to

---

[20] Producer, XV (September 1933), 16.

[21] Paddock to Wallace, September 13, 1933, National Archives, R. G. 145.

other industries in no greater financial distress" the Administration should grant "immediate relief which will enable the stockmen to survive."[22] Cattlemen later used the argument that Administration programs had raised the cost of cattle production and thus had caused injury to the industry as a justification for their desire that federal grants rather than a processing tax be used for relief of the ranchers. At this time, however, the thesis was simply added to the price decline and the drought as another reason for a government relief program.

Well before the cattlemen of Nephi, Utah asked for relief the Administration had taken action which promised some aid to the beef industry. As mentioned earlier, on September 21 President Franklin D. Roosevelt ordered the purchase of surplus food and staples for families on relief rolls. A total of $75,000,000 was taken from the funds of the AAA and the FERA for this purpose.[23] Almost immediately representatives of the beef industry requested that all of the money be used for relief of cattlemen.[24] Although this, of course, was not done, the Administration assured stockmen that they might expect to benefit from the action. Christgau stated on October 3 that some of the $75,000,000 would be used to purchase beef, "and we are in hopes that it will result in some improvement of beef cattle prices."[25] By this time, however, the Federal Surplus Relief Corporation was being chartered to purchase

---

[22] Producer, XV (November 1933), 11.

[23] Des Moines Register, September 22, 1933, p. 1.

[24] Producer, XV (October 1933), 16-17.

[25] Christgau to Brinton F. Hall, October 3, 1933, National Archives, R. G. 145.

surplus agricultural products for distribution to the needy. This agency, with the support of the AAA and the FERA, was not limited to the expenditure of $75,000,000.

Announcement of the planned purchase of beef for relief purposes was warmly greeted by cattlemen, but it did not fully satisfy their desire for aid. Petitions for a government program similar to the Emergency Hog Marketing Program continued, but the AAA insisted that there was little it could do. Dan H. Hughes of the Uncampahgre Cattle and Horse Growers Association at Montrose, Colorado wrote Peek on October 9 that the "only suggestion we have to make is that there be an immediate purchase of canner cows under a program similar to that of the pig purchase." Hughes added that "we are perfectly willing that a sales tax be placed on meat for the purpose of financing the purchase of old cows and the control of production."[26] Even though cattlemen were not in complete agreement, the Administration did consider levying a compensating tax on beef, permitted under the Agricultural Adjustment Act to protect competing commodities. Such a tax, contended AAA officials, would provide the revenue to finance "an emergency beef cattle program."[27] Although a compensating tax was never levied, Harry Hopkins, President of the FSRC, expected one. The relief organization would put up $10,000,000 to purchase beef, Hopkins declared, and he assumed the cattle producers would "duplicate this amount."[28] Even

---

[26] Hughes to Peek, October 9, 1933, National Archives, R. G. 145.

[27] Victor Christgau to Thomas B. Glascock, October 10, 1933, National Archives, R. G. 145.

[28] G. C. Shepard: Memorandum on Emergency Beef Purchase, National Archives, R. G. 124.

without the tax the FSRC prepared to go ahead with beef purchases, but some source of funds other than the FERA was essential to any major beef buying program.

On October 16 Hopkins announced that "pending perfection of plans by the Farm Administration," the FSRC would purchase "substantial quantities of range cattle of cutter and canner grades." By buying primarily cows the purchases would accomplish the two goals of feeding the needy and reducing future beef surpluses.[29] Two days later AAA officials agreed with the FSRC that the "plan for the removal of low grade cattle" should result in "some price improvement for better grades of beef." The officials also recommended the removal of 500,000 cattle by the end of 1933.[30] The Department of Agriculture was hopeful that the relief purchases would bring quick price relief to stockmen.[31] However, agricultural officials undoubtedly knew that the aid would not be enough to satisfy the cattle industry and hoped that dissatisfaction would lead the industry to support adding cattle to the basic commodity list. Officials constantly reminded cattlemen that Department of Agriculture funds were not available for the relief of the livestock industry.[32] The AAA also resumed talk about the desirability of a "general

---

[29] FERA Press Release, October 16, 1933, National Archives, R. G. 124.

[30] S. W. Lund to Robert W. Clark and Captain Charles N. Parsons, October 18, 1933, National Archives, R. G. 124.

[31] Robert M. Littlejohn to E. R. Lonabaugh, October 27, 1933, National Archives, R. G. 124.

[32] Henry A. Wallace to M. H. Lanman, October 30, 1933, National Archives, R. G. 124.

live stock relief program."[33] Meanwhile, the FSRC project for purchasing canned beef encountered difficulties.

The first relief purchases of beef were planned for November 10. Plans called for the buying of 15,000,000 pounds or the equivalent of about 50,000 cows between two and five years of age.[34] The packers evidently regarded the requirements as too rigid and submitted bids for only approximately one-third of the total. Even so, the FSRC regarded the bids as too high and made awards for only 400,000 pounds of beef.[35] It was at this time that C. C. Davis remarked that the FERA was not giving the "cooperation and support" to the AAA in regard to the buying of beef and pork that "had been anticipated."[36] Since no compensating tax had been levied on beef and the AAA was not contributing to the funds for buying cattle, there was little the farm officials could do to influence FSRC policies. The age limit and other requirements, however, were relaxed on the bids for 25,000,000 pounds on November 27. Although the bids submitted by the 16 bidding packers were considered too high, AAA official, Robert M. Littlejohn, advised against rejecting the bids as it would have a "bad psychological effect" on the beef industry and would slow up the program for removal of surplus beef stock.[37]

---

[33] Victor Christgau to Thomas B. Glascock, October 10, 1933, National Archives, R. G. 145.

[34] Robert M. Littlejohn to E. R. Lonabaugh, October 27, 1933, National Archives, R. G. 124.

[35] _Producer_, XV (December 1933), 12.

[36] Woodbury Willoughby to George N. Peek, November 23, 1933, National Archives, R. G. 124.

[37] Littlejohn to George N. Peek and others, December 7, 1933, National Archives, R. G. 124.

In spite of Littlejohn's objections the FSRC rejected all bids as being too high.[38] Confronted with problems in the purchase of processed beef similar to those with pork, the FSRC revised its purchase program. Early in December the FSRC began to explore the idea of state relief organizations purchasing live cattle within the state and converting the beef to local relief use.[39] By December 19 all state relief administrators had been contacted about the project.[40] Prior to this an experiment in buying live cattle and using relief staffed canning plants to process the beef had been initiated in Texas.

On November 3 Harry Hopkins contacted Colonel Lawrence Westbrook, Director of the Texas Rehabilitation and Relief Commission, about a state purchase and processing program. The objective of the project, Hopkins stated, was to utilize surplus cattle, to provide vocational training in canning and to obtain beef for local relief. Westbrook was made an agent of the FERA and received $500,000 to carry out the program.[41] He later reported that he purchased 21,068 cattle, mostly cows. When it proved impossible to supply fresh meat, he established 19 canning plants which employed about 7,000 persons on relief rolls. The operation lasted only about a month and was ended with the expenditure of the allocation.[42] The Texas project proved quite popu-

---

[38] Producer, XV (January 1934), 21.

[39] Henry A. Wallace to Mark Wilson, December 9, 1933, National Archives, R. G. 124.

[40] C. E. Parsons to Charles E. Knight, December 19, 1933, National Archives, R. G. 124.

[41] Hopkins to Westbrook, November 3, 1933, National Archives, R. G. 124.

[42] Westbrook, Texas Report, March 16, 1935, National Archives,

lar, and W. P. H. McFaddin, President of the Southeast Texas Live Stock Association, considered the experiment a tremendous success. In addition to buying surplus cattle, he stressed, the canning "plants employed a large number of people, relieving the unemployment problem in the communities where they were operated. The beef was put up at a saving over commercial products, and the needy were given food. This looks like sensible relief to us." McFaddin emphasized that the program "gave relief to three sources, the cattlemen, the unemployed and the hungry."[43]

McFaddin also believed the Texas experiment demonstrated a practical method of helping the whole cattle industry:

> We [cattlemen] have not been selfish enough to try to horn in and take the front of the stage in the program. But we feel that the time has come for our industry to be included. . . .
>
> If an adjustment program is worked out for the cattlemen we hope it will include some arrangement as the Texas Relief Canning program, which, as already stated, gives relief where relief is needed, and does not destroy in order to give relief.[44]

A few days later McFaddin again praised the Texas program. It had, he said, increased cutter and canner prices in Fort Worth more than fifty per cent while purchasing directly from the farmer assured the producer maximum benefits. If such a program to remove three or four million cattle, he continued:

R. G. 124; Louis H. Bean: Memorandum to Paul Appleby, January 22, 1934, National Archives, R. G. 124.

[43] McFaddin to Henry A. Wallace, January 30, 1934, National Archives, R. G. 145.

[44] McFaddin to Wallace, January 30, 1934, National Archives, R. G. 145.

> . . . could be inaugurated in every cattle growing area in the Nation, it would remove the surplus cattle in less than 90 days, employ thousands of people and supply a market for a class of cattle that have not been possible to sell through any other sources; and, at the same time, supply food for the needy.[45]

Although the successful Texas project provided some practical and useful experience in the later and larger drought purchases, that method of relief was not broadly used in the winter of 1933-34. A program to supply 100,000 pounds of fresh beef monthly was developed in Arizona.[46] During January and February the West Virginia Relief Administration used $154,000 supplied by the FSRC to purchase and distribute fresh beef in that state.[47] Funds for such programs, however, were too limited to make any real dent in cattle surpluses.

Direct purchases by the FSRC were renewed January 5, 1934. On that day awards to purchase and process 44,100 cattle into fresh-roast canned beef were made to packers in a program similar to that developed with hogs. About 2,205 cattle a day were to be purchased at markets in 10 states.[48] Similar awards by the relief corporation for the purchase of live cattle were made to extend the buying activity into most states.[49] Early March, however, saw the end of live cattle purchases. During this

---

[45] McFaddin to Harry Petrie, February 9, 1934, National Archives, R. G. 145.

[46] Producer, XV (January 1934), 8.

[47] Keith Southard to Andrew Emiston, March 7, 1934, National Archives, R. G. 124.

[48] FSRC Press Release, January 5, 1934, National Archives, R. G. 124.

[49] Louis H. Bean: Memorandum to C. C. Davis, February 1, 1934, National Archives, R. G. 124.

period the FSRC bought 114,260 head of largely canner class cows, a very small part of the total slaughter.[50] Purchases ceased because the cattle buying fund of the FSRC had been exhausted.[51] The relief corporation continued, however, to purchase some canned beef from processors for relief distribution.[52] Government purchases of beef, either live cattle or canned, were never large enough to have a material effect on surplus supplies or price. This was obvious to stockmen who continued their agitation for a more adequate aid program.

From October 1933, when relief purchases of beef were announced, until the late spring of the following year the dissatisfaction of cattle producers with government measures to aid their industry increased to a fever pitch. The cattle industry, the most deserving in the nation, not only was not receiving help, stockmen insisted, but was also being actively persecuted by a government willing to aid everyone but the cattlemen. Basic to their persecution complex was the claim of cattlemen that although cattle prices continued to decline the price of everything cattlemen had to buy had been raised by federal aid programs for other industries. With this spirit, stockmen criticized most federal recovery programs, the relief purchases, the importation of beef, the processing tax, the failure to develop marketing agreements and anything and everything else that came to mind. While sympathetic,

---

[50] D. A. FitzGerald, Livestock Under the A A A (Washington: The Brookings Institution, 1935), 180.

[51] Harry Petrie to Tex Condon, May 3, 1934, National Archives, R. G. 145.

[52] Philip G. Murphy to Compton I. White, May 21, 1934, National Archives, R. G. 124.

the Administration simply insisted that so long as cattlemen stayed out of the AAA there was nothing the Department of Agriculture could do to relieve their plight.

Pressure from cattle ranchers for federal assistance continued unabated in spite of the projected relief purchases of beef. Late in October 1933 Jay Taylor, President of the Panhandle Livestock Association, appealed to Marvin Jones, United States Representative from Texas, for help:

> Something must be done and done immediately [about the cattle situation], or this country will certainly be faced with a revolution among the cattlemen and farmers. We can't possibly go on with these prices. We are still paying high interest rates, high taxes and good wages on all the ranches, and if we are to stay in business and continue to live we must have more for our cattle, and we must have immediate relief.
>
> All of us are short on grass and feed for the winter and our calves must be weaned within the next 30 days. A lot of them have already been weaned and no buyers have been found for them at any price.
>
> Can't you do something to keep the industry that is the backbone of this country from going broke?[53]

By this time the glorious pride of the ranching industry had been reduced to the belief that theirs was the most important industry in the nation. Because he could not make his mortgage, interest or tax payments, W. F. Illig of North Dakota asked the government to buy cattle paying the regular market price, plus a $5 bonus per head.[54] A. A. Voltmer, President of the St. Joseph Livestock Exchange, wrote Secretary

---

[53]Taylor to Jones, October 25, 1933, National Archives, R. G. 145.

[54]Illig to Franklin D. Roosevelt, November 11, 1933, National Archives, R. G. 145.

Wallace that the cattle market was "never in worse condition" and asked for a large scale government buying program.[55]

The Producer justified the demand of stockmen for expanded relief and pointed to one of the constant complaints of the cattle industry:

> Agriculture continues to be the sick man in our economic household. The blessings of the New Deal have stopped at the door of the man who feeds the nation, and on whose rehabilitation the welfare of the country most depends.
>
> . . . .
>
> As to the live-stock, and more particularly the cattle, industry, things have gone from bad to worse. In sending out our call for the 1933 convention, we gave expression to the belief that bottom had been struck. Well, it had not. We are still groping for it. Prices on most classes of cattle have today dropped to levels never before recorded. . . . In the face of this, we are continuing to import large quantities of both canned beef and cattle hides from South America.[56]

Almost invariably cattlemen preferred blaming almost anything rather than themselves for their sad plight. Although importation of canned beef in 1933 was more than double that of 1932, it only totaled an insignificant 39,000,000 pounds. When the Civilian Conservation Corps was established there was almost no American canned beef available. Thus, the increased importation.

In October, however, an executive order prohibited "the use of foreign canned meats by the Army, the Navy, and the C. C. C. Camps. This order not only prohibited importations from these sources, but also prohibited the use of that which was already on hand."[57] This was a

---

[55] Voltmer to Wallace, November 22, 1933, National Archives, R. G. 124.

[56] Producer, XV (November 1933), 13.

[57] Harry Petrie to Carl Sackett, January 31, 1934, National Archives, R. G. 124.

rather foolish but, perhaps, politically wise move. In any case, the Department of Agriculture acted as a sturdy watchdog against such un-American actions. In May 1934 Secretary Wallace chastised Secretary of War George Dern because the Department of War had purchased two million pounds of beef in the Philippine Islands. Because of the American surplus, Wallace declared, he wanted no foreign purchases made. If there was a great difference between the price of the American and foreign beef, he continued, then Dern should contact him before buying the foreign product.[58] Although a tempest in a teapot, blaming the importation of canned beef for their troubles was typical of cattlemen in the winter of 1933. They also sought to blame the packers and the dairy industry.

Mrs. H. B. Price of Reading, Kansas expressed a common antagonism of cattlemen toward the processing industry:

> With all the other things that the "New Deal" is attempting to do, why don't they try to help the cattle industry--the greatest industry in the United States, reaching out so far and doing so much good for all? Why don't they try to reach the packers in some way, forcing them to pay what they should for the cattle that are shipped to market? It is because the packers control the price of cattle, and pay so little for them, that the people who are in this business are having such a hard time even to keep their land.
>
> My heart goes out to each one, man or woman, who has cattle and land. How brave and courageous they always are, never expecting to have but what is right for their stock, or for that which they raise on their land! But they do not receive it. They have been robbed for years of that which belonged to them and for which they worked so hard. Why can't the government do something to reach the few men who control the price of cattle every day they are sold?[59]

---

[58] Wallace to Dern, May 16, 1934, National Archives, R. G. 124.

[59] Mrs. H. B. Price to the Producer, November 14, 1933, published in XV (December 1933), 22.

Mrs. Price accepted and repeated all of the traditional agrarian myths about the integrity and independence of cattle ranchers. It was, and is, common to picture ranchers on the side of the angels, independent, unselfish and desiring only what their back-breaking labor produced. This grand character was somewhat tarnished by the insistent demands of the cattlemen for higher prices and federal aid. Ranchers justified their demand for greater prices by claiming that the packers were taking an unfair portion of the profits. E. J. Lewis of Omaha, Nebraska complained to President Roosevelt about the low cattle prices. The packers, he insisted, were taking everything away from the farmers. Why, he asked, doesn't the government take over and run the processing industry?[60] Late in December a mass meeting at Superior, Nebraska demanded "regulation of markets so that producers in 1934 do not have to operate at a loss while packers income show huge profits."[61] The Administration was having trouble with the processors at this time and undoubtedly some of the AAA officials appreciated the sentiments expressed by E. M. Lonabaugh of Sheridan, Wyoming who, on January 10, 1934, wrote:

> Our people here feel that the Government should take supervision of the packing industry just as it has taken control of the railroads of the country; that it should fix a limit to the salaries paid to officers of the packing companies, and should fix prices so that the stockgrower could realize a reasonable profit on his livestock over and above the cost of production. . . . Until supervision of the packing industry is undertaken by your [Wallace] Department, we have little hope for early restoration of livestock prices.[62]

---

[60] Lewis to Roosevelt, December 14, 1933, National Archives, R. G. 145.

[61] Dorsey Worden and others to Wallace, December 23, 1933, National Archives, R. G. 145.

[62] Lonabaugh to Wallace, January 10, 1934, National Archives, R. G. 145.

Although the drive to reform the processing industry did not succeed, the cattlemen remained interested in the government fixing the price of cattle.

Late in October 1933 H. N. Jensen demanded that Wallace peg cattle prices "at once."[63] The refusal of the FSRC to pay more than market price for beef was one of the major reasons for dissatisfaction with that organization. The relief corporation turned down bids on processed beef which it considered too high. During the Texas project, it required that not less than $1.75 per hundred pounds be paid, but made no effort to pay over the market price. When considering a similar program in Colorado, the FSRC declared that the cost must not exceed $2 per hundredweight. Thus, the corporation refused to try to raise cattle prices. This caused F. E. Mollin of the American National Live Stock Association to send a raging telegram to Harry Hopkins:

> Several press reports within last few days refer to proposed plan to buy good-quality cows weighing from nine hundred pounds up, at price of two dollars per hundred. Proposed price would be bearish even on present depressed markets. Our industry entirely unable to understand insistence of your organization that beef for relief purposes must be purchased on basis of present distressed prices and your unwillingness to allow such purchases even normally to advance the market. Hence, although much publicity has been given to proposed plans for purchasing beef during the past three months, when it would have been of great help, as that is regular shipping season, actually practically no beef has been purchased. In civil-works projects now under your care you are paying generous wages for common labor. Why do you insist on buying cows at the bottom of a distressed market.[64]

Dolph Briscoe, reporting for the livestock Committee of Five, seconded

---

[63]Jensen to Wallace, October 31, 1933, National Archives, R. G. 16.

[64]*Producer*, XV (January 1934), 8.

Mollin's attack on Hopkin's corporation.[65] In reality, cattlemen had regarded the relief purchases of beef as only a stopgap measure. Nevertheless, they were disappointed that the FSRC had done nothing to help the industry. Many cattlemen blamed the AAA for the limited surplus-relief purchases of beef, and thus for the lack of any aid for ranchers.

The FSRC required in its projects for the removal of surplus farm commodities that the benefited industry contribute a matching sum of money. Early in the campaign the AAA obviously intended to levy a compensating tax on beef to provide revenue for the purchase program. The only legal justification for the tax was to provide protection for pork, which was on the basic commodity list, from competition with lower-priced beef products. Declining hog prices in the fall and early winter of 1933, however, removed any need for protecting pork and thus any excuse for a compensating tax on beef.[66] Representatives of the cattle industry insisted they were prepared to accept the compensating tax to support removal of excessive supplies. Actually, however, their willingness to accept the tax was never more than a half-hearted one. After admitting that the use of the tax to purchase surplus beef for relief purposes would be a good thing, F. E. Mollin declared: "but it is my firm conviction that the greater portion of the burden of feeding the unemployed should rest upon the federal government, and that the funds advanced by the Federal Emergency Relief Commission for the purchase of surplus commodities should considerably exceed the amounts

---

[65] Dolph Briscoe, "Report of the Committee of Five," Producer, XV (February 1934), 17.

[66] Ibid.

which the producers tax themselves for a similar purpose." Mollin justified his position with the claim that in spite of its distressed condition agriculture was already "voluntarily doing more than its fair share" in providing relief food for the needy.[67] Although discouraged with the limited purchases of the FSRC, spokesmen of the cattle industry were more distressed by the failure of Secretary Wallace to reach a marketing agreement with the processors.

Dolph Briscoe, Acting-Chairman of the Committee of Five, insisted that AAA officials had advised the cattlemen at the Denver meeting that the "main avenue of relief open to us was through a marketing agreement." The Committee had worked toward this goal, but had received little cooperation from the Department of Agriculture.[68] Cattlemen never made it exactly clear how they expected to benefit from a marketing agreement. From the emphasis cattlemen put on the unfair percentage of the consumer dollar the processors and distributors were taking, they obviously hoped an agreement would increase and, perhaps, fix the producer's share of the consumer dollar while restricting the portion of the middlemen. Achievement of such a worthy and, in many ways, just objective was extremely unlikely. But this was about the only thing cattlemen could hope for from an agreement. The more efficient operation of the processing and distributing activities, which a marketing agreement might have forced, would have profited the rancher little if any. Regardless of Administration doubts, Mollin insisted the marketing

---

[67] F. E. Mollin, "Agricultural Adjustment Program as Cattle-Producers View It," Producer, XV (November 1933), 8.

[68] Dolph Briscoe, "Report of the Committee of Five," 17.

agreement was basic to improving the cattle situation. According to Mollin, the producers and processors reached an understanding on the agreement in September: "I am glad to say that the packers agreed to most of the changes we had suggested. A fine spirit of co-operation was shown."[69] This was of little importance, however, since the agreement must be between Secretary Wallace and the processors, and the Secretary continued to doubt the practical value of marketing agreements.[70]

In December Mollin complained to President Roosevelt about the lack of action. Secretary Wallace, he said, had been asked for help in July. In August the Department had suggested a marketing agreement, but nothing had been done. The FERA had announced in October plans to make big purchases of canned beef, but, Mollin emphasized, only nominal purchases had been made.[71] Briscoe correctly understood the delay in signing an agreement with the packers. Every effort, he said, had been "blocked by the unfortunate deadlock existing in the AAA. . . ." Although the producers and processors had reached agreement, "the two schools of thought,"[72] Briscoe continued, "in the AAA, diametrically opposed to each other as to the advisability of making marketing agree-

---

[69] F. E. Mollin, "Agricultural Adjustment Program as Cattle-Producers View It," 8.

[70] Wallace, Transcript of Press Conference, December 6, 1933, National Archives, R. G. 16.

[71] Mollin to Roosevelt, December 10, 1933, National Archives, R. G. 145.

[72] Briscoe may have underrated the divisions within the Department. Wallace had never regarded the marketing agreement as being a useful method of farm relief. Whereas, Administrator Peek believed it very important. In addition, some members of the AAA wanted to use the agreement to reform if not control the packing industry, demanding the right to check company records and so forth.

ments, prevented our reaching an agreement."[73] The real block had developed over the demand of some AAA officials that the marketing agreement be used to reform the packing industry.[74] In spite of the failure to get a marketing agreement and the relief purchases to really help, stockmen had other remedies which they preferred to controlled production.

Like hog producers, cattlemen became very interested in the sale of their product to Russia. On November 10, 1933, R. L. Heflin commended Roosevelt for negotiating with Russia and suggested the sale of surplus cattle, especially cows, to the Soviet Union.[75] On November 20 F. E. Mollin endorsed the idea. In a wire to Wallace, Mollin said that, since the President had recognized Russia, Wallace should take "prompt steps" to explore that outlet for surplus cattle.[76] The executive committee of the New Mexico Cattle Growers Association "appealed to Secretary Wallace to expedite the financing and sale to Russia of three or four million young cows."[77]

A similar painless solution was found in the attempt to blame all cattle problems on other meat producers. Mollin held that the beef cattle situation had been "aggravated by the crisis in meat affairs

---

[73] Dolph Briscoe, "Report of the Committee of Five," 17.

[74] FitzGerald, Livestock Under the A A A, 177-178.

[75] Heflin to Roosevelt, November 10, 1933, published in the Producer, XV (December 1933), 22.

[76] Mollin to Wallace, November 22, 1933, National Archives, R. G. 16.

[77] Producer, XV (December 1933), 11.

brought about by continued heavy production of hogs, in spite of the loss of export trade, and by persistent overproduction of dairy products."[78] Hog products made up a much larger percentage of the total meat produced in the early 1930's than in the period before 1920. In addition a large part of the great increase in cattle numbers could justly be laid at the door of the dairy industry. Out of a total increase of 8,428,000 cattle between January 1, 1928, and January 1, 1933, the beef men had contributed much less than the dairy men. Since January 1, 1914, the total increase in cattle had been 6,392,000 head, of this, Mollin declared, "6,206,000 is in milk cows alone, to say nothing of other dairy animals."[79] The cattlemen were right in their claim that low grade dairy cows depressed beef cattle prices. There was, therefore, some justice in their desire that dairy men reduce their numbers rather than beef ranchers. But none of the easy solutions could solve the cattle problem, and by December 1933 some cattlemen were turning to the AAA and production control as their only answer.

F. E. Mollin indicated the change in attitude of the cattle industry in November:

> Six months ago we thought we could see our way out unaided. We could not foresee that, agriculture having been thoroughly deflated, similar deflation would not be forced on many industries that had stubbornly held to practically a normal level of charges. . . . We could not know that the NRA would sharply enhance the cost of all supplies needed in ranch operations; that the practical fixing of the cotton price at 10 cents a pound through the recently announced loan plan would strengthen cottonseed-cake prices; that the advancing labor costs would

[78] F. E. Mollin, "Agricultural Adjustment Program as Cattle-Producers View It," 6.

[79] Ibid.

> so disturb the already wide differentials that today live cattle are selling for less than they were six months ago. . . .
> . . . .
> Traditionally independent though he be, whether he likes it or not, the cattleman today is very much in the "new deal," entirely unable to cope single-handed with forces that, on the one hand, widen the spread between himself and the consumer, and, on the other, increase his costs of operation.[80]

Although Mollin insisted that the traditional independence of the rancher was being destroyed by actions of the government, he urged Roosevelt in December to "insist that the Government enter the markets now and make substantial beef purchases."[81] As the livestock situation became worse, the demand for aid intensified in December and January 1934, and a greater willingness to submit to the AAA was demonstrated by cattlemen. E. A. Phillips, Secretary of the Montana Stockgrowers Association, declared that stockmen were not "requesting a relief dole or a gratuitous gift of money"; instead, he said, "they are simply appealing to the Administration to purchase their products."[82] On December 29 the Arizona Livestock Conference concluded that the "major problems of the industry can be solved only through the agencies of the federal government." The Arizona cattlemen also advocated the development of a production control program under the AAA.[83] Representatives at the American National Livestock Association meeting in Albuquerque were less certain. The New York Times reported that the conference of

---

[80] Ibid., 6-7.

[81] Mollin to Roosevelt, December 10, 1933, National Archives, R. G. 145.

[82] Phillips to T. C. Spaulding, December 16, 1933, National Archives, R. G. 124.

[83] Producer, XV (January 1934), 11-12.

1500 cattlemen accomplished nothing. The stockmen demanded a higher protective tariff and larger sales of beef. But the Times reported only that cattlemen were angry and baffled. They did not know what they wanted. The ranchers were against any new program and felt that nature and the AAA were against them.[84] The Texas delegation, however, reported Tom Connally, wanted to make cattle a basic commodity, with 40 out of the 45 present voting approval.[85]

Many others also felt that beef cattle must come under the AAA. The Grayson County Virginia Agricultural Board insisted that "beef cattle should, by all means, be included under the Agricultural Adjustment Act. . . ."[86] The AAA reported that "the majority of communications received . . . favor the inclusion of cattle as a basic commodity. . . ."[87]

Without doubt the attitude of the Administration influenced the cattlemen to ask Congress to add them to the Agricultural Adjustment Act. Throughout the fall and winter the AAA emphasized that "had beef been included as a basic commodity in the Agricultural Adjustment Act the problem . . . would have been much more simple and relief to cattlemen more rapid."[88] On January 2, 1934, Harry Petrie, Chief of the Cat-

---

[84] New York Times, January 21, 1934, Section IV, 7.

[85] U. S., Congressional Record, 73d Cong., 2d Sess., 1934, LXXVIII, Part 4, 3819.

[86] "Suggested Legislation to Aid the Beef Cattle Industry," Legislative Committee of the Grayson County Virginia Agricultural Advisory Board, January 1934, National Archives, R. G. 145.

[87] Wayne D. McAfee: Memorandum for C. C. Davis, January 16, 1934, National Archives, R. G. 145.

[88] Harry Petrie to Frank Mehling, December 26, 1933, National Archives, R. G. 145.

tle and Sheep Section, sent out telegrams advising ranchers that: "Secretary Wallace is hopeful of having cattle included as basic commodity in Agricultural Adjustment Act. Is also hopeful of an appropriation two hundred million dollars for relief of beef and dairy industries at next session of Congress after which the way will be cleared for helpful measures."[89] This campaign continued until Congress added beef to the commodity list. In February Petrie promised that "the bill now before the United States Senate when passed will provide the machinery whereby it will become possible to produce a beneficial program for the cattle industry."[90] He also warned: "You no doubt realize there is no possibility of helpful measures being exercised as far as beef cattle is concerned until H. R. 7478 making cattle a basic commodity becomes a law."[91] With the full approval of the Department of Agriculture and the somewhat regretful acceptance of the cattle industry, Congress placed the rancher under the protective wing of the AAA. The Jones-Connally Relief Bill, which passed on April 7, 1934, made cattle a basic commodity and authorized the appropriation of $200,000,000 for Secretary Wallace to use for the benefit of the beef and dairy industries.

Considerable controversy developed over the large appropriation. Wallace at one time "anticipated that at least $150,000,000 of the above amount would be returned to the Treasury out of future proc-

---

[89]Petrie to Philip A. Klipstein, January 2, 1934, National Archives, R. G. 145.

[90]Petrie to Brinton F. Hall, February 13, 1934, National Archives, R. G. 145.

[91]Petrie to Samuel Fischer, February 19, 1934, National Archives, R. G. 145.

essing taxes."[92] Cattlemen and many of their congressional representatives were so opposed to the processing tax, however, that it was left very unclear whether the grant would be repaid or not. Most cattlemen felt that they deserved a free grant, and many observers regarded the authorization as such.[93] Wallace gave the idea credence by promising, said Richard Mifflin Kleberg, representative from Texas, "that for the immediate future no processing tax would be" levied on the beef industry.[94] In any case, the way was now clear for the development of that beneficial program the agricultural officials had been promising cattlemen.

Well before cattle were made a basic commodity planning began for a production control program. The Department of Agriculture called a conference of beef and dairy representatives to meet late in January in Washington. Harry Petrie reported that "the consensus of opinion" of the cattlemen held that there was an "extreme surplus of cattle, the number being something like eight or ten million head." The representatives, Petrie said, recommended a reduction program of three million cows and one million heifers. The cows would be killed with the edible used for relief. There were two ideas on the heifers with one group suggesting a "graduated spaying program" but Petrie preferred a moderate bonus purchase plan.[95] There was, therefore, semiofficial agreement on

---

[92] Wallace to H. D. Smith, February 15, 1934, National Archives, R. G. 145.

[93] Oklahoma Farmer-Stockman, XLVII (June 1, 1934), 8.

[94] U. S., Congressional Record, 73d Cong., 2d Sess., 1934, LXXVIII, Part 2, 1963.

[95] Petrie to Terry M. Carpenter, February 15, 1934, National Archives, R. G. 145.

the need for a cattle reduction program by the end of January, and the Administration immediately began a search for canning facilities for such a project.[96] At this time plans for a cattle program resembled the Emergency Hog Marketing project.

Between the late January meeting and early May the Department of Agriculture worked energetically to secure a cattle reduction program. Secretary Wallace admitted in March that: "We will probably have to resort to the removal of beef from commercial channels for relief purposes just as we did in the case of hogs. . . ."[97] The drive for a reduction-control program intensified after the passage of the Jones-Connally bill on April 7. Agricultural officials called a beef cattle conference in Chicago on April 26. It was obvious that cattlemen were still not fully committed to a control plan. C. C. Davis, now the AAA administrator, emphasized the necessity of both reducing and controlling the cattle population: "Substantial increases have occurred in both kinds [dairy and beef] of cattle during the past six years. . . . The average annual crop of calves of the past six years could be produced with 6,500,000 fewer cows than are on the farms and ranches at the present time." No "immediate elimination" of that number should be attempted, however, because there was no possible outlet for that amount. Davis concluded by throwing the problem into the lap of the cattlemen: "The development of an actual beef cattle program logically

---

[96] Petrie to Philip A. Klipstein, February 5, 1934, National Archives, R. G. 145.

[97] Wallace to Louis Murphy, March 6, 1934, National Archives, R. G. 145.

belongs to the group meeting here today. You represent cattlemen in all parts of this country. Those of us in the Administration desire to see you proceed immediately to develop a sound program suited to the needs of the industry, just as did the corn and hog producers of the Middlewest."[98]

G. B. Thorne, AAA economist, also told the cattlemen that they must reduce cattle numbers to prevent production of "record beef supplies." Although "liquidation of surplus cows would no doubt occur in the next few years, regardless of an adjustment program," it would be a very painful process and would further depress cattle prices. It would be wise, therefore, to work out a less disastrous method of reduction and "to take steps to prevent a repetition of such an unfavorable supply situation in future years, and to reduce the sharp fluctuations in cattle production."[99] Davis and Thorne thus warned the cattle representatives that a planned reduction-control program to meet the surplus problem would be far less painful than the otherwise inevitable unplanned and chaotic liquidation.

Harry Petrie, who acted as chairman of the congress, backed up the statements of Davis and Thorne, emphasizing that the source of the cattle "producers' trouble is chiefly due to a surplus of dairy and beef cows." More important Petrie summed up the suggested proposals and warned the stockmen that there was no easy way out. The "exclusion

---

[98] Davis, "Address to Beef Cattle Congress," Chicago, April 26, 1934, National Archives, R. G. 145.

[99] Thorne, "Address to Beef Cattle Congress," Chicago, April 26, 1934, National Archives, R. G. 145.

of imports and removal of diseased cattle" was good, he admitted, but offered no solution. Government buying of cows and heifers for relief purposes was limited, he warned by "the amounts of beef that could be consumed by people who are not able to buy it with their own funds." Perhaps, "15,000 to 20,000 head of cattle a month" could be consumed by the needy. But removal of some of the surplus cattle flooding the market "would not get down to the root of the problem," Petrie declared, for "it would not prevent the birth of excessive calves. It would do but little good to relieve the market today if we flooded it again tomorrow."[100] Thus, according to Petrie, the removal schemes would be of only temporary value, just as was the emergency hog purchases, for the real necessity was the development of a more permanent production control program. Cattlemen were prepared to go along with temporary reduction proposals as they offered cash, but they were less willing to accept a long-term curtailment plan.

Petrie also expressed doubts about the value of the popular control schemes. The plan, he said, of spaying heifers and offering premiums on cows and heifers marketed had a number of drawbacks. Undoubtedly, Petrie agreed, the payment of a "substantial sum" would encourage stockmen to sell their females. "If it were made profitable, however, for a stockman to market female cattle," he warned, "it would at the same time be profitable for him to raise more." None of the plans advanced, Petrie felt, reached the heart of the cattle problem, permanent control of the number of breeding stock:

---

[100]Petrie, "Address to Beef Cattle Congress," Chicago, April 26, 1934, National Archives, R. G. 145.

> In order to attack the cattle industry's key problem at its roots, we must not only reduce the number of females on hand, but provide some means whereby the number of females can be kept at the new or lower level to which it is reduced. If producers decide in a general way that they want a cattle production control program, it will be up to them to determine the point at which control should be exercised.

Thus, Petrie also left the development of a long-term curtailment program up to the cattlemen. He warned the stockmen, however, that unless a definite control plan were adopted immediately "there will be plenty of trouble ahead."[101]

In spite of the appeals and warnings of Administration representatives about the necessity of developing both reduction and control programs, the cattlemen remained basically uninterested especially in the control aspect. About the only thing the stockmen could agree on was the opinion of Charles A. Ewing, President of the National Livestock Marketing Agency, that: "No other great basic business--and this is the biggest, most extensive and most important business in the country, and I think always will be--is more deeply in distress with its dollar at a less parity price, than the livestock industry."[102] Petrie later admitted that there was "much opposition to any program being undertaken as many of those present thought there was nothing wrong with the cattle business." The only thing accomplished by the conference, Petrie declared, was the creation of a Committee of Twenty-five.[103] This was a

---

[101]Petrie, "Address to Beef Cattle Congress," Chicago, April 26, 1934, National Archives, R. G. 145.

[102]Charles A. Ewing, "Statement Beef Cattle Congress," Chicago, April 26, 1934, National Archives, R. G. 145.

[103]Petrie, "Report on the Chicago Meeting," National Archives, R. G. 145.

more significant achievement than he indicated, for Petrie was permitted to choose the members of the committee. The committee agreed on a reduction and control program almost immediately, recommending a 20 per cent reduction in breeding females by January 1, 1937. The group even accepted a processing tax, but asked that it be kept low. They also suggested immediate institution of the disease eradication and relief purchase projects.[104]

The acceptance of a reduction-curtailment program did not mean that cattlemen favored the idea. Many, if not most, simply submitted to the cash inducement which came with the reduction portion. H. J. Baker, Director of Extension Service in New Jersey, in expressing the attitude of dairy men in his state summed up quite well the attitude of cattlemen. "They," he said, "would like to see dairy farmers in other parts of the country reduced but they do not want to do any reducing themselves."[105] Others might accept reduction, but they did not like it. One humorous critic asked Wallace not to use the piggy sow method to reduce beef cattle numbers. Instead, he suggested that Wallace "instruct the farmers to allow the bulls and cows run together, but put roller skates on the hind feet of all the bulls."[106]

In spite of the somewhat unwilling attitude of cattlemen, a

---

[104]"Resolutions Adopted by the Production and Reduction Control Committee of the Committee of 25 Representing the Cattle Industry," National Archives, R. G. 145.

[105]Baker to C. W. Warburton, April 16, 1934, National Archives, R. G. 145.

[106]Rollin B. Organ to Wallace, April 27, 1934, National Archives, R. G. 16.

cattle program had been developed by early May. On the 9th C. C. Davis informed a Congressional appropriation committee of the plan, which included the paying of $25 per head for 2,000,000 cows for relief purposes. The project also called for $6,000,000 for the "purchase and distribution of cattle from drought stricken areas. . . ."[107] This last provision foretold the joker which interrupted and finally destroyed the tortuously developed control program. For, nature, through the most disastrous drought in American history, was prepared to wreak destruction on a far grander scale than the New Deal planners, even in the nightmares of the most severe critics, ever contemplated.

[107]Tentative Estimate of Expenditures, by objects, of $150,-000,000 if appropriated for carrying out sections 2 and 6 of Public No. 142 73d Congress, approved April 7, 1934: Davis to J. P. Buchanan, May 9, 1934, National Archives, R. G. 145.

CHAPTER VII

THE EMERGENCY DROUGHT PURCHASE PROGRAM

The disastrous drought of 1934 which centered in the Dakotas and Minnesota in early May was merely the climax of a downward trend in precipitation extending over the previous decade in parts of the West North Central States. The lack of rainfall first became pronounced in 1929 and precipitation was again very light in 1933 with feed crops well below average. This meant that feed resources in the spring and summer of 1934 were very limited and that farmers were ill prepared to meet the "most disastrous and farreaching drought, according to the Weather Bureau, during approximately seventy years of weather-recording." During the first four months of 1934, rainfall in the Dakotas was the lightest on record and was only 54 per cent of normal in Minnesota.[1] Although the situation was most serious in those three states, drought conditions were spreading with varying intensity throughout most of the area west of the Mississippi River and to some regions east of the river. By the first week of May there was ample indication of severe damage "to crops

---

[1] "The Drought of 1934-35: A Record of Programs of Commodities Purchase Section Agricultural Adjustment Administration and Related Activities in Drought Stricken Areas," Prepared in the Statistical and Historical Unit, Unpublished Manuscript in National Archives, R. G. 145, p. 7. Hereafter cited as "The Drought of 1934-35."

and shortage of water supply affecting the lives of animals, as well as human beings."[2]

Even before a beef cattle curtailment program had been agreed upon, appeals for help in meeting the spreading drought conditions had begun to arrive in Washington. On April 30 the Minnesota State Relief Director remarked that "it is possible to feed people and keep them alive in the Drought stricken regions, but I can't see where it is humanly possible to keep the stock alive."[3] About the first of May Anna Dickie Olesen, of the Minnesota National Emergency Council, warned: "I fear blood-shed and riots out there [the drought region] and loss of life."[4] A meeting held in Montevideo, Minnesota late in April may have led to the expression of concern about riots and bloodshed. In discussing the drought situation considerable bitterness was voiced about past failures and the lack of a federal relief plan. J. J. Heimark raged: "We have had promises from one administration and another. . . . Roosevelt's policies have not been lived up to. . . . the American people are getting to the end of their patience. They will not tolerate these conditions."[5]

As hot dry days were followed by others even worse, the short temper of the American farmer was quickened to the boiling point. But

---

[2] _Ibid._, 14.

[3] _Ibid._, 22.

[4] Anna Dickie Olesen to Frank Ward, quoted in Fred A. Ironside to C. C. Davis, May 3, 1934, National Archives, R. G. 124.

[5] Remarks of J. J. Heimark, Records of Meeting Montevideo, Minnesota, April, 1934, National Archives, R. G. 145.

often anger and sturdy resolves dissolved into a sense of despair, and then pleas for government help. Although many people seemed to lose all spirit in the face of the great natural disaster, others managed to maintain a sense of humor, even while asking for assistance. In the great "show me" spirit of Missouri, Albert Kuhn of that state put the situation to Henry Wallace in a rather cynical fashion: "We need more rain, everything is drying up; why in hell don't you see to that!"[6] Evidently Kuhn doubted that the Secretary could handle the problem. But the realization that everything was "drying up" and that something must be done weighed heavily on the minds of AAA officials. Although there was no real hope of making it rain, that and many other projects came into the discussions of ways to deal with the drought.

The mention of buying and distributing cattle from drought stricken areas in the C. C. Davis communication to President Roosevelt on May 9 was the first apparent recognition of a possible federal relief purchase program induced by the weather. On May 11 Economist Nils A. Olsen was appointed to head a drought study committee.[7] Three days later Secretary Wallace received a report on the parched areas with recommendations for federal action. The cattle situation, the report indicated, was "very critical" and a program to reduce the cattle population by 25 per cent might be necessary. Such a reduction project would involve the purchase and FSRC relief usage of cattle "principally in drouth stricken areas at prices sufficiently higher than prevailing

---

[6] Kuhn to Wallace, May 27, 1934, National Archives, R. G. 145.

[7] Paul H. Appleby: Memorandum for Nils A. Olsen, May 11, 1934, National Archives, R. G. 16.

market prices to induce . . . a reduction of from 20 to 30 percent in areas where cattle numbers are too large in relation to available feed supplies." The FSRC experiment in Texas the previous winter served as a "precedent for this policy," it was suggested.[8] The AAA announced on May 15 that plans for cattle purchases and other measures were being developed.[9]

The report indicated no real conception of the seriousness of the drought situation. The reservation of only $6 million in the Davis outline and the apprehension on May 14 that cattlemen would need an inducement to get rid of their livestock revealed an unfortunate optimism. Evidently, the AAA was thinking of the purchase project as a part of the curtailment program rather than as an emergency measure. In reality, farmers for some time would need to be discouraged from disposing of their foundation stock rather than to be encouraged to sell. Faced with a feed shortage during the spring, and continued dry hot summer days, cattlemen were more than eager to reduce the size of their herds. Perhaps, the government purchases would prove to be a too popular solution to the drought crisis.

After deciding that weather conditions had created an emergency situation, the USDA officials became very active. But, after announcing that plans were under consideration for drought purchases and for relaxation of production control contracts limiting feed crop acreage and pasturage, officials appeared at somewhat of a loss as to what to do

---

[8] Memorandum for Wallace on Recommendation for Federal Action on Drought, May 11, 1934, National Archives, R. G. 16.

[9] AAA Press Release, May 15, 1934, National Archives, R. G. 145.

next. Indeed, Washington remained quite uncertain about either the nature or extent of a drought program and for some time many AAA officials regarded the purchase project as primarily an emergency extension of the cattle control plan.

During the third week of May representatives of the AAA, the FERA and the Farm Credit Administration met in attempts to work out the details of a government program.[10] In addition to the difficulty of estimating the possible need, the Senate delay in approving the authorization of the Jones-Connally appropriation of $150 million for relief of the dairy and beef industries hampered any estimate of the funds available for a purchase project. The AAA officials could say only that relief purchases of cattle would be "a part of the larger program and that they would be 'substantial.'"[11] On May 21, however, C. C. Davis announced the appointment of E. W. Sheets of the Bureau of Animal Industry to head the Emergency Drought Relief Service. Sheets was given charge of all drought relief activities of the AAA and the Department of Agriculture, including the proposed buying project.[12] On the same day the Drought Relief Service was created as a part of the AAA.[13]

The AAA had already prepared to draw back from the production control plan for beef cattle. On May 18 Harry Petrie, head of the

---

[10] George E. Farrell to Gerald P. Nye, May 18, 1934, National Archives, R. G. 145.

[11] New York Times, May 19, 1934, p. 3.

[12] AAA Press Release, May 21, 1934, National Archives, R. G. 16.

[13] C. C. Davis, General Office Order, No. 41, May 21, 1934, National Archives, R. G. 145.

cattle and sheep section, reported that representatives of the cattle industry had agreed on a control program, but the AAA would make no decision on it until the extent of the drought could be determined. The necessity of removing 1,500,000 starving cattle from the Dakotas and Minnesota presented, he declared, the most pressing problem.[14] Later, Petrie admitted that any plan to restrict livestock output was now "impracticable," and that the cattle reduction brought on by the drought would determine "to an uncertain degree" any future control program.[15] It was virtually impossible, however, for some of the AAA planners to abandon their long sought limitation program. Indeed, some, Petrie among them, continued to believe the emergency purchases could be made a part of the over-all livestock control plan. But there was a realization that it would be unwise to talk about a special government program for restricting production. Petrie now even refused to allow a representative of the Department to discuss cattle control or reduction plans before a meeting of the Colorado Stockgrowers and Feeders Association. Since nature had stepped in to make "more drastic" reductions than any the planners had contemplated, the interest of the agricultural officials, he stressed, must be one "solely of relief measures."[16]

On May 23, 121 counties in Minnesota and the Dakotas were

---

[14] Petrie to Walter P. Smith, May 18, 1934, National Archives, R. G. 145.

[15] Petrie to R. C. McChord, May 22, 1934, National Archives, R. G. 145.

[16] Petrie to B. F. Davis, May 22, 1934, National Archives, R. G. 145.

designated as the emergency drought area. The cattle removal program, it was declared, would begin in these counties.[17] The Area Designation Committee, as it was later called, used two classifications. In the emergency counties all types of drought relief were granted, but the purchase program was not in effect in the secondary counties. This action did not mean, however, that either the objectives or plans for cattle purchases or the other drought relief measures were in final form.

On May 25 the General Committee of the DRS reported on things the government could do to aid the stricken farmers. The committee called for relaxation of production control contracts to allow the planting of hay and forage crops, modification of restrictions to permit pasturage on contracted acreage, and direct relief to farmers through supplying feed for subsistence stock. Liberalization of credit by the Farm Credit Administration and a request to the railroads for reduced freight rates on cattle shipped out or feed moved into the drought areas were also recommended. The purchase and shipment of cattle from the distressed area was the final suggestion.[18] At this time Chester Davis reported to the President on the drought situation and on government measures taken or planned to meet it. Cattle purchases, designed to remove the "weakest and poorest condition animals first," would be made, he said, in the drought counties where the feed situation seemed most

---

[17] Emergency Drought Counties Designated, May 23, 1934, National Archives, R. G. 145.

[18] Meeting of General Committee of DRS, May 25, 1934, National Archives, R. G. 145.

acute. The removal project could be financed, Davis declared, by the $150,000,000 made available by the Jones-Connally appropriation, and he optimistically declared that "further legislation does not appear necessary."[19]

Davis also outlined the administrative system for the emergency program. A state and local organization was being created to cooperate with the DRS. State directors had been appointed for the Dakotas and Minnesota, and would be named elsewhere when needed, to oversee the federal relief activities. The cattle would be purchased on the farm by local committees working with inspectors from the Bureau of Animal Industries and the Farm Credit Administration. After the cattle had been bought for the AAA, they would be turned over to the FSRC. The Relief Administration planned to process most of the edible animals for distribution to families on relief rolls and hoped to return some to farmers of "'subsistence' cattle units." Those cattle which were diseased or judged unfit for food were to be condemned and disposed of on the farm.[20]

Although methods varied, the condemned animals were usually shot and buried in long trenches. This became more complicated when buying became so large, but the same methods of burial or burning were used. Because it seemed so wasteful to kill and bury thousands of cows and calves, this was one of the most severely criticized parts of the

---

[19] Davis to Roosevelt, May 25, 1934, National Archives, R. G. 145.

[20] Detailed Report on the Emergency Drought Situation and Measures which have been taken or are recommended by the Federal Agencies, May 25, 1934, R. G. 145.

drought program. Actually it was less wasteful than it seemed. Only the diseased and the severely emaciated were to be condemned and even these, at least the undiseased, could be saved by the owner and the relief workers who participated in the purchase program as food for their families. Enforcement of the restrictions on the use of condemned meat for food depended upon the section and the people in charge. In some areas, the officials permitted anyone who needed meat to salvage enough for his family.

Representatives of the AAA, FSRC and the packing industry also met on May 25 to discuss the purchase program. Special attention was given to the hope of the Drought Administration to buy 50,000 cattle per week.[21] The next day the President of the Institute of American Meat Packers notified members of his organization of the project and estimated that the government would buy one million cattle.[22] Thus, by the last week of May the Administration was prepared to begin its cattle buying program. Very quickly, therefore, plans had been developed and an organization started to buy cattle in the drought stricken region. Furthermore, the effects of the drought were spreading. On May 29 the northwestern corner of the Texas panhandle was added to the emergency list and restrictions on the planting of feed or forage crops on contracted acreage were relaxed in the drought area.[23] By this time some

---

[21] Memorandum on Meeting, AAA, FSRC and Packers, May 25, 1934, National Archives, R. G. 124.

[22] William Whitfield Woods to Members, Institute of American Meat Packers, Bulletin No. 225, May 26, 1934, National Archives, R. G. 124.

[23] AAA Press Release, May 29, 1934, National Archives, R. G. 145.

of the states were considering some rather drastic actions on the state level, but the federal forces were now moving in and the national program overshadowed any possible state measures.

E. W. Sheets moved to St. Paul at the end of May to begin federal buying. At the very last minute the government agreed on a two payment price schedule. The farmer would receive a purchase price of from \$1 to \$14 per head, plus a benefit payment of from \$3 to \$6 per head, with both prices based on the age and condition of the animal. All who sold cattle were required to sign an emergency cattle agreement pledging to participate in any future adjustment programs.[24] Thus, \$20 was the maximum combined payment possible under the schedule, and the average would be considerably less than that. Although the maximum price was not much above the average farm price for cattle, the drought schedule was actually quite generous. A great many of the cattle sold were of the low-grade or cull variety and many of them were so starved and emaciated that they could not have survived a shipment to market. In addition, it was obvious that if the government had not bought cattle many would have been forced on the regular market and thus have depressed prices even further.

The first cattle appraisals were made on the last day of May and the initial purchases were completed on June 6. Six days later, checks totaling \$1051 were issued to ten farmers from Traverse County, Minnesota, in payment for the first 70 drought cattle.[25]

---

[24] Oklahoma Farmer-Stockman, XLVII (June 15, 1934), 4. The benefit payment was not subject to the interests of lienholders but was reserved for the producer alone.

[25] C. C. Davis: Memorandum for Wallace, June 13, 1934, National Archives, R. G. 145.

Even before the first appraisals began, Sheets indicated a need for more money. On May 30 he declared that "the most imperative action required is . . . appropriation by Congress of not less than $250,000,000 . . . for agricultural drought relief." Otherwise, he believed, it would take the livestock industry twenty years to recover from the severe loss to foundation herds.[26] On June 9 President Roosevelt told Congress that the drought situation continued grave. Therefore, he asked for an emergency appropriation of $525 million with $75 million to be used in the purchase project.[27] Congress agreed that a general drought relief program of major proportions was necessary and promptly appropriated the requested money.

Meanwhile, the Drought Plans Committee was working out the major objectives to be accomplished under the purchase program. The project was to offer relief to owners of drought stricken cattle, it should conserve feed, preserve the better type of foundation stock, and remove as many low-producing and diseased animals as possible. In addition, it was hoped that the program would provide meat to the needy, relieve pressure on the beef market and, finally, reduce the total number of cattle. With these aims in mind, the Committee emphasized that the program should be pictured as a voluntary measure for those farmers who wanted to sell their cattle and sign the Emergency Cattle Agreement. The Plans Committee further pointed to the need for, and

---

[26] Philip G. Murphy: Memorandum for C. C. Davis, June 1, 1934, National Archives, R. G. 16.

[27] The Public Papers and Addresses of Franklin D. Roosevelt: The Advance of Recovery and Reform, III (New York: Random House, 1938), 293-295.

responsibilities of, the state and local organizations under the DRS. The community committees were not only to oversee the details of the buying but should also perform an educational function by explaining the character of the project to farmers.[28]

The DRS continued to develop the details for selling and buying cattle. Those farmers in emergency counties who wanted to sell their cattle should apply to local drought relief representatives for permission, assemble them at a designated time and place, try to have any lienholder or landlord present for the appraisal, sign the required agreements, deliver the accepted animals to the FSRC representative, and dispose of the condemned cattle. Local representatives were responsible for appraising, while inspectors from the BAI examined the proffered animals, selected those suitable for food purposes and condemned those diseased or suffering from malnutrition. Only the minimum purchase price and benefit payment could be offered on those judged unfit for food, but the farmer had the right to reject all appraisals. Too, the farmer could salvage the hides and any of the carcass of a condemned animal for his own use. A further ruling declared that payment could be made only on those animals still alive when inspected.[29] Obviously these aims and regulations were presented to meet and, hopefully, to curtail complaints similar to those which developed during the hog buying of 1933, to answer some criticism already proffered, to provide a basis

---

[28] Drought Plans Committee: Memorandum for Philip Murphy, June 21, 1934, National Archives, R. G. 145.

[29] Drought Plans Committee: Memorandum for Philip Murphy, June 21, 1934, National Archives, R. G. 145.

for an educational or publicity campaign, and to develop a more orderly administration of the program.

By late June the most pressing problem was that of a more effective handling of the purchases. After the AAA bought the cattle, it immediately donated them, except the condemned, to the FSRC for disposal. At first the FSRC either assigned the animals to state or local relief agencies or sent them elsewhere for processing, but cattle were also being shipped to non-drought areas for pasturage while awaiting processing. The relief corporation could now dispose of the drought purchases by distributing suitable cattle as subsistence stock, shipping them to commercial packers for immediate processing, donating them to state relief administrations "for processing in plants operated as work relief projects or in commercial packing plants," or shipping them out of the drought area to await slaughter or redistribution.[30] Although a "cattle movement and quota" committee was created on June 23 to coordinate the buying and selling operations,[31] no changes were made in the administration of the relief project.

The drought levied its heaviest toll during July. Continued lack of moisture and intense heat brought an "enormous increase in the number of cattle" offered to the AAA.[32] Counties had been classified

---

[30] Philip Murphy: Memorandum to Wallace, June 25, 1934, National Archives, R. G. 16.

[31] Conference on Correlation and Coordination among the different Departments handling the purchasing, processing and distributing of livestock from the drought states, June 23, 1934, National Archives, R. G. 145.

[32] "The Drought of 1934-35," p. 55.

as either emergency or secondary in all states west of the Mississippi River, except Washington, and in three states east of the river. Seven counties in Florida also received the emergency designation, with all of its benefits, because of a serious flood situation.[33] When the Area Designation Committee ceased its activities on October 24, 1934, 1,187 emergency and 270 secondary counties in 25 states remained on the drought list.[34]

Paralleling the rapidly expanding drought area was the greatly increased rate of buying. Originally the DRS had contemplated purchasing 50,000 cattle per week, but in the second week of June it bought over 125,000 head and in the week ending on June 30 purchases totaled 262,009. The rate almost doubled in the next month as the DRS purchased 506,273 cattle in the week ending July 28. Although buying declined slightly the next week, purchases totaled about 588,779 in the week ending on August 11 and remained at or above that level through the second week of September.[35]

By mid-July it was obvious that the purchase project would be much larger than anyone had anticipated and Washington was being subjected to pressure from an increasingly panic-stricken public. The drought office in Missouri reported that "telegrams, telephone calls, letters and personal visits by county agents and farmers are becoming more numerous each day and indicating that farmers are on the verge of

---

[33] _Ibid._, 35, 59.

[34] _Ibid._, 68.

[35] _Ibid._, table 10, p. 78.

getting panicky."[36] Confronted with such reports, Secretary Wallace estimated that the DRS would buy between three and five million cattle and declared that other purchase programs were being considered.[37] By the third week of July the far greater offerings than expected, financial limitations, difficulties with shipping and processing, and largely uncontrolled buying all contributed to what verged on chaos.

With an expanding purchase area and increasing demands for government buying, purchase restrictions were lifted in some areas and new programs were developed during the last week of July.[38] Although an attempt was made at this time to establish "daily purchase quotas" and to limit buying to the areas in the "most distressed condition,"[39] the opposite seemed to result. D. A. FitzGerald declared that "state officials almost seemed to be vying with one another to see who could purchase the largest number of cattle." Cattle were purchased "so rapidly and so promiscuously," he said, "that no one had an accurate estimate of the number of head being bought from day to day or of what the total commitment" of the government was. Indeed, it was later discovered that about 30,000 more cattle had been purchased than had been reported, and the drought authorities were forced to revise their plans accordingly.[40] At the same time plans for instituting new purchase

---

[36] R. R. Thomasson to Sheets, July 17, 1934, National Archives, R. G. 145.

[37] Wallace to Roosevelt, July 19, 1934, National Archives, R. G. 16.

[38] C. D. Lowe to O. B. Martin, July 28, 1934, National Archives, R. G. 145.

[39] "The Drought of 1934-35," p. 58.

[40] FitzGerald, Livestock Under the A A A (Washington: The Brookings Institution, 1935), 202-203.

programs were being completed. As a result of constant appeals "from individual producers, local and state sheep and goat organizations and the National Wool Growers' Association," a general sheep and goat purchase project was developed.[41] On July 30 E. W. Sheets declared that it was necessary to buy pure bred cattle to preserve good breeding stock.[42] Although buying in the new programs did not start until September, their development tended to complicate the general relief operations.

Under the weight of a steadily growing program and continuing serious drought conditions, it was decided to reorganize the drought relief administration. The President's Drought Relief Committee made up of Wallace, Davis of the AAA, Hopkins of the FERA, and William I. Myers, Governor of the Farm Credit Administration, had been created to give over-all guidance to federal policies. The Livestock-Feed Committee, headed by Calvin B. Hoover, coordinated the drought relief measures. Harry Petrie was sent to Denver to oversee the field operations, and E. W. Sheets was returned to his "old job" with the BAI.[43] The reorganization was announced on August 20, but had been under consideration for some time as the Livestock-Feed Committee met on that very day and considered the pressing need for purchasing as well as shipping

---

[41] Harry Petrie: Report on Sheep and Goat Purchases by AAA from Drought Areas; September to December 1934 to G. B. Thorne, Department of Agriculture, Library Division.

[42] Sheets: Memorandum for C. C. Davis, July 28, 1934, National Archives, R. G. 145.

[43] Victor Christgau: Memorandum for C. C. Davis, August 20, 1934, National Archives, R. G. 145.

quotas.[44]

The shake up in drought leadership came from the need for a more adequate organization to meet the much larger than anticipated emergency, to develop weapons other than purchasing to fight the drought, and to bring more effective control to the purchases. But the change also removed the center of some resentment, for Director Sheets was not popular with some of his co-workers. This may have been based as much on his non-AAA origin as on his handling of the purchases. Years later Henry Wallace agreed that "there was some conflict with Sheets," but he did not "remember its nature."[45] In any case, some members of the AAA seemed pleased that Sheets had been sent "back to his bureau."[46]

With the dismissal of Sheets, a complex organization was created to direct the drought relief activities. A Commodities Purchase Section was established to handle the actual buying of livestock, and a number of new committees were created to deal with specific phases of the activities. The Drought Plans Committee, which recommended action within the USDA and supplied information and policies to the President's Drought Committee, and the Livestock-Purchase Committee dealt directly with the buying project.[47]

From the first the new organization demonstrated a determina-

---

[44]Transcript of Meeting of the Livestock Feed Committee, August 20, 1934, National Archives, R. G. 145.

[45]Wallace to author, July 30, 1960.

[46]R. C. McChord to E. L. Potter, September 6, 1934, National Archives, R. G. 145.

[47]"The Drought of 1934-35," pp. 41-44.

tion to regulate more carefully where and from whom cattle were purchased and immediately began an analysis of the drought and feed situation. The drought officials also resolved to limit the total number of cattle bought and to develop facilities to feed and conserve the remaining stock. As the American Cattle Producer later editorialized:

> Suddenly, early in September, all was changed. The question of additional purchases was turned over to a committee of economists and theorists--all duly qualified by virtue of the fact that they knew nothing about the actual situation. This committee proceeded to scare itself as to the condition which would exist if 14,000,000 cattle were purchased . . . [and joined by the packers lamented] the situation which might exist if they bought more cattle than anybody intended they should. Thereupon the committee solemnly decided that a halt should be called, corn fodder and sirup shipped to rescue the starving animals, and the herds saved from further depletion.[48]

Allowing for the evident bias of the cattlemen's journal, Washington had obviously become frightened by the possible effects of its purchases. Publicity about the expense and size of the project bothered agricultural leadership, and Davis suggested to Wallace that future allocations for expenditures out of emergency funds be made by letter rather than executive order since the orders were "given publicity which a letter will not receive."[49]

The Administration also changed the emphasis on aims of and reasons for buying. No longer did anyone talk of reducing the total numbers of cattle. Instead, heavy emphasis was placed on the relief and conservation goals. In reply to a request from William W. Woods that the number of cattle purchased be restricted, Davis insisted that

---

[48] American Cattle Producer, XVI (December 1934), 14-15.

[49] Davis: Memorandum for Wallace, August 24, 1934, National Archives, R. G. 124.

only the "minimum number" would be bought to allow the remaining to survive on the available feed supplies. Otherwise, "death from starvation" would complete the removal process. The program, Davis declared, "is aimed at conserving maximum amount of meat possible while making at least minimum provisions for feeding remaining livestock."[50] Basis for government fears could be found in cattle purchases totaling between three and one-half and four million head by August 21 and with no end in sight. Although previous estimates had ranged from one to 10 million head, R. C. McChord admitted late in August that the ultimate total of purchases could not "be accurately forecast at this time."[51] Spokesmen for the AAA, however, talked "officially" about buying around seven million head.[52] Into this confusion the new drought committees courageously flung their regulations and restrictions.

On August 30 the Drought Plans Committee declared an end to unrestricted buying. Henceforth, the government would buy only in the "most distressed" section, from farmers who demonstrated an inability to feed their stock, and only enough from each producer to enable him to feed his remaining stock.[53] The Livestock-Purchase Committee later declared that, prior to its appointment in late August, "practically no limitation had been placed on the volume of purchases and it was

---

[50] Davis to Woods, August 20, 1934, National Archives, R. G. 145.

[51] McChord to Laurel Johnson, August 27, 1934, National Archives, R. G. 145.

[52] Clarence Roberts, "Cattle Buying Goes On," Oklahoma Farmer-Stockman, XLVII (September 1, 1934), 3.

[53] Minutes, First Meeting of the Drought Plans Committee, August 30, 1934, National Archives, R. G. 145.

quite evident that many cattle were being purchased in areas and from producers not in acute distress." An analysis of available funds, past expenditures, and the general livestock and feed conditions revealed "quite clearly that it would be impossible to purchase as many cattle as would be offered for sale in the drought areas." In September, therefore, limits were placed on purchases through state quotas. When the first allocations were made by the Committee, state drought directors were instructed to check carefully the need of those wanting to sell and "that priority be given to those cases in most acute distress." The Committee further emphasized that there simply was not enough money to buy all of the cattle being offered and that the purchase restrictions must be observed.[54]

Administration concern about the potential size of the purchase program, both the large expenditures and the possible threat to the future of the cattle industry, led to the attempt to impose restrictions on buying. Also, agricultural leaders had evidently decided that the drought program was the cattle program, at least its reduction phase. Although this was not officially stated, McChord admitted that "it seems probable . . . that a formal reduction program will be unnecessary, at least for the present."[55] The reorganization was an endeavor to make the purchases strictly a relief portion of a much larger and longer range drought program.

---

[54] Livestock Purchase Committee: Memorandum to C. C. Davis, November 8, 1934, National Archives, R. G. 145.

[55] McChord to Laurel Johnson, August 27, 1934, National Archives, R. G. 145.

To facilitate the reorientation of purchases the Purchase Committee declared that buying would be stopped in eight states and suspended in others on September 19 pending a check of funds, the feed situation and cattle numbers. Allotments were made to continue buying through the 29th in only nine states.[56] On the 19th McChord indicated that "cattle purchases in all areas have been suspended." When buying was resumed, he declared, it would be carried out only under the new stringent restrictions.[57] The period of transition was hampered by pressure groups who wanted buying to cease and from others insisting on a continuation and expansion of the project. The situation was further complicated by a state of confusion that resulted for a considerable time, "due to the uncertainty of the organization in various states as to where their orders from Washington should originate."[58] Nevertheless, the Purchase Committee issued what it considered its final allocations on October 10.

The authorizations called for the buying of enough cattle to bring total purchases to about 7,737,000.[59] The committee expected these purchases to be completed around the middle of November. Such an easy termination of government buying, however, was not possible. Not

---

[56]Minutes of Livestock Purchase Committee, September 15, 1934, National Archives, R. G. 124.

[57]McChord to A. L. Brown, September 19, 1934, National Archives, R. G. 145. Actually buying did not stop, but allocation of funds for further purchases was suspended.

[58]M. T. Morgan: Memorandum for G. B. Thorne, June 24, 1935, National Archives, R. G. 145.

[59]AAA Press Release, October 10, 1934, National Archives, R. G. 145.

only was there opposition within the AAA but there was also a public demand for continued large-scale purchases. Early in September McChord noted that his section had "a great deal of correspondence to take care of and it looks as though I hardly get rid of a bunch of hot ones that I get that many more. Politics seem to be playing quite an important part and must be reckoned with."[60] Although McChord was not talking only about the demand for buying, the necessity for reckoning with political considerations became more essential than ever as Washington sought to end purchasing.

Farm journals, state drought officials, cattle associations, and individuals all insisted that the cattle industry would be destroyed if the government did not continue its purchase project. This demand, which was not new, became more emphatic as soon as the more stringent restrictions were imposed. Cattlemen had been promised by men "in the field" that they would have an opportunity to sell their cattle and the government, many of them insisted, was obligated to give them a chance.[61] By October, with the drought administration obviously driving to terminate the buying project, opposition became more vigorous.

Harry Petrie, head of the cattle and sheep programs, now assumed leadership of the drive to continue purchases. Early in October J. L. Wright, district agent of the Extension Service in Little Rock, wrote to county agents in the emergency drought counties. Wright quoted

---

[60] McChord to E. G. Potter, September 6, 1934, National Archives, R. G. 145. The last sentence was crossed out in the draft of this letter and probably did not go out.

[61] Livestock Purchase Committee: Memorandum for C. C. Davis, November 8, 1934, National Archives, R. G. 145.

a letter from Petrie warning that the purchases were about to end and suggested that one last effort be made to show Washington that the "emergency situation still exists."[62] Throughout these weeks, Washington was inundated with an almost unbelievable flood of letters and telegrams pleading for continuation of the program. The pleas came largely from the Mountain States and the Southwest, with petitioners from Texas outnumbering those from any other state and, probably, those from all other states. Although some of the requests obviously were prompted by organized campaigns, many of them were honest appeals for help.

Typical of the October petitions was a letter from J. W. Merrill, chairman of the cattle committee in Fort Davis, Texas. Merrill wrote Congressman R. M. Kleberg pleading for continued government purchases. At first he had sold only his culls, he said, but now he wanted to sell out. A large proportion of the cattle in the western states would be dead by spring, Merrill warned, if the government did not buy them.[63] A. J. Luna, Mount Pleasant, Texas, declared that cattle were not worth enough to feed on the federal loans for feed. Therefore, he asked for continued buying:

> It will be remembered that the Government gave no instructions as to the conduct of the program and the cattle were taken up by the authorities as they came to them and in the case of this county, only about one-half of the farmers received any relief whatever, and it has left the other half in as bad condition as can possibly be.

---

[62]Wright to County Agents, October 10, 1934, National Archives, R. G. 124.

[63]Merrill to Kleberg, October 25, 1934, National Archives, R. G. 145.

> May we insist that you, as our Senator /Tom Connally/, take the proper steps before our Government to see that the people receive some immediate assistance.[64]

Hundreds of such requests from Texas caused Wallace in November to tell Kleberg that no more funds were available for Texas. That state, he said, had already been allotted more than any other state, a total of about 20 per cent of all funds expended. Wallace suggested, therefore, that the Texas cattlemen turn to the feed and forage programs which were available.[65]

The American Cattle Producer continued its campaign for prolonged government buying. Concerned that the "future of the cattle-buying program is now in doubt," the Producer warned that "there are two or three million more distressed cattle . . . many of which will die on the range if not handled soon. It would be doubtful economy to do a good job of buying seven million cattle and then quit just when the program could be properly rounded out with a little more time and money."[66] Further demands came from cattlemen's associations. The Wyoming-Montana LiveStock Protective Association objected to the plan to terminate buying "when so many animals still remain on the ranges for which there is no feed, and which consequently are threatened with death from starvation during the coming winter." The Association then

---

[64]Luna to Tom Connally, October 30, 1934, National Archives, R. G. 145.

[65]Wallace to Kleberg, November 14, 1934, National Archives, R. G. 145. Purchase funds were again made available in Texas. This was simply another example of failure in an attempt to limit purchases.

[66]American Cattle Producer, XVI (October 1934), 13.

passed a resolution asking continuation of the purchase program until January "in order to protect stockmen in case a hard winter makes it necessary to dispose of additional stock."[67] The American National Livestock Association led most of the other cattlemen's organizations in opposing the government's plan to end the purchase project.[68]

During October the drought administration attempted to develop a follow up program. G. B. Thorne presented a plan to help eastern farmers with adequate feed supplies buy good cattle from the drought areas.[69] Others were working on plans to increase and expand the purchase and distribution of feed into the drought region.[70] These projects were not enough to satisfy the critics, however. T. R. Reid warned Philip Murphy that:

> . . . the feed program will be of little service to our farmers. The value of cattle is still too low to justify a farmer feeding even a maintenance ration. . . . I suspect that unless additional cattle can be moved from the farms, that many farmers will drive their cattle into the bottoms hoping that they may be able to make their way thru the winter and at least they will be far enough away that they will not be able to see them if they starve to death.[71]

On that gloomy note the final struggle over extended buying opened.

On November 8 the Purchase Committee emphasized that the state

---

[67] Ibid. (November 1934), 10.

[68] Ibid. (December 1934), 12.

[69] Thorne: Memorandum from Drought Plans Committee, October 25, 1934, National Archives, R. G. 145.

[70] Mordecai Ezekiel: Memorandum for Secretary Wallace, November 1, 1934, National Archives, R. G. 145.

[71] Reid to Murphy, November 1, 1934, National Archives, R. G. 124.

and local organizations had not cooperated in its efforts to regulate purchases. An October survey of the drought and cattle situation confirmed the Committee's opinion that no further buying was needed. This attitude was based on the belief that farmers were not putting forth any effort on their own and would not do so so long as the government was willing to do everything.

> It has been quite apparent for some time that producers in the drought States were not going to give their best efforts in figuring out ways and means of getting cattle through the winter so long as there was a chance that the Government would buy some of them at prices higher than they could expect to get from them through any other outlet. This is a serious situation.

Although death losses might be large, the Committee insisted that the government could not buy all the cattle and warned that:

> . . . the longer we continue purchases the more obligated we are to assume the major share of the burden of distress. Placing the responsibility squarely on the individual, then aiding him in his own efforts as best we can, is in our opinion the most effective way of getting a maximum number of cattle through the winter, which should now be our major objective with cattle numbers having been so drastically reduced.

More purchases could not possibly end all protests and complaints about unfulfilled promises. In any case, the Committee contended, "promises of such an unofficial character should not be considered as an obligation on the Government." Also, "much of the pressure to buy these cattle has been originating with loan agencies," and such buying would not be in line with the objectives of the program. Besides, the Committee hopefully claimed, protests against closure were rapidly decreasing and "buying can be discontinued with a minimum of pressure provided we take a united stand."[72] Basically, the Purchase Committee hoped to

---

[72] Livestock Purchase Committee: Memorandum for C. C. Davis, November 8, 1934, National Archives, R. G. 145.

shift survival responsibility to farmers and ranchers and reduce dependence on the government. Also, a fear existed that too many cattle had been purchased and that blame for this might fall on the adjustment programs. If the project were reopened, many wanted it emphasized that it was only because of the drought and not a part of the agricultural adjustment program. Some officials even wanted to turn any further purchasing over to the relief agencies.[73]

Although the arguments against extending purchases were persuasive, the proponents of more buying were too strong. Almost all of the State Directors, who met in Kansas City on November 3, emphasized the necessity of continuing the program. They evidenced a general feeling that everything depended upon the government, and indicated that the people in their states had expected everyone to have an opportunity to sell cattle. If the program were terminated, the government would be letting them down.[74] With this backing, Petrie returned to Washington and insisted on the purchase of 1,250,000 more cattle.

Petrie cited all of the common reasons for further purchases, but he placed major emphasis on the political considerations. He explained that no one had any conception of the size of the program during its early weeks, and as a consequence, there was no restriction on buying "the general impression being that funds were unlimited for

---

[73] Calvin B. Hoover: Memorandum for C. C. Davis, November 7, 1934, National Archives, R. G. 16; Harry Petrie: Reasons for purchasing more cattle under the Emergency Cattle Program, November 8, 1934, National Archives, R. G. 145.

[74] Minutes of Meeting of State Directors of Drought Relief Service, November 3, 1934, National Archives, R. G. 124.

making cattle purchase and that a culling program would follow. . . . (The damage had been done and regulations promulgated by the Livestock Purchase Committee at the time of their inception could do little to help. . . .)" When the western ranchmen learned of the cut off "the reaction was anything but favorable," and Petrie warned that if:

> . . . no further purchases were made, the reaction in the Western country, particularly the intermountain areas, would be very severe, and that criticism that would follow would wipe out much of the good feeling that has been constantly evident since the buying program was instituted. . . . many of these people feel that the Government has actually obligated itself to continue the purchase. . . .

He also warned that ending purchases would send a "tremendous volume of inferior cattle" to market and result in considerable confusion and "a very marked reduction in prices," something no one in the Department could look forward to with calm impartiality. Petrie concluded that he felt "very strongly on this matter and am sure that it would be an unfortunate decision if the buying was immediately concluded. By extended purchases . . . we believe . . . that the reaction to the whole program will be much more favorable than will be the condition if the program is terminated now."[75]

With their subordinates divided, the decision was apparently left up to Davis and Wallace. The political considerations were probably a deciding factor, for it was announced on the 22nd that the AAA would buy approximately 1,500,000 more cattle. The decision was made, the Administration declared, because purchases were necessary to prevent severe losses during the winter.[76] A press release issued on December

---

[75] Petrie: Reasons for purchasing more cattle under the Emergency Cattle Program, November 8, 1934, National Archives, R. G. 145.

[76] New York Times, November 24, 1934, p. 2.

4 estimated that total purchases would reach about 8,522,000.[77]

At the time of the December announcement purchases totaled about 7,300,000 which left 1,200,000 cattle to be purchased under the extended program. Thus, the extension met the proposals of Petrie, and he was primarily responsible for allotting the new purchase quotas. Under the restriction drive of the Purchase Committee, buying had been stopped in twelve states. The expanded buying was projected for the remaining states in the Southwest and Inter-Mountain areas, with the latter receiving the greater consideration. To the consternation of the proponents of the reopened buying, government buyers found it extremely difficult to fill their additional quotas. This resulted in a reallocation of funds to some of the Mississippi River states which had been demanding renewed access to government funds.[78] Only three of the drought states, Illinois, Wisconsin and California, were not restored to the buying list in December 1934 and January 1935.

The AAA became so anxious to buy cattle that it opened up buying operations in some areas which had never been on the emergency drought list. The situation in Iowa, where "all local authorities and agencies, the Governor, senators, congressmen, the local FERA administrator, and the extension service agreed that additional purchases were essential," was common. Some of the petitioners insisted that at least 200,000 cattle should be taken from southern Iowa alone. Funds were allocated to buy 60,000 cattle, but farmers sold only 4,420 head.[79]

---

[77] AAA Press Release, December 4, 1934, National Archives, R. G. 145.

[78] FitzGerald, Livestock Under the A A A, 205-206.

[79] Ibid., 206.

This difficulty was encountered throughout the extended purchase period. L. J. Allen, inspector at Oklahoma City, reported that it was extremely difficult to get cattle.[80]

On January 31, 1935, Philip Murphy wired Petrie that "in accordance with previous understanding Emergency Cattle Purchase Program terminates February first. No extensions to be made in any state."[81] In spite of the obvious lack of any great need or desire by farmers to sell, demands for continued buying were still made. J. D. LeCron, from Wallace's office, refused the request of Donald R. Murphy, managing editor of Wallaces' Farmer, for continued buying:

> As you know, an extension was made of the time for purchase. . . . Colonel Murphy, who has charge of the cattle purchase program for us, talked over the phone to Mr. Bliss [evidently in charge of buying in Iowa] day before yesterday and Mr. Bliss told him that in all the drought counties and in the four additional counties, every farmer had two or three letters inviting him to sell cattle. Bliss seemed to feel that everyone has had an opportunity to sell cattle and that the closing date of January 31 was perfectly satisfactory; he stated, in fact, that half of the cattle when brought in for sale were purchased by speculators rather than by the government.[82]

With the refusal of farmers to sell, the AAA finally concluded its project at the end of January, two and one-half months after the Purchase Committee had wanted to stop.

A variety of explanations were offered for the failure of producers to take advantage of the offer. L. J. Allen believed that Okla-

---

[80] Allen to Chief of Bureau of Animal Industry, January 30, 1935, National Archives, R. G. 124.

[81] Murphy to Petrie, January 31, 1935, National Archives, R. G. 16.

[82] LeCron to Murphy, February 1, 1935, National Archives, R. G. 16.

homa farmers held back "on account of the upward surge in the prices, the mild winter, the brighter outlook for the cattle industry and the realization that it is only sixty days until grass."[83] M. T. Morgan of the AAA later contended that more cattle were not bought because the "commercial market price, even for drought cattle, had risen above the Government price."[84] There was some justice to this contention as the average price on common grade cattle sold at Chicago had been $3.67 on November 3, but was up to $4.55 on December 29 and $6.10 on January 26.[85] While FitzGerald admitted the rise in prices and mild winter, he insisted that farmers had never really wanted or intended to sell. The irresistible demand for prolonged buying was based, he said, not on any wish or great need to sell but on the desire of producers "to have this alternate outlet available in case they wanted to take advantage of it."[86] The purchase of less than 800,000 cattle after November 15 proved that the Purchase Committee had been correct when it wanted to cease buying on that date. But the good will which was gained, as Petrie had promised, was unmeasurable in numbers of cattle bought or dollars spent.

---

[83] Allen to Chief of BAI, January 30, 1935, National Archives, R. G. 124.

[84] Morgan: Memorandum for G. B. Thorne, June 24, 1935, National Archives, R. G. 145.

[85] "The Drought of 1934-35," table 16, p. 175.

[86] FitzGerald, Livestock Under the A A A, 206.

CHAPTER VIII

PROBLEMS OF THE DROUGHT PURCHASE PROGRAM

The magnitude of the emergency drought buying far outweighed all previous purchase projects. Not only were the costs much greater but the problems were more basic and the criticism was often more vicious. Many of the problems and reproaches came from the inability of the Administration to settle the purpose and goals of the buying program. Some protests centered on the handling of the project, especially on the condemnation and burial of so many animals. Other complaints came from the lunatic fringe and professional New Deal critics who pictured with horror this attempt to buy the souls of the independent cattlemen while at the same time destroying the livestock industry. Although cattle producers appreciated the giant relief measure, they obviously hoped to take advantage of it without giving acquiescence to further government programs.

During the eight months of buying, the DRS purchased almost 8.3 million cattle, with nearly 18 per cent being condemned as unfit for food. For their livestock, producers received purchase payments of almost $70 million and benefit payments of over $41 million. Over two million cattle, nearly 25 per cent of the total, were bought in Texas. The Indian Service used almost $800,000 of USDA funds to buy were all bawling as only cattle bawl, somewhat as dogs howl when taken to a strange place." The drought victims, as Porter described them, presented a "pitiful picture. None was a good fat cow. All were gaunt, scrawny bony looking in various degrees. One could count their ribs sticking out and see the ridge of their backbone and the humps of their hip bones as if they were skeletons covered with canvas in a museum. They stood almost lifeless, with their heads down and their tails between their legs like whipped dogs."[4] These were the animals accepted for food purposes; the condemned were even in worse condition. Despite the quality of cattle, producers and others felt the government bounty should be even more generous than it was.

Farmers and businessmen from Chippewa County, Minnesota, petitioned against the "unjust price schedule" established by E. W. Sheets.[5] Oscar L. Peterson of Glenwood City, Wisconsin, requested that twice as much be paid for the cattle and that farmers who suffered death losses from starvation be given a bonus.[6] In August Bert Brumfield protested that cattle were:

> . . . being bought at bankrupt prices.
>
> . . . The situation is serious. If it does not rain soon 75% of the cattle between the Mississippi River and the R. Mountains will have to be disposed of.
>
> To sell these cows at $20 will bankrupt most producers. Where will the cattle come from to replace them.

---

[4] Porter, "Drought Produces Lean Kine of Egypt," New York Times, August 2, 1934, p. 6.

[5] J. L. Saltness, et al. to Wallace, June 4, 1934, National Archives, R. G. 145.

[6] Peterson to Wallace, June 13, 1934, National Archives, R. G. 145.

> . . . The Government should send a lot of these cattle somewhere to winter even if it must be as far as South America. It is plain that the country cannot stand the slaughter or loss of any such number of cattle neither can it stand to have any such large number of producers bankrupted.[7]

In March 1935, the North Dakota Senate claimed that, although producers were entitled to the cost of production or parity price for their cattle, the government had paid only about 25 per cent of the just price. Since producers were entitled to adjustment benefit payments of approximately $40 million, the legislators asked that a program be developed immediately to give cattlemen parity prices and enable them to "re-establish their almost depleted estates. . . ." Worthy of note was the emphasis the legislators placed on banks and credit institutions, for "unless the producers receive just compensation for their cattle it is going to work a hardship on banks, credit companies, and other mortgage holders. . . ."[8]

Some of the demands for a higher price schedule came from the creditor interests. Shortly after purchases began, Peter Norbeck gave the best of all possible answers to such requests. He agreed with the South Dakota Bankers Association that better prices would be fine, but he warned that the viewpoint of the taxpayers must be taken into account. Besides, Norbeck declared, the program must be viewed as "partly in the nature of a gift from the treasury as partial relief for a distressed people--debtors, creditors, borrowers and depositors. One difficulty lays in fact we are put in position of a person who received a gift

---

[7]Brumfield to Clifford B. Hope, August 13, 1934, National Archives, R. G. 145.

[8]U. S., Congressional Record, 74th Cong., 1st Sess., 1935, LXXIX, Part 4, p. 3800.

asking that it be increased and therefore his request is not well received."[9] Most cattlemen realized, as Norbeck said, that any price the government paid for the drought cattle was in the nature of a gift and were happy to get it.

Administration concern over the claims of creditors was partly responsible for one of the most bitterly criticized aspects of the purchase project. The Emergency Cattle Agreement included a clause which bound the producer to participate in "further general programs pertaining to adjustment or reduction of production. . . ." Although the compulsory pledge encountered early criticism, the agricultural officials were never able to adequately explain the requirement. The AAA insisted that a demand to end the forced signing of contracts "puzzles us for cattle raisers are under no compulsion to sign contracts with the Government for the purchase of their animals."[10] Although cattlemen were not compelled to sell their cattle, many of them felt that requiring such a pledge under the circumstances amounted to the use of force.

By August resentment against the cattle agreement had reached a fever pitch. One critic complained that the contract was a "usurpation of authority . . . an abuse of power." Congress, he declared, had no idea that Wallace would "force every farmer to abide by any rule or regulation which he might hereafter issue in order to benefit by this

---

[9] Norbeck to South Dakota Bankers Association, Telegram, June 6, 1934, National Archives, R. G. 145.

[10] Paul R. Preston to Fifth District Farmers Union Convention, June 12, 1934, National Archives, R. G. 145.

relief." Thus, Wallace and Rexford Tugwell, assistant secretary, were taking advantage of both Congress and the farmers.[11] Hoard's Dairyman also denounced the agreement: "Hailed as a humanitarian act to aid drought stricken farmers, the government's contract for the purchase of cattle ties the farmer hand and foot to the chariot wheel of a dictator."[12] As Wallace said in September, the Administration seemed unable to escape the complaints.[13] Because the cattlemen had signed the agreement and received its benefits, another critic protested, the government claimed that they had forfeited their right to question its constitutionality. Thus, he declared, "actually we have bartered our liberties for a mess of potted ham; we have surrendered our birthright for a herd of canner cows."[14] To Alva Johnston, the drought gave the Government an opportunity to seize control of the cattle business. When cattlemen were threatened with the loss of their herds:

> . . . the AAA offered to buy the cattle that were threatened with destruction. It offered handsome prices, provided that the cattlemen would sign up to let the Government regulate them. Thousands of distressed ranchers took the Government money and signed the pledge. Today, many of them are demanding to have this pledge canceled. They assert that the Government took advantage of their distress and that the pledge is illegal because the signer was under duress.

The president of a cattle association, Alva Johnston wrote, told her

---

[11] Harold McGuin to F. C. Flory, August 9, 1934, National Archives, R. G. 145.

[12] Hoard's Dairyman, LXXIX (August 10, 1934), 354, in National Archives, R. G. 145.

[13] Wallace to E. K. Sherwood, September 20, 1934, National Archives, R. G. 145.

[14] J. Evetts Haley, "Cow Business and Monkey Business," Saturday Evening Post, CCVII (December 8, 1934), 96.

that "'Secretary Wallace was so crazy to get us into the program that he was willing to pay any price for an old cow.'"[15] Although this attitude was inconsistent with the attacks on the price schedule, it was common in those groups who regarded the purchase project as a Government attempt to take over the cattle industry.

The President of the National Live Stock Association, Charles E. Collins, called the purchases very beneficial, but he saw a danger in the possibility that it would set a precedent for further unusual and perhaps unwise government programs. The Administration made a very grave mistake, Collins declared:

> . . . and that was the unfair and un-American contract which cattlemen were forced to sign in order to participate in the benefit from this cattle selling program. Few would have dreamed of their government, under the guise of relief, compelling them to sign such a contract. I feel that this convention /the Association/ should request the Congress of the United States, by joint resolution, to abrogate these contracts and restore to the cattlemen their constitutional rights and liberties, as free men.[16]

Opposition to the emergency agreement culminated in a resolution introduced in the Senate by Robert D. Carey of Wyoming which provided that no one could be forced to sign a contract which bound him to cooperate in future AAA programs.[17] Thus, critics insisted that the Administration, in a dictatorial fashion, took advantage of the problems of the cattle producer to bring him into subjection to the Department of Agriculture.

---

[15] Johnston, "The Hamburger Bonanza," Saturday Evening Post, CCVII (May 4, 1935), 18.

[16] American Cattle Producer, XVI (February 1935), 7.

[17] Congressional Resolutions, National Archives, R. G. 145.

The Administration was never able or willing to satisfactorily or honestly answer the charges. The AAA claimed that the agreement was the result of very careful study and forethought and was based on the belief that, with all respect for the rights of creditors, the cattlemen should have a reasonable share of the money paid for the cattle to supply them with ready cash.[18] Late in the purchase period AAA administrator, C. C. Davis, avowed that the project saved the cattle industry and attempted to justify the agreement:

> I need not remind you of the plight of the cattlemen with their stock dying for lack of feed because of the drouth. It was evident that these cattle had to be handled as soon as possible. No drouth relief funds were available or immediately in prospect. The emergency drouth relief budget was not appropriated until June 19 and no funds were actually allocated from it until August 21. The Triple A had no money to use except $100,000,000 that had been specifically appropriated by congress for use under the act in helping to bring about adjustments in beef and dairy cattle.
>
> That furnished the way out, the only way out except to wait for a month or two, or more perhaps, for other funds. Under the conditions that prevailed the alternative was unthinkable.
>
> A clause was inserted in the buying contract whereby the farmer selling drouth cattle agreed to co-operate in any cattle production control program that might be offered by the government. By an administrative ruling it will become inoperative after June 1, 1935 [1936], and those who have mouthed such fear of it may rest easy again. Naturally, with more than 7,300,000 head of cattle which would have starved already bought under the plan, the peak of the cycle has been leveled off.
>
> In order to understand another very pertinent feature of this same clause try to imagine that there had been no government cattle buying program. The starving cattle that were not killed and buried on the spot would have gone to the glutted markets of the packers. If the packers had paid any more than the equivalent of freight and marketing expenses, in view of such a glut of inferior cattle, the little money that did remain would have gone to the creditor who held the mortgage on the

---

[18] "The Drought of 1934-35," p. 51.

> cattle. The farmer would have got nothing, in most cases, for himself.[19]

Thus two basic excuses, other than the necessity for great speed, were used to justify the contract. It was claimed that the only way Jones-Connally funds could be used was as a part of an adjustment program. Therefore, the clause and the benefit payment were necessary to provide for such a general program. Also, it ensured that the debtor farmer would receive something from the project. By dividing the payment and reserving the benefit portion for the exclusive use of the farmer, the producer was assured of at least a part of the federal money. In evaluating the Davis explanation, his emphasis on the need for speed and the lack of federal drought funds, it should be remembered that just before purchases began he had told the President that there would be no need for funds other than those already available.

The contention that the use of Jones-Connally funds made necessary the pledge to participate in future programs was not valid. The funds could be used in the drought project to buy emaciated cattle under a disease eradication program and to purchase others under a surplus removal plan.[20] The first allowed the purchase of the condemned and the second the buying of those fit for food. Neither use required agreement to cooperate in future programs. The AAA, however, perhaps remembering the problems of the Farm Board, seemed to avoid the straight surplus removal type of program.

---

[19] Davis, "Triple A Saved Cattleman," Oklahoma Farmer-Stockman, XLVIII (January 1, 1935), 6.

[20] "The Drought of 1934-35," p. 46.

The Administration also contended that the only way to ensure that the individual producer received some benefit from the project was to reserve a portion of the payment from the claims of lienholders. If a flat payment, even a much larger one, were made, there would be no assurance that the farmer would profit at all. Thus, a price large enough to cover all debts would result, AAA officials believed, in the government buying most of the cattle and general injury to the industry "with very little of the money going to the farmers."[21] Concern with the debt problem had been evident during the period the purchase program was developed. The entire Administration worked day and night on the drought project which was seriously complicated, Harry Petrie declared:

> . . . owing to mortgages being held by various loan organizations including local banks, these loan agencies insisting that all money received from sales of their cattle be delivered into their hands. . . . It is our thought that the farmer and the stockman should be the beneficiaries to some extent on account of the Governmental money that is being put in for their relief; . . . . We thought it unfair to allow all the money spent by the Government for purchases and bonuses to go to the loan agencies.[22]

Evidently it had already been decided to make a bonus or benefit payment. Thus, reserving the benefit payment for the producer was obvious. To do this it was not necessary, however, to require future participation. The same effect was achieved in the sheep and goat program with a service and disposition payment which required no pledge. Nor did the pure bred cattle producers promise future cooperation. Perhaps the

---

[21] J. D. LeCron to Luke J. Kestling, June 8, 1934, National Archives, R. G. 145.

[22] Petrie to R. C. McChord, May 22, 1934, National Archives, R. G. 145.

Administration did not think of using the service payments until after the benefit payment had been so severely criticized, but it was also true that there had been no attempt to institute an adjustment program for sheep and goats as there had been with cattle.

Uncertainty as to the extent of the buying project and the possible need for a further adjustment program caused the Administration to require farmers to promise participation in future government programs. Many in the AAA for some time regarded the drought buying as a part of the general cattle program. On June 1 F. F. Elliott, Chief of the Production Planning Section, suggested the purchase of cows and heifers from 2 to 5 years old and the use of adjustment contracts to make the drought project useful in the long range adjustment program.[23] About the same time Harry Petrie, Chief of the Cattle and Sheep Section, wrote the Cattle Committee of Twenty-five and asked them to advise and aid the DRS, for, with the drought purchases, "it appears that our program's well under way." The ultimate results of the drought operations were not certain, however, and the DRS had various duties not in line with the adjustment program. Therefore, Petrie continued, the Committee and the Cattle and Sheep Section must see that the DRS promotes "our program as far as may be possible without interfering with the purely emergency functions of that service." He then declared that if the DRS did not accomplish the adjustment "as far as we may desire it may be necessary . . . to meet the situation." Although the drought might cause the desired reduction of cattle

---

[23]Elliott to H. R. Talley, June 1, 1934, National Archives, R. G. 145.

numbers, Petrie said, his section and the Committee must "continue to carry the responsibility of the long time cattle adjustment program until that program reaches a satisfactory consummation."[24] Petrie thus expected to use the buying to further the postponed adjustment plan and, if necessary, to follow the purchases with a regular reduction program. As late as August 10 R. C. McChord declared the purpose of the clause "was to pledge the producer whose cattle were being purchased to co-operate under the general cattle reduction program. It is believed that you will readily see the justice and fairness of such procedure."[25]

The Administration, however, had already begun to back down. In July the contract was modified so that a program had to be instituted before June 1, 1936.[26] From an indefinite commitment, the pledge was reduced to less than two years. After the reorganization of the drought administration, the agricultural officials moved away from using the purchases as a part of an adjustment program or of instituting a subsequent reduction plan. In October the Department of Agriculture declared that production control for the beef industry would not be needed if full employment could be restored.[27] In April 1935 Chester Davis made the full retreat. He declared that the clause simply required the same

---

[24] Petrie to Committee of Twenty-five, June 5, 1934, National Archives, R. G. 145.

[25] McChord to Alexander Tremblay, August 10, 1934, National Archives, R. G. 145.

[26] Administrative Ruling No. 2, Emergency Cattle Agreement, July 12, 1934, National Archives, R. G. 145.

[27] Department of Agriculture to Executive Council, October 2, 1934, National Archives, R. G. 145.

cooperation fundamental to all AAA programs. No adjustment program, Davis insisted, had ever been or would ever be put into effect without the producers receiving full information about it and giving consideration and approval to it, and, he believed, that "farmers generally understand this policy."[28]

The cattle agreement caused additional problems. As E. W. Gournnitz, agricultural economist, noted, confusion existed in the minds of some people as to whether the buying project was an emergency program or a production control measure. Although contracts were signed and benefit payments made, there was no real program.[29] It should be remembered that some AAA officials evidenced the same confusion.

The refusal of some creditors to sign the emergency contract added to the administrative problems. Late in June Secretary Wallace reported that many thousand cattle were being held, especially in North Dakota, because second lienholders refused to sign the purchase agreement. Therefore, he wanted the contract revised so that only the producer and first lienholder need sign.[30] This trouble came because the government price often did not cover the indebtedness of the first much less the second lienholder. Administration assurance that creditors who signed the agreement waived only that part of their lien attached to the cattle sold[31] did not satisfy some creditors who wanted and even

---

[28] Davis, "If Drought Strikes Again," Saturday Evening Post, CCVII (April 27, 1935), 80.

[29] Gournnitz: Memorandum to Philip G. Murphy, November 27, 1934, National Archives, R. G. 124.

[30] Wallace to McCarl, June 27, 1934, National Archives, R. G. 145.

[31] R. C. McChord to Baldwin Brothers, September 14, 1934, National Archives, R. G. 145.

attempted to get the benefit payment as well as all of the purchase payment. Roy Adren, Dunn Center, North Dakota, reported that his loan company would not allow him to sell the 89 cattle he had listed with the DRS unless he turned the benefit payment over to the company: "I told them I couldn't let them have it for I didn't have any money to buy feed and to help keep my family of 8 for this winter."[32] An Oklahoma bank went even further in an effort to collect its full debt. A producer, R. L. Killingsworth, went to the bank, which was his lienholder and had signed the cattle agreement, to cash his benefit check. He was told to endorse the check for payment, but the bank took the check and kept the money.[33] Such incidents were not common, however, and had little influence on the buying program.

A most serious problem centered on the relationship among, and the different goals of, the agricultural authorities, the FERA, and the packers. The relief authorities not only handled the government animals after the DRS purchased them but also had many other relief duties. The FSRC was anxious therefore to use the government purchases to provide food for the needy and to give jobs to the unemployed. As a consequence, processing and canning establishments staffed by people on relief rolls were opened throughout the country, including states which were not in the drought section. Although Texas, which had 19 plants left from the previous canning operation, began this work with the first

---

[32]Adren to William Lemke, August 15, 1934, National Archives, R. G. 145.

[33]Lee Pressman to Philip Murphy, October 25, 1934, National Archives, R. G. 124.

purchases, it took considerable time for such establishments to be created elsewhere.[34] Late in August the relief plants were still in the planning stage in Oklahoma. Only one of the six projected processing plants was in operation and plans called for the establishment of local canneries in some 40 Oklahoma counties.[35] The relief administration, interested in work relief, seemed willing to prolong the processing operations as long as possible, which conflicted with the interests of both the Department of Agriculture and the private packers.

The processors were, of course, interested in only one thing, getting the government business for themselves. During late May and June many packers and canners, often backed by members of Congress, asked for contracts to process the government beef.[36] As the tremendous size of the operation became clear, the processors became increasingly resentful of the FSRC policy. Although the packers did a great part of the government processing and, at the peak of buying, were obviously unable to handle all of the drought purchases, they were bitterly critical of the relief plants. In August the President of the Institute of American Meat Packers raged that FSRC backed establishments "are a menace to the public." He wanted the relief plants closed and the purchase program kept to a minimum with the professional canners and packers doing the work. He further insisted that it was not right for the

---

[34]Grover B. Hill, Report and History of Cattle Buying Drought Relief Program, 8, National Archives, R. G. 145.

[35]<u>Oklahoma Farmer-Stockman</u>, XLVII (September 1, 1934), 4.

[36]FSRC, Director of Procurement, Correspondence, May-June 1934, National Archives, R. G. 124.

Administration to use public funds to create competition for the packers.[37] Early in October, the processors again asked that the relief plants be closed and the rest of the drought cattle left for the private packers.[38] A month later Mordecai Ezekiel, economic advisor, told Wallace the packers were yet again objecting to the FSRC policy, charging that the processing and canning was being dragged out as long as possible to provide work relief. Ezekiel saw some basis to the charges, and he felt the policy resulted in added expense and wasted feed.[39]

Agricultural officials were primarily interested in completing the processing and preserving as much feed as possible for the surviving cattle. Early in November Ezekiel criticized the relief administration for its long delay in putting the program into operation. Although the private packers had large volumes of unused slaughter capacity, he complained, the FSRC was holding back over a million cattle for gradual slaughter in the relief plants. Instead of cattle being slaughtered as rapidly as possible to reduce the drain on the limited feed supplies, "they have been fed over extended periods of time to provide work for state relief programs."[40] Some two weeks later Wallace expressed his alarm to Harry Hopkins because the state relief committees still had a

---

[37]W. W. Woods to Wallace, August 21, 1934, National Archives, R. G. 16.

[38]Institute of American Meat Packers to Wallace, October 4, 1934, National Archives, R. G. 145.

[39]Ezekiel to Wallace, November 19, 1934, National Archives, R. G. 16.

[40]Ezekiel: Memorandum to Wallace, November 1, 1934, National Archives, R. G. 145.

number of cattle on hand, and he virtually demanded that Hopkins have the cattle processed immediately to preserve feed.[41] While the relief agencies sought to use the purchase project as a general relief measure, the agricultural officials viewed it as solely for the benefit of the cattle industry.

The same difference of view developed over the redistribution and exchange of the drought cattle. Early plans had called for the distribution of some of the cattle as subsistence stock, and Hopkins directed the relief agencies to use the cattle for rehabilitation.[42] But the Department of Agriculture evidently opposed any large-scale distribution plan. The issue was further complicated when canning facilities became overtaxed in the drought area and cattle were sent to the South for pasturage. Almost immediately a movement developed in the southern states, especially in Georgia, for the exchange of the poor quality native stock for the better quality drought purchases. The relief administration, politicians and individuals all supported the action. But Wallace and the Department were against such a plan. Agricultural officials emphasized that they were pledged to keep drought purchases out of commercial channels, that it would not be fair to create added competition for those in such dire straits, and that the government would be subsidizing those who received cattle.[43] All of

---

[41] Wallace to Hopkins, November 19, 1934, National Archives, R. G. 124.

[42] Hopkins to All State Emergency Relief Administrations, June 27, 1934, National Archives, R. G. 124.

[43] C. D. Lowe to S. A. Harris, August 6, 1934, National Archives, R. G. 145.

the obstacles could have been overcome, however, and leaders of the cattle industry gave general support to the exchange. Dolph Briscoe, head of the southwestern association, approved of the plan, "provided the low grade cattle are slaughtered and used only for relief purposes."[44] Hopkins continued to support the plan in September, but Keith Southard of the FSRC passed the buck by insisting that the decision must rest squarely on the Department of Agriculture.[45] McChord declared, however, that the Department had definitely decided against the exchange because it was considered too complicated and even illegal.[46]

A plan, therefore, which offered a great opportunity to improve the quality of southern livestock was cast aside by agricultural officials. Evidently they felt that it would be only another complication and feared that it might be unpopular in the drought states. They had agreed, however, to a rehabilitation program, but it turned out to be a very limited affair and of only minor value. In Texas some dairy cows were provided as subsistence for relief clients, but only 131 head of the more than two million cattle purchased were diverted for rehabilitation purposes.[47]

Controversy over disposal of drought cattle continued into 1935

---

[44] Briscoe to E. B. Weatherly, August 17, 1934, National Archives, R. G. 16.

[45] Jacob Baker to Southard, September 17, 1934, National Archives, R. G. 124.

[46] McChord to F. E. Mollin, September 18, 1934, National Archives, R. G. 145.

[47] Frederick Walton, Drought Cattle, Sheep and Goat Operations, March 16, 1935, National Archives, R. G. 124.

when the New Mexico relief agency sought to sell some of the AAA purchases to new cattle ranchers. The New Mexico Rural Rehabilitation Corporation was paying $6,000 a month to pasture 12,000 cattle in Mexico. With the pasturage bill totaling $80,000 on August 15, the relief officials wanted to bring them back to sell, trade, or give to the Indians.[48] Both the AAA and the cattle organizations opposed any return of the cattle to commercial channels. F. E. Mollin protested that it would be against the purchase agreement and urged that the cattle be sent to the canning plants.[49] Although the cattle belonged to the FSRC and the Department of Agriculture had no control over them, J. D. LeCron, assistant to Wallace, claimed that in their contract Hopkins had agreed that the cattle would not go back into normal usage. According to the agreement, the drought purchases could be used only to provide relief meat and for rehabilitation purposes.[50]

From the start of the buying, the Department had emphasized that none of the drought cattle would be returned to compete on the regular market. Criticism developed rapidly, however, over the commercial use of drought hides and beef. In July Louis J. Robertson, of the Tanner's Council of America, protested the throwing of drought skins on the market so as to ruin the leather, shoe and agriculture interests.[51]

---

[48] G. B. Thorne: Memorandum for Philip Murphy, June 27, 1935, National Archives, R. G. 124; John J. Riggle to Carroll Power, August 15, 1935, National Archives, R. G. 124.

[49] Mollin to Wallace, October 22, 1935, National Archives, R. G. 145.

[50] LeCron to J. P. Cain, November 2, 1935, National Archives, R. G. 145.

[51] Robertson to Roosevelt, July 16, 1934, National Archives, R. G. 16.

On August 1 the California Drought Relief Advisory Board passed a resolution against the disposal of any of the drought meat through regular commercial channels.[52] Although the government had stated that none of the drought beef would compete with regular meat, the first processor contracts allowed the packers to keep the hides and tenderloins from the cattle they slaughtered and canned. F. E. Mollin demanded that the contracts be revised immediately.[53] Under new contracts, the FSRC retained the hides but the processors still kept some cuts of beef. The relief organization planned to process the drought hides into leather, shoes and clothing for relief use. After protests from the leather industry, the project was dropped and the government promised to make large purchases in the open market to give a boost to the leather industry.[54] Keith Southard of the FSRC later promised the Tanner's Council that the government would consult that group before anything was done with the hides.[55]

The Drought Administration was also criticized about its state and local organization and administration of the program. Many people agreed with Gus Kleinschmidt of Ortonville, Minnesota in his protest against the appointment of the "Brain Trust" type to handle the project when "practical farmers" should be in charge. He further attacked the

---

[52] John Carry to Wallace, August 1, 1934, National Archives, R. G. 145.

[53] Mollin to Wallace, August 13, 1934, National Archives, R. G. 16.

[54] New York Times, September 16, 1934, p. 16.

[55] Ibid., September 22, 1934, p. 20.

program as designed to strip the farmer of his "grub-stake," his cattle.[56] The Farmer's Committee of Brantwood, Wisconsin claimed that the relief organization was charging high prices for feed and hay and expecting farmers to work off the charge "at the miserable wage of 35¢ an hour." Miss Ida Vehvilaine presented four demands which the Committee considered essential for any relief program. No farmer should be forced to sell his livestock because of hay and feed shortage, instead the government should ship:

> . . . sufficient hay and feed into the drought stricken areas, to be delivered direct to farmers needing it at cost prices.
> 2. That farmers working off relief and loans shall receive $1.00 an hour for man and team and 50¢ an hour for man alone.
> 3. That all relief be increased to take proper care of all the needy and their families.
> 4. That all committees to administer relief be elected by the farmers and unemployed workers.
>
> These demands cover only the [bare] necessities to guarantee our right to live and to put an end to the discriminations now practiced in the distribution of relief. WE DEMAND THAT IMMEDIATE STEPS BE TAKEN FOR THEIR FULFILLMENT.[57]

Although the demands of the Brantwood Committee were more extreme than most, they were not unique. More common complaints, however, were expressed by Mrs. R. L. Willingham of Corona, New Mexico. She attacked the low cattle prices and the high feed and grocery prices, and declared that not one who was put on government jobs needed the work. But her experience with government buyers led to the real grievance: "The veterinary who came, may be a good Democrat, which is well

---

[56] Kleinschmidt to Roosevelt, June 5, 1934, National Archives, R. G. 145.

[57] Ida Vehvilaine to Wallace, September 12, 1934, National Archives, R. G. 145.

enough, but he certainly is not a cowman." The inspector, she avowed, "didn't know a yearling from a two year-old." Mrs. Willingham added a postscript: "If I had pay even at condemned prices, for the 28 cows and 43 calves lost while waiting for aid, I could send my boy to school."[58] Although complaints about the handling of the drought buying were numerous, they did not compare in extent to those of the Emergency Hog Marketing Program.

Nevertheless, there were many instances of speculative and even criminal activity. In July it was reported that speculators were already buying up stock to sell to the government.[59] Rosa Peters of Strang, Oklahoma complained that people who bought cattle in July and August were selling them to the government and swearing they had raised them.[60] Some sold cattle bought after April 1, 1934, which, according to the purchase agreement, was the cut off date. These people, it was ruled, could receive the appraisal value but not the benefit payment.[61] There were more serious violations, such as the Texas County, Missouri case. Federal investigators estimated that 600 cattle had been illegally sold in that county. In addition, a large number of cattle accepted for food had disappeared and many truck loads of cattle had been shipped

---

[58] Willingham to Roosevelt, August 28, 1934, National Archives, R. G. 145.

[59] R. R. Thomasson to E. W. Sheets, July 17, 1934, National Archives, R. G. 145.

[60] Peters to Wallace, September 24, 1934, National Archives, R. G. 145.

[61] R. C. McChord: Memorandum to John B. Payne, May 29, 1935, National Archives, R. G. 16.

to St. Louis.[62] Apparently some condemned cattle were not killed but resold, and others accepted for food were removed from government pens and resold. Charges of conspiracy to defraud the Government were later filed against a number of Texas County residents.

Arthur Wells, the chief instigator, obtained cattle and had truck drivers and farmers sell them to the government, signing the public voucher that they had owned the stock before April 1, 1934. Wells also bribed a federal appraiser to accept the cattle. A number of truck drivers and farmers pled guilty. They were fined $150 and given a two year prison sentence, but were placed on probation. The appraiser was fined $1,000 and sentenced to two years at Leavenworth, but he also had his sentence probated. Wells alone stood trial. He was convicted and given two years at Leavenworth.[63] Although this was a most blatant case of fraud, violation of both the spirit and substance of the program was less of a problem than in the pig purchase project.

Drought purchases encountered the same attacks as those leveled against the waste of food in pig buying. Some were hysterical and political, but most indicated a basic opposition to the destruction of food. Farmers still questioned the morality of the adjustment program, and asked such questions as: "Is it right to cut down production when people are going hungry? Shouldn't we try to feed everybody in the United States before we begin to reduce production?"[64] Mrs. L. L.

---

[62] H. J. Halpin, Summary of Texas County, Missouri Investigation, March 16, 1935, National Archives, R. G. 16.

[63] Richard K. Phelps to Attorney General, January 1, 1937, National Archives, R. G. 16.

[64] Wallaces' Farmer, LIX (April 14, 1934), 4.

Blankenburg, representing the consumer, asked the General Federation of Women's Clubs: "Shall we destroy our food when millions are hungry. . . ."[65]

Attacks centered on the restrictions against using condemned animals and on the idea of classing some cattle as unfit for food when many people were going without adequate supplies of meat. In August Robert H. Curnutte, Marlin, Texas, protested a government order that the condemned animals could no longer be saved for relief use but must be "burned or otherwise made unfit for human consumption."[66] Although Wallace denied the existence of such an order, many people believed that good food was being haphazardly destroyed. The government policy, Wallace declared, was to permit the farmer to save any of the condemned animal fit for use for his family, but not to use those condemned in general relief. He insisted, however, that no edible food was being destroyed and that there was plenty of beef saved for all relief purposes.[67]

Early in September R. C. McChord wrote that "every day we have letters to the effect that good cattle are being condemned and feel it is a crime to waste food." He admitted that the DRS had been organized so quickly that it was difficult to get uniform inspection.[68]

---

[65] New York Times, May 23, 1934, p. 11.

[66] Curnutte to Tom Connally, August 9, 1934, National Archives, R. G. 145.

[67] Wallace to Tom Connally, August 28, 1934; E. W. Sheets: Memorandum to Wallace, August 15, 1934, National Archives, R. G. 145.

[68] McChord to E. L. Potter, September 6, 1934, National Archives, R. G. 145.

Many people, however, refused to consider the difficulties. They preferred the version given by William N. Vreeland, who charged: "Nor can the farmer, it seems, having killed such livestock, give the meat to the needy families of his district. The destruction must be complete --the carcass buried. The government will even attend to the actual slaughter and burial, so that the farmer has nothing to do but collect his few dollars of compensation."[69]

Some critics attacked the government's motivations for buying cattle. Although there were several variations in this vicious assault, the basic theme held that the whole purchase project was a fiendish plot by the government to gain control of the cattle industry. The charges ranged from the claim that federal funds were being used for political purposes to the more extreme denial that there was any drought problem.

It was inevitable that the political opposition would consider, or at least claim, that the relief funds were being used to influence voters. Henry P. Fletcher, Chairman of the Republican National Committee, charged in October that with election day nearing "the process of placing relief checks where it is figured they will do the most political good is speeding up." Although Fletcher did not specifically mention the cattle purchases, he did attack the buying programs: "The little pigs that died for the Democratic Party are now being paid for by the administration."[70] Others, however, had already hit directly at the drought purchases. Frank H. Bell, advertising manager of the Pacific

---

[69] New York Times, November 10, 1934, IV, 14.

[70] Ibid., October 6, 1934, p. 6.

Rural Press and California Farmer, wrote: "Naturally the Administration wants to make the utmost of the relief it is extending . . . for political purposes. The humanitarian side of it is urgent and desirable, but the politicians must cash in on the situation, and to do so they build up the picture. . . ."[71] Ralph Miller of the Oklahoma Farmer-Stockman claimed that farmers would not have known about the drought had there not been so much publicity: "Farmers and others had a tough time of it; but they did not begin to feel real sorry for themselves until the politicians and others began reminding them that they were indeed in a sorry fix." People had told him, Miller wrote, that the politicians "saw in the drought emergency funds a splendid opportunity to get on the gravy train and make political hay for themselves through money they might get for their counties!" There was nothing new in this, he insisted, since politicians had been keeping themselves in money and office since the Populist period by their ability to convince the farmers that they were not being treated right.[72] H. C. Hardison of the Western Farm Life Denver, Colorado, agreed that publicity brought the drought to the attention of farmers and that a county in Colorado without a single farm was receiving thousands in farm relief.[73] It was natural that, in their desperation, political partisans would seize on federal relief expenditures as an issue. Any attempt to write off the drought disaster as a vote buying publicity trick carried things too

---

[71] Bell to Printers' Ink, CLXVIII (August 22, 1934), 28.

[72] Printers' Ink, CLXVIII (September 13, 1934), 113-114.

[73] Hardison to Printers' Ink, CLXVIII (September 27, 1934), 12.

far, however, and most reputable critics stayed away from it. Besides, too many members of the opposition wanted money for their own area to challenge the program.

Nevertheless, others saw a still more diabolical motivation behind the government purchases. J. Evetts Haley implied that the whole project was a plan to capture the cattle industry. Policies of the "New Dealers," Haley declared, had "in the idiom of the range, left us 'high dry and windy.'" But he added, the Administration promised to "come to our relief on condition that we surrender to the Secretary of Agriculture the right to manage our affairs."[74] Alva Johnston charged that the program was a lavish attempt to bribe the cattlemen and that much of the aid went to producers who did not need it: "There was a Santa Claus angle to it. The Government was anxious to run the cattlemen's business. The lavish distribution of . . . money was partly propaganda to convince the cattleman that he should let Washington handle his affairs."[75] To Dan D. Casement, the purchases were simply another manifestation of the New Deal drive to restrict and control the cattlemen whose opposition had caused the government to hesitate in applying AAA controls. Then, both the cattlemen and AAA realized that there was a serious drought problem, and at once, Casement declared, the AAA quit trying to get the cattlemen to accept a reduction program and "proceeded to accomplish its purpose by purchasing as quickly as possible, at

---

[74] Haley, "Cow Business and Monkey Business," Saturday Evening Post, CCVII (December 8, 1934), 28.

[75] Johnston, "The Hamburger Bonanza," Saturday Evening Post, CCVII (May 4, 1935), 18.

artificial values, all offerings of cattle. . . ." The shameful aspect of the measure was the exaction of a promise to abide by any rules Wallace might "impose on the conduct" of the cattle industry. Casement feared that hard times had "sapped the admirable independence of the cowman . . . clouded his formerly clear vision, and . . . altered his traditionally fine and free philosophy of life." As a result, he believed, many cowmen were prepared to deliberately blind themselves and "to yield to the temptation of the bribe disguised "as a 'benefit.'"[76]

Fears that the cattle industry was willing to go along with a production control program were unfounded. The American Cattle Producer expressed the view of many cattlemen in July 1934: "It appears entirely possible that the drought purchase program is indeed the cattle program, and that we shall never have to accept a processing tax with its cumbersome accompaniment of contracts to be signed, reductions to be enforced. . . ."[77] Charles E. Collins, President of the National Live Stock Association, considered the need for any reduction program to be over. Now that drought purchases had ended, Collins felt cattlemen could be "thankful that we escaped the annoyances and entanglements inevitable in any hard-and-fast reduction program."[78]

Officials involved in the drought project believed that it had been a "great boon" and that it had caused a "more friendly feeling, a more optimistic view and a more hopeful attitude. . . ."[79] Cattlemen

---

[76] American Cattle Producer, XVI (November 1934), 17-18.

[77] Ibid. (July 1934), 13-14.

[78] Ibid. (February 1935), 7.

[79] Harry Petrie, Report on Sheep and Goat Purchases to G. B. Thorne, Department of Agriculture, Library.

throughout the country expressed appreciation for the program. The National Live Stock Association, meeting in Rapid City, South Dakota in January 1935, passed a resolution commending the drought purchases and praising the officials for their efforts to help the cattle industry.[80] But spokesmen for the cattlemen usually limited their thanks by indicating that, now that the government had saved the cow men, the government could go its way and leave the cattle industry alone.

The attitude of the cattle-drought committees of Brewster, Presidio, Jeff Davis, and Culbertson counties in Texas was typical. In a telegram to Dolph Briscoe, read at a meeting of the Committee of Twenty-five in February 1935, the committeemen expressed their appreciation for the past buying programs. The major thing they wanted now, however, was the maintaining of cattle prices at the "present high level in order for cattle men to . . . make a comeback."[81] Although the AAA did not consider any further reduction necessary, officials did believe that a production control program was essential to prevent a return to the same dangerous situation which existed at the start of 1934. The Committee of Twenty-five, however, was still pushing marketing agreements and was unreceptive to any control program.[82]

The explanation of the attitude of cattlemen offered by Alva Johnston was interesting:

---

[80] American Cattle Producer, XVI (February 1935), 6.

[81] Grover B. Hill, Report and History of Cattle Buying Drought Relief Program, National Archives, R. G. 145.

[82] Meeting of Committee of Twenty-five, February 28, 1935, National Archives, R. G. 145.

> The stand of the livestock men is rather surprising, since they generally admit that the Government met the drought crisis strenuously and efficiently. They agree that the AAA tided distressed ranchmen over a great emergency by paying fat prices for emaciated cattle. There is a tendency, however, to attribute Federal philanthropy to the eagerness of the Government to take over the cattle industry and start experimenting with it.[83]

Many cattlemen reacted in that fashion, but most did not. D. A. FitzGerald believed that probably a majority of the cattle producers, at least out of the Western range states, wanted to "develop a concrete plan for consolidating the gains made in 1934." But he felt that the leaders and spokesmen of the industry refused to cooperate.[84] In reality, cattle producers had much the same attitude as hog farmers had expressed earlier. They were willing to go along with anything which offered immediate money and guaranteed higher prices in the immediate future. But, since cattlemen felt that the purchase program had removed all the surplus and cattle prices were already improving, they were less willing than hog producers to accept a regular production control program.

---

[83] Johnston, "The Hamburger Bonanza," 18.

[84] FitzGerald, <u>Livestock Under the A A A</u> (Washington: The Brookings Institution, 1935), 190-191.

CHAPTER IX

CONCLUSIONS

During its first two years of operation, the Agricultural Adjustment Administration was challenged from all directions with serious crises. In attempting to find answers to the problems of farmers, the AAA used a number of new and unprecedented methods. Two of the most spectacular and unusual of these were the Emergency Hog Marketing Program of 1933 and the more vital drought cattle purchase project of 1934-35. The slaughter of baby pigs and waste of good beef dramatically brought to public attention the production control or reduction phases of the new agricultural policy.

In the fall of 1933 almost six and one-half million hogs, many of them young pigs, were purchased by the federal government. Although some of the hogs were processed and distributed to the needy, the smaller animals were either destroyed or turned into inedible by-products. To many people this seemed like an unwise and needless waste of good food at a time when millions of people were going without adequate supplies of meat. Although the hog slaughter project resulted in severe criticism of the theory and practice of production control, the government embarked in less than a year on an even larger livestock purchase program.

The drought which had threatened the western ranges for almost a decade forced cattlemen in 1934 to reject their traditional independent attitude. On bended knee, cattlemen from Texas to North Dakota begged the government to come to their assistance. After Congress placed the cattle industry under the AAA in April 1934, the drought cattle purchase program was launched in June. By the first of February 1935, the Drought Relief Service had bought over eight million cattle and almost four million sheep and goats. Most of the cattle were turned over to the Federal Surplus Relief Corporation to supply meat for relief families. But more than a million cattle and a large part of the sheep and goats were condemned as unfit for food and destroyed, causing another outcry against the AAA and its wanton destruction of good human food. Only the desperate economic conditions and the havoc wrought by nature combined with a major evolution in the philosophy of farm relief permitted such unprecedented government intervention in agriculture.

Although apparently quite similar, the origins of the two livestock purchase programs were very different. Hog buying was openly based on the theory that it was necessary to reduce surplus supplies. The project was designed to limit future pork tonnage and to induce hog producers to participate in a general production control program. Putting money into the pockets of Corn Belt farmers had been a vital but largely incidental consideration in the plans. This and the extra aid to drought stricken farmers made up the relief aspect of the hog buying project. In contrast, buying cattle in drought areas was basically a relief measure. It brought about the desired reduction in cattle numbers, but it was developed to aid cattlemen without feed for their starving cattle rather than to introduce a production control program. Although some in the AAA regarded the purchases as the opening phase of a general program and even though the purchase agreement laid the foundation for future action, the drought purchases started and ended as a rescue measure for weather-stricken cattlemen.

The direct and immediate economic benefits of the purchase programs were great. The very nature of drought buying made it essentially a project to place money in the hands of needy producers. But cash relief for farmers assumed the most important role in the hog purchase program only when it became obvious that the sow buying portion of the measure which was to restrict future supplies had failed. At the same time the buying of pigs took on the nature of drought relief. Many of those purchased from the drought areas might have starved to death, and their owners were certainly better able to withstand the 1934 drought without further emergency help.[1] In all, livestock producers received about $140 million for their animals. Almost half of this was the drought purchase payment which was subject to the claims of creditors, but there is no way of estimating how much went to them. It would be impossible to gauge the over-all economic effects the slaughter programs had through their increasing of the farmers' buying power, but it was significant.

More important, in many ways, than the economic results was the contribution the purchase programs made to the restoration of hope in the rural sections. This, what might be called a spiritual boost,

---

[1] D. A. FitzGerald, Livestock Under the A A A (Washington: The Brookings Institution, 1935), 257.

cannot be weighed and measured, but it was of tremendous importance. The slaughter of baby pigs proved beyond any doubt that the AAA was willing to do everything possible to aid the needy farmer. Although subjected to serious criticism, the project demonstrated an eagerness to help which comforted many. The cattle program resulted in the same, although probably greater, feeling that there was someone who cared and could help. This attitude was expressed time and time again, but nowhere better than by Mrs. B. F. Caldwell of Oklahoma, who wrote in November 1934:

> . . . this year when we were getting our hopes up until we could see a good chance to have something ahead at harvest time, the drouth hit us and it hit hard. Most feed crops burned up.
>
> You couldn't sell a cow for the simple reason there was nobody to buy, because it was dry everywhere near us. Just when things were looking blackest the AAA announced that they were going to buy cattle in the drouth stricken area.
>
> Talk about your clouds with silver linings, ours was lined with pure gold! And they did not just talk about it, but they bought and paid for them. Many of the poorest ones were sent on to their happy grazing ground quickly. (I regretted that part of it but it was better than a snow bank this winter.) Many of the best ones were canned by people who had no meat and no money to buy it with.
>
> . . . .
>
> I have confidence that when emergencies arise our national leaders are going to be able to meet them. And if we will only pull together and help in every way we possibly can, how much easier and quicker we will all reach safety together.[2]

That swing from despair to hope has been recognized as characteristic of the New Deal, and the decisive action of the AAA contributed to it.

Although more spectacular, the cash relief given to livestock

---

[2] Oklahoma Farmer-Stockman, XLVII (November 1, 1934), 4.

producers was comparable to other forms of direct relief supplied by the FERA, the CWA and other such agencies. In this sense, there was little difference in principle for the government to buy and destroy animals, and to provide made work for the unemployed. Many farmers needed money just as much as those on town and city relief rolls. This helped them to feed and clothe their families and allowed them to feed and save livestock which would otherwise have been sold or have starved to death. In reality, of course, it was not this aspect of the projects which aroused such great opposition. Although the waste of food was severely attacked, it was the accompaniment of cash payments in the purchase programs by the evil genie of production control which most critics really resented.

Although something similar to the Drought Purchase Program would probably have been developed even if there had been no AAA, it was that organization which shaped and administered the project. Moreover, the AAA operated on the principle of production control. Thus, hog buying, a direct lead in to a regular curtailment program, and drought purchases were viewed in much the same light by critics. A distinction must be drawn, however, between what might be called professional critics and actual farmers. Also, a further distinction might at times be found between the attitude of the average producer and that of spokesmen or leaders of the livestock industry. Where the nonfarm critic and agricultural leaders would usually be concerned about the idea of production control, the average producer was more interested in immediate gain and short range benefits.

Hog raisers who produced about 77 per cent of all hogs grown in 1932 contracted to reduce production up to 25 per cent in 1934 and corn production by 20 per cent.[3] Beef producers, however, did not agree to a production control program. The hog farmers accepted controls and paid for the emergency purchases through the processing tax. The cattlemen had opposed the idea of a processing tax from the first. When Congress made cattle a basic commodity and appropriated money for a program, it was left uncertain whether a tax would be levied to repay the treasury. Although Secretary Wallace expected to develop a control program and to levy a tax to regain federal money, the stockmen and their spokesmen in Congress made it clear that they wanted the benefits without the tax. One of the great fears of cattle producers during the drought purchases was the possibility that the AAA would institute a processing tax to pay for the buying as it had after the hog purchasing. The AAA officials found it necessary to constantly assure the ranchers that there was no danger of a tax being levied until a regular production control program had been launched.[4]

The AAA decided late in the summer of 1934 that there was no further need for a beef reduction program, but agricultural officials continued to hope for some kind of production control. The possibility that some plan including a processing tax would be put into effect lasted through most of 1935. Wallaces' Farmer suggested that "hog producers seem to have been a little jealous" of the drought purchases

---

[3] FitzGerald, Livestock Under the A A A, 82, 123.

[4] C. C. Davis to Daily Drovers, June 26, 1934; R. C. McChord to Laurel Johnson, Secretary of the Butler County Livestock Association, August 27, 1934, National Archives, R. G. 145.

since hog buying was paid for out of a tax on the pork industry, but "cattle have borne no processing tax." The editor, however, considered it "likely that this debt of the cattle industry will be forgiven." Rather than a straight adjustment program for cattle, the AAA now pushed a plan to reduce feed grain acreage with a tax on cattle to help pay for the plan.[5] This was an attempt to get back to a system which would cover hogs, cattle and feed crops at the same time. But F. E. Mollin, Secretary of the American National Live Stock Association, refused cooperation. The cattle industry had wanted marketing agreements and he still favored them, Mollin declared, but the AAA had refused to go along. Since there was no longer a cattle surplus, Mollin also rejected the feed control programs.[6] Although the AAA continued to warn against a rapid expansion in beef production, G. B. Thorne, Director of the Division of Livestock and Feed Grains, admitted late in 1935 that an adjustment program for cattle would not be practical. Surveys indicated, Thorne acknowledged, that "many cattle producers in some major producing regions are opposed to undertaking a program of this kind and would not provide sufficient participation to insure its success."[7]

Thus, the hog growers by cooperating with the AAA paid for their emergency program, but the cattlemen were not forced to contribute to the relief which they received. There were various reasons for the

---

[5]Wallaces' Farmer, LX (February 16, 1935), 15.

[6]Amendments to Agricultural Adjustment Act. Hearings before the House Committee on Agriculture, 74th Congress, 1st Sess., February 26-March 6, 1935, pp. 134, 137.

[7]Thorne: Memorandum for Mastin B. White, November 9, 1935, National Archives, R. G. 145.

difference. Obviously many leaders of the cattle industry refused co-operation, but other factors were of equal importance. The time element was rather vital. The months between October 1933 and February 1935 brought a definite decline in that sense of emergency which was so obvious in 1933. Absent in 1935 was that earlier adventurous spirit which was willing to try most anything. In addition to the passage of time and some over-all economic improvement, drought buying virtually solved the major problems for cattlemen. The cattle surplus was gone and prices had greatly improved. The average farm price of cattle was close to parity by February 1935, and remained "at or near parity" for the next ten months.[8] The price situation was, of course, the determining factor in the attitude of most cowmen. In contrast, the hog project barely dented the surplus and it was months before hog prices showed any real improvement.

Although removal of the surplus and the price increase made it possible for cattlemen to reject any long-range program, other factors influenced their decision. In December 1933 it had been noted that "farmers refused to accept the idea of 'overproduction.'" To farmers, a better explanation of their difficulties could be found in underconsumption and "faulty distribution."[9] In general this view of farm opinion was still valid. There were exceptions which saw some individuals swing to the other extreme. The advice offered by J. M. Mayfield, from

---

[8] Thorne: Memorandum for Mastin B. White, November 9, 1935, National Archives, R. G. 145.

[9] Samuel Lubell and Walter Everett, "As the Farmer Sees It," Current History, XXXIX (December 1933), 292.

Oklahoma and probably a part time farmer, illustrated the extremism of a few advocates of reduced production:

> I want to say to all readers of the Oklahoma Farmer-Stockman that I was raised near Tahlequah, Oklahoma, and I never saw times as hard as they are now.
>
> I own my own farm and have plenty as far as farm stuff is concerned. You can't sell anything and if you buy anything you have to pay two prices for it. For instance, I have a fat calf to sell. All I can get dressed is 4 cents a pound for it. If I go to the meat market and buy a pound of beef I pay 15 cents to 25 cents for it.
>
> I say to all of you farmers, cut your production. Just plant what you will use. Don't sell anything you can use at home. Don't go in debt. Live hard for two or three years. Don't buy anything you can do without. Raise plenty of hogs to make all the meat and lard to do you. Have your own corn and wheat ground. Sell a few eggs to buy your sugar and coffee, and if you need farm tools, borrow from your neighbor. Put your old auto in the shed and let it stay there. Go and see your neighbor. Stay all day with him. Have a good time.
>
> If we all will do that, times will get good and we will go to town with what we want to sell and we won't have to ask what they will pay. The buyers will ask you what you will take.
>
> If the farmers will stick together and help one another, they can rule the prices on everything. The merchants stick together, have meetings and fix their prices. So can the farmers.[10]

Obviously, Mayfield was not advocating production control in the AAA sense, but a farm strike to permit farmers to fix prices and to restore agriculture's place in society. Apparently he also held some of the ideas expressed by the Grangers and Populists in the 19th century, especially that tendency to blame the middlemen for farm problems.

The inclination to reject the theory of surplus production and to cite middlemen for their troubles was prevalent among spokesmen of

---

[10] Oklahoma Farmer-Stockman, XLVII (February 15, 1934), 4.

Oklahoma and probably a part time farmer, illustrated the extremism of a few advocates of reduced production:

> I want to say to all readers of the Oklahoma Farmer-Stockman that I was raised near Tahlequah, Oklahoma, and I never saw times as hard as they are now.
>
> I own my own farm and have plenty as far as farm stuff is concerned. You can't sell anything and if you buy anything you have to pay two prices for it. For instance, I have a fat calf to sell. All I can get dressed is 4 cents a pound for it. If I go to the meat market and buy a pound of beef I pay 15 cents to 25 cents for it.
>
> I say to all of you farmers, cut your production. Just plant what you will use. Don't sell anything you can use at home. Don't go in debt. Live hard for two or three years. Don't buy anything you can do without. Raise plenty of hogs to make all the meat and lard to do you. Have your own corn and wheat ground. Sell a few eggs to buy your sugar and coffee, and if you need farm tools, borrow from your neighbor. Put your old auto in the shed and let it stay there. Go and see your neighbor. Stay all day with him. Have a good time.
>
> If we all will do that, times will get good and we will go to town with what we want to sell and we won't have to ask what they will pay. The buyers will ask you what you will take.
>
> If the farmers will stick together and help one another, they can rule the prices on everything. The merchants stick together, have meetings and fix their prices. So can the farmers.[10]

Obviously, Mayfield was not advocating production control in the AAA sense, but a farm strike to permit farmers to fix prices and to restore agriculture's place in society. Apparently he also held some of the ideas expressed by the Grangers and Populists in the 19th century, especially that tendency to blame the middlemen for farm problems.

The inclination to reject the theory of surplus production and to cite middlemen for their troubles was prevalent among spokesmen of

---

[10] Oklahoma Farmer-Stockman, XLVII (February 15, 1934), 4.

the cattle industry. Cattle producers had never recognized excess output as a major problem. Instead, they consistently claimed that the most valuable industry in the nation was being stabbed in the back by various interest groups, the meat packers, the dairymen, the importers of foreign meat, and, finally, the government. Their support for marketing agreements was, therefore, a quite logical result of their view. Manifestly, the views of cattlemen as to the source of trouble and the needed remedies resembled, in many ways, those of the agrarian protesters of the previous century. Since they had never accepted the more modern idea of a surplus with its solution of production control, cattlemen could, with a clear conscience, refuse cooperation with the AAA. More important in this rejection than the denial of the validity of controls, however, was the absence of the two things which had compelled many farmers to cooperate in an AAA program. Although some producers may have been influenced by other motives, it was desperation and the prospect of immediate cash which drove most to production control measures. The spring and summer of 1934 had been the time of desperation for cattlemen, and the drought purchases had helped them through the crisis period. Furthermore, it was doubtful that the AAA would hand out much if any more money in the foreseeable future.

Various considerations influenced the Administration to exert less pressure on cattlemen to get them into a control program than on hog producers. The contrast in organization of Corn-Hog farmers and cattlemen was an obvious and extremely important factor. Hog producers were without any recognized organization and were thus subject to tremendous Administration influence both in organizing and drafting plans for their industry. Cattlemen, however, had a number of long established and strong associations, with officers who were usually conservative and out of sympathy with AAA objectives. Concern about the reaction against what was considered compulsion in the purchase agreement made agricultural officials cautious to exert much pressure. In addition, fear of consumer reaction contributed to a growing doubt about the efficacy of the destruction policy. Attacks against the waste of food became very severe in 1934. This criticism was not directed at the drought purchases as such, but against the basic philosophy of the AAA as expressed in its surplus reduction programs. As the government considered additional purchases of cattle in 1935 and 1936, and as it defended the hog and drought projects, agricultural officials sought rather desperately to divorce the reduction and slaughter measures from the production control policy.

In the summer of 1934 attacks on the New Deal farm programs became more intense. Criticism centered on the theory of controlled production and more specifically on the contention that the AAA and food reduction were necessary to deal with emergency situations. Socialist Norman Thomas insisted that controls would be as difficult to enforce as prohibition because they countered an "instinct for production at least as deep as the desire for alcohol." To Thomas, the real problem was the inability of the American system to cope with abundance. "We do not know," he declared, "how to manage it, and therefore, by subsidized destruction, we return to familiar scarcity, in order to give our farmers prosperity."[11] Others, who were perhaps more in

---

[11] Norman Thomas, "Starve and Prosper!," <u>Current History</u>, XL (May 1934), 135, 137.

sympathy with the system, held the same opinion. "One of the first AAA principles is that we must destroy to prosper," the New York Times charged in an editorial called "Prolonged Emergency." The idea had led to the "destruction or restriction of wealth in the form of livestock and crops in a year when Nature herself has chosen to take a dreadful hand in destroying livestock and crops."[12] This meant the subsidizing of farmers to destroy existing or to prevent future supplies. Once established, the editor later prophetically warned, it would "probably prove as politically difficult to get rid of that subsidy, even after the present supposed reasons for it have passed, as it has been to lower the tariff."[13] Opposition to the theory of production control and its accompanying baggage was not new, but the unprecedented natural ravages made planned reduction seem even more objectionable.

Charles W. Burkett, called an agricultural authority by the New York Times, developed still another area of criticism. Considerable fear was evidenced in 1934 and 1935 that the havoc wrought by nature, added to the reduction policies of the government would result in food shortages and extremely high prices. Apprehension of this had been expressed during the earlier hog program and was renewed with added strength the following summer. "We are going to have a shortage of food in this country, with deplorable conditions, in a year to eighteen months," Burkett warned. "Crop reduction is ridiculous," he declared, for "at the present time we have an under supply of milk, fruit, vege-

---

[12] New York Times, July 31, 1934, p. 16.

[13] Ibid., October 6, 1934, p. 14.

tables, and meat. And prices are going to go so high that I don't know how the poor are going to pay for what they eat."[14] Although such fears were greatly exaggerated, they made for a strident attack on the AAA. Objections of consumers and those not receiving AAA bounties were common. In reply to a defender of the AAA, M. H. Dow of Arkansas wrote:

> He appears to think that Uncle Sam is a bully good fellow, playing Santa Claus--but it is the taxpayer and general consumer (many poorer than he, perhaps), who is feeding him and other 'beneficiaries' of the 'plow-ups,' and 'kill-offs,' etc. Hence the latter's hand is being bitten, and then some. That is the little farmer, the common people generally, who neither raise cotton, wheat nor many calves and pigs.

Dow then attacked the increase in food prices, and claimed that pork cost "three times as much as before the AAA destroyed the pigs."[15]

Senator William E. Borah told the Grange in Boise, Idaho that the reduction programs worked with "the chinch bugs, boll weevil, storms and drought in making scarce the things for which millions are nightly praying."[16] It was obvious to the Administration that its opponents had seized on the drought disaster to attack the whole philosophy of the agricultural adjustment policy. The agricultural officials definitely did not repudiate the principles of production control, but, as they attempted to refute the scarcity argument, they became more cautious about the expansion of existing, or the development of new, reduction measures.

Secretary Wallace had always insisted that the creation of a

---

[14] Ibid., August 4, 1934, p. 11.

[15] Oklahoma Farmer-Stockman, XLVIII (January 1, 1935), 4.

[16] New York Times, August 10, 1934, p. 4.

balanced abundance was the aim of the adjustment program. Starting in the fall of 1934, friends and members of the AAA emphasized this idea over and over again. Chester Davis warned that there was "a limit to reduction," but he then declared that the "American farmer never has looked toward extremes of artificial scarcity to make him rich." Davis was defending the farm policy, but the heart of his message was that "we must strive for balanced production," so that the farmer could go on producing everything the country needed and, at the same time, be fairly compensated.[17] Wallaces' Farmer, once edited by the Secretary and a consistent AAA supporter, joined in the defense. An editorial in March 1935 insisted that the AAA program was "based not on creating an artificial scarcity but on creating a balanced abundance."[18]

The continued drought problem in 1935 and 1936 found the Administration far more interested in conserving and preserving production than in reduction. E. O. Pollock who toured the dry areas in the spring of 1935 warned that the situation was most critical and urged aid in feeding the livestock. Otherwise, the cattle would be sold or die. If large numbers were thrown on the market and prices depressed, he feared the ranchers would clamor for another purchase program.[19] Late in May the President's Drought Committee proposed that emphasis be placed on moving feed into the drought region. If any cattle purchases became

---

[17] Davis, "We Must Strive for Balanced Production," Oklahoma Farmer-Stockman, XLVII (November 15, 1934), 5, 9.

[18] Wallaces' Farmer, LX (March 2, 1935), 5.

[19] Pollock to W. A. Wheeler, May 16, 1935, National Archives, R. G. 16.

necessary, the Committee suggested that it be emphasized that the measure was to increase and save the supply of food. Concern for the attitude of the consumer was evidenced in the recommendation that any statement made should "allay any possible reaction growing out of consumer's sentiment with respect to food supplies, especially supply of meat."[20]

When it was reluctantly decided to buy cattle in 1936, the whole operation was underplayed as much as possible. The purchase method was designed to discourage a rush to federal buyers. As Paul H. Appleby wrote, there was a "waiting attitude, and the problem has been to buy as little as possible."[21] Only 3,663 head were bought during the entire purchase period.[22] Although drought conditions or cattle numbers did not compare to that of 1934, the Administration had no intention of allowing panic and another extensive purchase program develop.

By the spring of 1935 agricultural officials had started defending the hog and cattle reduction projects as food conservation measures rather than as surplus reduction or price lifting programs. The defense emphasized the argument that had the projects not reduced hog and cattle numbers the drought would have caused equal if not greater meat shortages than actually existed. Secretary Wallace expressed this view when asked

---

[20] Minutes of President's Drought Committee, Tentative Proposal of Policy Statements by Eric Englund, May 25, 1935, National Archives, R. G. 16.

[21] Appleby to Calvin B. Hoover, July 18, 1936, National Archives, R. G. 16.

[22] Cattle Purchase Committee: Memorandum for J. W. Tapp, November 27, 1936, National Archives, R. G. 16.

if there would be enough meat for everyone:

> The supply of meat is not normal, but no one is going to starve to death for lack of that product. . . . There is more beef in this country as a result of government activities than otherwise would have been the case. My recollection is that the government has canned 100,000,000 pounds. A large part of that is meat that would have been lost through starvation of animals on the range.
>
> In the case of pork, there is definitely more pork than otherwise would have been the case had there been no little pig slaughter. That little pig program of 1933 means that there was more corn available for feeding to hogs this past winter. . . .[23]

In July R. G. Tugwell defended the pig slaughter along the same lines. The program, he declared, had prevented a demoralization of hog prices, but the slaughter was not responsible for the pork shortage or high prices. Instead, he argued, the project had saved feed and thereby the current hog supplies were larger than they otherwise would have been.[24] Clifford V. Gregory, active in the hog project, insisted that the government purchase of cattle "conserved beef that would have been lost by starvation" as well as adjusting cattle numbers to feed supply and keeping "a large section of the industry from going bankrupt."[25] The same defense was still being used in 1937. J. D. LeCron, assistant to the Secretary, declared that "it turned out that the real effect of slaughtering pigs and sows in 1933 under the Government Program, in advance of the tremendous 1934 drought shortage of feed, was to save

---

[23] Oklahoma Farmer-Stockman, XLVIII (April 1, 1935), 6.

[24] Tugwell to Charles J. Colden, July 16, 1935, National Archives, R. G. 16.

[25] Gregory, "The American Farm Bureau Federation and the AAA," Annals of the American Academy of Political and Social Sciences, CLXXIX (May 1935), 157.

feed and make it available for maintaining supplies of hogs in 1934."[26]

In spite of the Administration arguments, the ghosts of the little pigs were called the "major New Deal political worry" in the fall of 1935. According to the Oklahoma Farmer-Stockman, the specter of the wasted pigs was "threatening trouble not only in the east but in the cities of the west and south as well," because housewives blamed the slaughter for high meat prices. Housewives found it difficult to follow the contention that more pork was available as a result of the reduction program, it was suggested, because "they see pork out of reach and want somebody to blame." The possibility of continued high meat prices, it was concluded, suggested "political dynamite to some high officials."[27] Although the drought purchases never received as much criticism as the pig project, the same general trends were evident in the Administration's defense. A press release issued in November 1935 pictured cattle buying as a surplus removal program to deal with an emergency situation. It was emphasized, however, that the purchases "assured maintenance of a plentiful supply of foundation livestock on farms."[28]

The election of 1936 demonstrated rather conclusively that the slaughter programs, even with the high meat prices, did not result in any significant anti-New Deal vote. Obviously much of the criticism came from chronic complainers, but there was enough honest censure to

---

[26]LeCron to E. H. Johnson, President of Twin States Livestock Association, May 1, 1937, National Archives, R. G. 16.

[27]Oklahoma Farmer-Stockman, XLVIII (September 1, 1935), 5.

[28]AAA Press Release, November 18, 1935, National Archives, R. G. 145.

contribute to a change in the Administration line. Another factor which influenced the shift was the awesome display of power by nature. Wallace denied that the drought disaster had upset the plans of the AAA. Instead, he suggested that the drought might make it possible "to develop a concept of what may be called 'an ever normal granary.'"[29] Actually, of course, the drought caused major modifications in existing and planned projects as well as providing a useful alibi for what had already been done.

Critics charged that the buying programs resulted from a general drive in the AAA to socialize agriculture and to buy votes. After George N. Peek turned against the AAA policies, he discovered a scheme by the "collectivist group" to use the farm act to bring about planned agriculture and to keep the farmers from finding out what was going on by deluging them with money." The pig killing program had its political implications, he said, because the experiments "were in regions which were either normally Republican or which had a way of being on the fence." Peek then pointed to the fact that Roswell Garst, active in developing the program, and Secretary Wallace had been partners in the seed corn business in Iowa. In addition, Peek disclaimed any part in the project:

> I had no part in shaping the program. It was presented to me by the Hogs and Corn Sections of the A. A. A. as the consensus of opinion among both producers and processors, and as such there seemed nothing to do but go along with it in view of the existing emergency. I did not know until later that the steam roller had been used to get producer agreements. I did know that a marketing agreement with the processors--an essential to

---

[29] Wallace to H. G. Brownson, June 12, 1934, National Archives, R. G. 16.

> any real plan--had been prevented by the group in the A. A. A. which was trying to get control of the big packers apparently as a prelude to controlling other private business.

Although a great deal of money was distributed to corn and hog producers, the endeavor to aid them failed:

> . . . because the chief undercover attention was given to diverting the Agricultural Adjustment Act into a farm and food business regimenting device. What these people called 'reform' --that is, the destruction of the American System--was made an issue paramount to putting the corn-hog farmers on their feet. The money was poured out, not alone to help the farmers but to keep them quiet while their future liberty to earn in the American fashion was being taken away from them.[30]

Essentially Peek was disgruntled because Wallace was in charge of farm policy rather than himself, and because control of production was being emphasized over marketing agreements and government aided export of surplus supplies. There was, however, some basis to his charges.

Nevertheless, both the hog price situation in 1933 and weather conditions in 1934 were serious enough to warrant emergency action. The wastefulness of the methods chosen merited criticism. Condemnation of the cattle was necessary, but the destruction of young pigs was a part of the scheme to raise prices by reducing production, similar to the plowing up of growing cotton plants. Wallace consistently opposed a straight surplus removal program, perhaps fearing that it would become a permanent crutch. He quickly despaired, however, of the destruction measures. "Certainly none of us," he wrote, "ever want to go through a plow-up campaign again, no matter how successful a price-raising method it proved to be."[31] Wallace also felt that the only excuse for

---

[30] George N. Peek with Samuel Crowther, Why Quit Our Own (New York: D. Van Nostrand Company, 1936), 121, 132.

[31] Henry A. Wallace, New Frontiers (New York: Reynal and Hitchcock, 1934), 174-175.

the hog slaughter was to provide pork for the needy.

Without any doubt the most valuable material contribution of the purchase programs was their role in the development of a new concept of relief, for both farm and urban needy. Although something similar might have evolved, the hog purchases led to the creation of the Federal Surplus Relief Corporation and to the continued buying of surplus agricultural products for the hungry. This became a permanent part of federal farm policy. The practice of surplus removal has been continued with the supplies being used in such diverse projects as the school lunch and the Food-For-Peace programs. Only through some stratagem such as this could the production restrictions justify, not only to their critics but to their own conscience, the reduction of available food supplies. Although the principles behind operations of the FSRC represented as significant a departure from tradition as that of production control, there was little objection to the activity. Not many could criticize giving food to the hungry. Also, as Secretary Wallace suggested, few realized how radical a departure from tradition it was for the government to buy surplus products and give them to the needy. Those who did tended to object to the broad powers of the FSRC rather than its objectives.

One of the most disturbing features of the whole New Deal farm policy was its assault on a long standing American myth. Thomas Jefferson had idealized the self-reliant yeoman farmer as the best protector of American independence. Others, before and after Jefferson, had held a greatly exaggerated, and largely false, esteem for the average farmer. Although the place of the farmer in American society, and certainly his influence, had undergone serious erosion since the days of Jefferson, it was obvious that a number of the Administration leaders, some farmers and many of the New Deal critics still clung to the tradition. The cattlemen were especially addicted to viewing themselves as the chosen ones to defend the great American traditions against all attackers. While the AAA leaders felt that they were enhancing the ability of the producer to maintain his independence,[32] others insisted that the programs were debauching.

Thomas V. Wickersham of the Chicago Board of Trade spoke for the critics when he said: "I can only see the farmer as I have always known him, virile and sturdy in his own strength, independent, self-supporting. I cannot visualize him standing at the kitchen door of bureaucracy with his hat in his hand."[33] Although there was nothing more natural than for farmers to join other interest groups in demanding government aid, neither supporters nor critics could discover a satisfactory compromise between their view of what the farmer should be and what he actually was. Thus, the extremes of opinion on the character of the AAA were to be expected. To C. E. Burkett, the farm relief projects "undermined the farmers' manhood and debauched agri-

---

[32]M. L. Wilson of the AAA declared in 1933, "It is an American plan--a plan peculiarly adapted to the temperament of the American farmer. The rock upon which it is founded is the essential democratic principle of self-government. . . . it attempts to preserve the finest traditions of the American farmer--to maintain the best elements of his individualism. . . ." In 1935, he added: "The economic democracy which the farmers of this country have set up under the AAA is to my mind the biggest, the most satisfactory thing about the whole program." Quoted in Edwin G. Nourse, Joseph S. Davis, and John D. Black, Three Years of the Agricultural Adjustment Administration (Washington: The Brookings Institution, 1937), 257-258.

[33]New York Times, May 4, 1934, p. 15.

culturists." According to Burkett, the agricultural officials had borrowed theories and plans from Soviet Russia which led to:

> . . . regimentation, reduction, destruction. The AAA scheme of farm control that slaughtered little pigs, butchered pregnant sows, plowed under corn and cotton, that debauched farmers by forcing these unthinkable things upon them, was damnable, silly, idiotic, impossible to thinking men. But they did it--undermining the very manhood of our farm people, destroying the ideals and aspirations of the men and women . . . who have sought so heroically to build for a better and more enduring agriculture.[34]

Wallace was influenced by an exaggerated view of the importance and character of the farm producer, and sought to preserve as much of the old myth as possible. Although he denied that he believed farmers any more intelligent, virtuous or courageous than others, Wallace declared that farmers "have probably been more active than any other group in searching for economic democracy." This was because, he insisted, "they have suffered more, and because they still live in the simpler and plainer environment wherein this democracy was born."[35] Just before the start of the hog buying program Dan E. Mahoney warned the Secretary against any pretended virtues of farmers:

> The Fact must not be lost sight of, that, there is no greater amount of honesty to be found among the general HERD OF AGRICULTURISTS than in the average Run of our INDUSTRIALS; Hence it is up to our LAW MAKERS and Others as well, in this case to devise means and ways of assistance to the Farmer in such Form that it will pay him better to (COME CLEAN) than to undertake to chisel in or double deal his 'Benefactor.'[36]

Although Mahoney may have had other motives as well, he was essentially

---

[34] New York Times, August 17, 1934, p. 23.

[35] Wallace, New Frontiers, 137.

[36] Mahoney to Wallace, August 17, 1933, National Archives, R. G. 145.

telling Wallace that farmers were simply men, no better and no worse than the average. The way hog producers received the government project vindicated the contention. This was also true of the cattlemen and their reception of the drought purchases. The Oakland Farmers Union, which passed a resolution in 1936 to the effect that Congress should reimburse them for the full value of the cattle sold in 1934,[37] and the farmer, who asked in 1937 to dig up the bones of the condemned cattle for commercial uses,[38] were simply demonstrating a typically human concern for their own welfare. This was, perhaps, one of the great, if ignored, lessons of the government purchase programs.

The livestock slaughter projects did serve to put cash in the pockets of needy farmers. As a means of bringing direct and immediate relief to producers hit by low prices and weather conditions, the purchase programs proved very effective. By demonstrating the ability of the government to act decisively and vigorously, they certainly helped to turn "the tide of defeatist psychology" and to give farmers renewed hope.[39] The buying and killing of young pigs and cattle was, however, too wasteful and unpopular to become a vital part of farm policy. In any case, the value of such purchases as an aid in controlling production was subject to serious doubt. Wallace and his close advisers had always viewed the buying as an emergency measure to deal with a specific

---

[37] Paul R. Preston to The Oakland Farmers Union, February 21, 1936, National Archives, R. G. 145.

[38] R. C. McChord to C. D. Schanyenback, May 24, 1937, National Archives, R. G. 145.

[39] Nourse, Davis, and Black, <u>Three Years of the Agricultural Adjustment Administration</u>, 259.

and immediate crisis. Buying of cattle had been great enough to reduce the surplus, but offered no solution to the long term troubles and, indeed, destroyed any possibility of dealing with those problems. Hog buying apparently had no significant effect on decreasing future supplies, but set a precedent for government purchase programs.

Obviously human nature and the problems of planning in the livestock industries made government buying impractical as a part of a permanent control plan. Indeed, such a method of surplus removal smacked greatly of the McNary-Haugenism or two price schemes of the twenties. It was for this reason that Wallace and his group always emphasized the purchases as merely the introductory phases of a long range control program. Government slaughter projects to reduce current surpluses could meet existing crises, but unless accompanied by a permanent plan was no more effective in solving the problems of agriculture than the activities of the Federal Farm Board. That this is a legitimate criticism of the two projects should not be held against Wallace or the AAA. Human nature and Mother Nature both intervened to the detriment of their planned use of the purchases. Although it would be unjust, the Administration might be held accountable for its failure to understand the one and to anticipate the other.

BIBLIOGRAPHY

Manuscript Materials

This study is based primarily upon manuscript materials located in the Agriculture and General Services Branch of the Social and Economic Records Division of the National Archives, Washington, D. C. The materials include letters, reports, memoranda, clippings, various tentative plans for programs, minutes of meetings, and so forth. The quantity of material is tremendous. The records are found primarily in the Agricultural Adjustment Administration files, the Secretary's files, and the Federal Surplus Relief Corporation files. In addition some unpublished materials used are found in the Department of Agriculture files and Library, South Building, Washington, D. C.

Government Documents

Agricultural Adjustment Administration. Analysis of the Corn-Hog Situation. Washington: U. S. Government Printing Office, 1933.

________. Corn-Hog Adjustment. C.-H.-113. Washington: U. S. Government Printing Office, 1935.

________. The Corn-Hog Problem. C.-H.-1. Washington: U. S. Government Printing Office, 1933.

________. Industry's Production Policy and the Farmer. G-44. Washington: U. S. Government Printing Office, 1935.

Department of Agriculture, Staff of Bureau of Agricultural Economics. The Agricultural Outlook for 1933. Miscellaneous Publication No. 156. Washington: U. S. Government Printing Office, 1933.

Ezekiel, Mordecai, and Bean, Louis H. Economic Bases for the Agricultural Adjustment Act. Washington: U. S. Government Printing Office, 1933.

U. S. Congressional Record. 1932-1936.

U. S. House of Representatives. Committee on Agriculture. Amendments to Agricultural Adjustment Act. Hearings. 74th Cong., 1st Sess., 1935.

U. S. House of Representatives. Special Report of the Federal Farm Board on Recommendations for Legislation. House Doc. 489. 72d Cong., 2d Sess., December 7, 1932.

U. S. Senate. Committee on Agriculture. Agricultural Emergency Act to Increase Farm Purchasing Power. Hearings. 73d Cong., 1st Sess., 1933.

U. S. Senate. Economic Situation of Hog Producers. Senate Doc. 184. 72d Cong., 2d Sess., 1933.

U. S. Senate. Letter from the Secretary of Agriculture. Emergency Hog Marketing Program. Senate Doc. 140. 73d Cong., 2d Sess., 1934.

U. S. Department of Agriculture. Yearbook. 1921, 1922, 1924, 1930-1935, 1940.

Books

Black, John D. Parity, Parity, Parity. Cambridge, Mass.: The Harvard Committee on Research in the Social Sciences, 1942.

Fite, Gilbert C. George N. Peek and the Fight for Farm Parity. Norman: University of Oklahoma Press, 1954.

FitzGerald, D. A. Corn and Hogs Under the Agricultural Adjustment Act: Developments up to March 1934. Washington: The Brookings Institution, 1934.

________. Livestock Under the A A A. Washington: The Brookings Institution, 1935.

Hopkins, Harry L. Spending to Save; the Complete Story of Relief. New York: W. W. Norton and Company, 1936.

Nourse, Edwin G., Davis, Joseph S., and Black, John D. Three Years of the Agricultural Adjustment Administration. Washington: The Brookings Institution, 1937.

Peek, George N. with Samuel Crowther. Why Quit Our Own. New York: D. Van Nostrand Company, 1936.

The Public Papers and Addresses of Franklin D. Roosevelt. Compiled by Samuel I. Rosenman. 13 vols. New York: Random House, 1938-1950.

Wallace, Henry A. Democracy Reborn. Selected and edited by Russell Lord. New York: Reynal and Hitchcock, 1944.

________. New Frontiers. New York: Reynal and Hitchcock, 1934.

Warren, G. F., and F. A. Pearson. The Agricultural Situation: Economic Effects of Fluctuating Prices. New York: John Wiley and Sons, 1924.

Articles and Periodicals

Casement, Dan D. "Hog Latin," Saturday Evening Post (March 16, 1935), 27.

Congressional Digest. 1933.

Davis, Chester C. "If Drought Strikes Again," Saturday Evening Post, CCVII (April 27, 1935), 23.

Gregory, Clifford V. "The American Farm Bureau Federation and the AAA," Annals of the American Academy of Political and Social Sciences, CLXXIX (May 1935), 152-157.

Haley, J. Evetts. "Cow Business and Monkey Business," Saturday Evening Post, CCVII (December 8, 1934), 26.

Johnston, Alva. "The Hamburger Bonanza," Saturday Evening Post, CCVII (May 4, 1935), 18-19.

Legge, Alexander. "The Policy and Program of the Federal Farm Board," Journal of Farm Economics, XII (January 1930), 1-12.

Lubell, Samuel, and Everett, Walter D. "As the Farmer Sees It," Current History, XXXIX (December 1933), 290-294.

Markey, Morris. "Nature the Farmer," Saturday Evening Post, CCVII (July 21, 1934), 5-7.

Oklahoma Farmer-Stockman. 1933-1935.

Peek, George N., as told to Beverly Smith. "The Farmer's on Your Payroll," American Magazine, CXVII (January 1934), 30-31.

Phillips, Ulrich Bonnell. "The Overproduction of Cotton and a Possible Remedy," Agricultural History, XII (April 1939), 118-125.

Prairie Farmer. 1933.

Printers' Ink. 1934.

Producer, after May 1934, American Cattle Producer. 1933-1936.

Sillars, Malcolm O. "Henry Wallace's Editorials on Agricultural Discontent," Agricultural History, XXVI (October 1952), 132-140.

Thomas, Norman. "Starve and Prosper!" Current History, XL (May 1934), 135-140.

Wallace, Henry A. "Controlling Agricultural Output," Journal of Farm Economics, V (January 1923), 16-27.

Wallaces' Farmer. 1933-1935.

Newspapers

Des Moines Register. 1933.

New York Times. 1925, 1930-1936.

Other Sources

Letter from Roswell Garst, August 1, 1960.

Letter from Henry A. Wallace, July 30, 1960.