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A DISSERTATION

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BY

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Norman, Oklahoma

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"ECONOMIC PROBLEM NO. 1," THE NEW DEAL AND SOUTHERN POVERTY

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PREFACE

Widespread poverty, as C. Vann Woodward has cogently written, has been one of the distinguishing features of the South's historical experience, setting the region apart in a nation which has usually enjoyed material adequacy. Moreover, there have been few times when this impoverishment was more extensive or acute than during the Great Depression. The 1930's, however, were not only years of economic distress in the South, but also the beginning of one of those great periods of readjustment and development that likewise have characterized its past. The Roosevelt administration's attempts to relieve hard times did much to alter the section's industry, labor conditions, and notably, its agriculture. The New Deal and subsequent economic growth elevated the living standards of millions of Southerners, and the region has achieved an overall prosperity which contrasts with most of its history. Yet despite this progress, poverty persists. No longer so pervasive as in the 1930's, it remains in rural pockets, and in the cities, North and South, to which the poor have migrated. Deprivation exists today among a residuum of the population which was obviously not uplifted by the New Deal or anything that has happened since. This study, concentrating on the rural South, will attempt to examine the reasons why an administration noted for reform in behalf of the "forgotten man" at the bottom, and recognizing better than its predecessors that poverty was a special problem, could not alleviate the plight of some of the country's most destitute citizens.

This study was written in partial fulfillment of the requirements for the Ph.D. degree at the University of Oklahoma. It originated with a suggestion from Professor Gilbert C. Fite that I undertake a new synthesis of primary materials on the subject of the New Deal's failure to cope with rural poverty. My interest in the 1930's, sharpened by work in Dr. Fite's seminar, and my inclinations toward Southern history, guided by Dr. John S. Ezell, combined to produce this topic. I have attempted to concentrate my research on manuscript sources wherever possible. I have also tried to survey as thoroughly as I could the inexhaustible quantity of published material on rural and Southern conditions of the 1930's, regretting that some things would inevitably be overlooked or not fully exploited, but recognizing that in all research there comes a time when one must write. Several excellent secondary works have been of great benefit to me. Sometimes my conclusions have concurred with those of the authors, and at other times differed. But in all cases the synthesis has been the result of the best criticism and judgment I could apply to my sources.

Regarding the citation of primary materials, it should be mentioned here that two abbreviations have been used throughout this work. I have used the standard notation "FDRL" to designate the Franklin D. Roosevelt Library at Hyde Park, New York. As explained in the bibliography, the letters "OF" (Official File), "PPF" (President's Personal File), and "PSF" (President's Secretary's File) denote the major subdivisions of the Roosevelt papers, and are followed by the appropriate file number. Other persons' papers located in the Roosevelt Library are also cited as "FDRL" with the name of the collection. Another frequently used form employed in this dissertation is "NA" to designate the National Archives, followed by "RG" and the appropriate number to indicate a record group.

Many persons have extended essential help to me in researching and writing this dissertation. I have been fortunate to have as an advisor Dr. Gilbert C. Fite, who has been generous with his time, advice, encouragement, and constructive comments. Dr. John S. Ezell also counseled me during all stages of my work, offering valuable insights and suggestions. Throughout my graduate school years I have regarded these men as models of what historians should be, and I hope that this study can at least approach their high standards of scholarship. They have contributed to whatever strength or merit my work possesses; its deficiencies, of course, are my responsibility. I am also indebted to the members of my dissertation committee who read the manuscript.

I must also acknowledge a second group of persons who have aided my research. Among these are staff members of all the research institutions I visited, particularly Joseph Marshall of the Roosevelt Library, Helen T. Finneran and Joseph Kvasnika of the National Archives, Gladys Baker of the Department of Agriculture's History Branch, and Anna Brooke Allan and Clyde Wilson of the Southern Historical Collection at the University of North Carolina. I am grateful to all those listed in the bibliography who granted interviews, as well as to Mrs. Jerome Frank, Brooks Hays, Frank Graham, and Jonathan Daniels, who gave permission to use papers in various libraries. Special thanks is extended to John T.

Nixon for allowing me to use the papers of H.C. Nixon, and to Dr. George B. Tindall of the University of North Carolina, who took time to discuss this topic with me and offered valuable insights and leads to materials. I also received significant financial aid in the summer of 1969 through the History Department of the University of Oklahoma.

Finally, throughout more than two years of research and writing, my wife, Lyndall, has given me indispensable help and encouragement. For her patience and understanding I am deeply grateful.

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CHAPTER I

SOUTHERN POVERTY--A CHRONIC PROBLEM

On June 19, 1933, K. D. Wells, a Vicksburg, Mississippi, cotton broker, wrote to the new Secretary of Agriculture, Henry Wallace. He enclosed a letter from Willie White, a Negro manager of a plantation at Frogmore, Louisiana, to its absentee owner, D. S. Compton of Vicksburg. Wills regarded the letter as "both amusing and tragic" and told the Secretary it "pictures truly the situation on cotton plantations in this section." White wrote in answer to Compton's inquiry about the use of ten sacks of oats, intended for mule feed. He reported that "some of the tenants was worr[y]ing me that the[y] had no feed" for their work-stock, and not wanting them to neglect their crops he had issued the fodder to them. But when the sharecroppers returned to the plantation commissary within a few days and requested more oats, White demanded to know "why the[y] run out so soon." He discovered the reason: "the[y] had to eat all the time out of [the feed] them selves." The Frogmore plantation was probably, like most others in the spring of 1933, in poor financial condition and White evidently had orders to cut expenses by close management of the commissary and by advancing only minimum food and supplies to the croppers. "I am trying to keep them down all

I can," he wrote, "but some are allways coming for something and are hungry and cant work without eating and then I give them some thing so the[y] wont have no excuse. . . ." Other croppers pressed him to furnish more clothing, and still others were "talking about the[y] [k]no[w] the[y] are going to be sick [with malaria] because the m sceaters are eating them up and the[y] ant [ain't] able to get A bar [mosquito net]." He noted that the tenants were "allways grumbling" about high prices for necessities at the commissary, "but I dont [k]no[w] why the[y think conditions] are much better elce Where." Wells told Wallace he hoped the letter would help "enthuse your co-workers to relieve this situation under the cotton plan which you have announced to-day." Then, thinking of another Cabinet member's recent remarks on the impoverishment of the South, Wells added, "You might show it to your friend Miss Perkins, and tell her we need more than shoes in this southern country."[1]

As Wells suggested, distress was widespread in the rural South in 1932 and 1933, at the nadir of the Great Depression. But hunger and deprivation were not new to the region, which had known a persistent and pervasive rural poverty that hard times only worsened. This was widely recognized among scholars during the 1930's. For example, Charles S. Johnson of Fisk University, a leading black sociologist, wrote that "the general depression reached the South when it was already prostrate and sadly crippled by an outworn tenant system." Mordecai Ezekiel, an economist with the Bureau of Agricultural Economics, saw the cotton belt as "the greatest farm problem" because of the low

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[1]Wells to Wallace, June 19, 1933, enclosing Willie White to D. S. Compton, June 6, 1933, NA RG 16.

productivity and incomes of masses of its landless farmers. Historian Frank Tannenbaum, writing in 1924, concluded that cotton tenancy had "pauperized the rural South."[2]

In the early New Deal period, relief agencies were probably more aware of the extent and intensity of rural destitution than anyone else in government. Throughout 1933 and 1934 the field reports which poured into the Washington offices of the Federal Emergency Relief Administration reflected a realization of the chronic poverty of millions of Southerners.

Some of the most impoverished lived in resource-deficient areas of the Appalachian and Ozark mountains. In November, 1934, for example, a state relief director reported that "the average of rural classes on relief in Kentucky have never had an adequate standard of living. In the mountain counties . . . where from 30 to 60 per cent of the population is on relief, average standards of living are perhaps higher now than they have ever been--certainly no lower." A Virginia administrator concurred that "among . . . those 'poor whites' in the remote mountain areas . . . the relief program is probably bringing them a subsistence standard somewhat higher than that to which they have been traditionally accustomed." Another official observed that hill families in northwestern

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[2]Charles S. Johnson, "The Effects of the Depression and Recovery on the Negro," typescript, n.d. [c. 1934], Charles S. Johnson papers, Fisk University (hereafter cited as Johnson papers); Mordecai Ezekial, "Two Hundred Dollars a Month, the Townsend Aim is Not Impossible," typescript, n.d., 1914-1939 file of the History Branch, Economic and Statistical Analysis Division, Economic Research Service, U.S. Department of Agriculture (hereafter cited as USDA History Branch); Frank Tannenbaum, Darker Phases of the South (New York: G. P. Putnam's Sons, 1924), 133.

Arkansas rarely had more than $25 per year in cash and existed on a diet limited to four or five items.[3]

Other poverty resulted from the farming of land which was worn out or never really suited for agriculture in the first place. In June, 1934, an FERA field investigator described one such area:

> Fairly typical, for Western Tennessee, I gather, was a district I visited yesterday. Table land. Thin soil. Terrible housing. Illiteracy. Evidences of prolonged under-nourishment. No knowledge of how to live decently or farm profitably even if they had decent land. "Five years is about as long as you can get any crop on this land," one farmer there told me. "Then it's gone and you have to clear some more and start over again." Crops grown on it are stunted. . . . Eastern Tennessee is worse, of course. There you see constantly evidence of what happens when you cut timber off mountain sides and plant crops there. . . . And all over the state, in the rural areas, the story is the same--an illiterate, wretched people, under-nourished, with standards of living so low that, once on relief, they are quite willing to stay there all their lives. It's a mess.[4]

Southern relief administrators also found their urban case loads crowded with chronically poor people, many of them recent arrivals from the country. In New Orleans and Houston officials complained to a representative of FERA headquarters that many blacks were living better on relief than they had in their usual agricultural employment and therefore were difficult to remove from the rolls.[5] Another observer for the Washington office reported Carolina textile workers, both employed and and on relief, packed into squalid mill slums, short of food and clothing

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[3]George Goodman to Harry Hopkins, November 30, 1934, William A. Smith to Hopkins, November 26, 1934, Edith Foster to Hopkins, February 15, 1934, FDRL Hopkins papers. Hereafter cited as Hopkins papers.

[4]Lorena Hickok to Hopkins, June 6, 1934, Hopkins papers.

[5]Hickok to Hopkins, April 13 and 17, 1934, *ibid*.

and afflicted with pellagra, rickets and other dietary diseases. One doctor told her that every mill worker he examined showed signs of undernourishment. She concluded that "Gaston county is my idea of a place to go to acquire melancholia."[6]

Poverty was not confined to any particular area of the South, in fact half the region's people had annual incomes of less than $300 during the 1930's.[7] However, privation was most widespread, and probably most intense, among several million tenant farmers, sharecroppers and agricultural wage workers. Tenants and croppers, were the largest single bloc of the nation's rural poor. The majority of them grew cotton and were, as the authors of the decade's most authoritative short work on tenancy put it, "the most impoverished and backward of any large group of producers in America."[8] In 1930 they comprised 1,091,944 white and 698,839 black families and accounted for about one quarter of the South's population and half its farmers. They included about 8.5 million individuals (5.5 million whites and over 3 million Negroes) in a Southern non-urban population of about 18 million. Their birthrate was the country's highest, helping to make the South the most thickly settled farm area of the United States.[9]

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[6]Martha Gellhorn to Hopkins, November 5, 11, and 19, 1934, ibid.

[7]U.S., National Emergency Council, Report on Economic Conditions of the South (Washington: U.S. Government Printing Office, 1938), 63.

[8]Charles S. Johnson, Edwin R. Embree, and Will W. Alexander, The Collapse of Cotton Tenancy (Chapel Hill: University of North Carolina Press, 1935), 1.

[9]Ibid., 4; T. J. Woofter, Southern Population and Social Planning, Southern Policy Papers, no. 1 (Chapel Hill: University of North Carolina

As all serious writers on the subject in the 1930's stressed, landlessness was not only widespread, but increasing. In 1880, the first year the census investigated the problem, tenants operated 36.2 per cent of all Southern farms. By 1920 the percentage had risen to 49.2, and by 1930 to 55.5. These figures were for the whole region; by 1930 the rate for cotton farms was about 60 per cent. Another well publicized trend was the growing proportion of tenants who were white. In the decade before 1930 white landless farm families increased by 200,000 (or about 1 million persons) compared to only 2,000 additional Negro families.[10]

Such figures are unrevealing, however, until one considers the gradations of Southern tenancy, in which the farmer's status depended upon how much of his own equipment, living necessities and self-direction he could provide, compared to what his landlord furnished. Relatively rare in the cotton belt were cash tenants, those who leased land, usually whole farms for several years at a time, and paid as rent a specific sum in money or a stated amount of the crop. Cash tenants supplied their own implements, workstock, domestic livestock, seed, feed, and fertilizer,

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Press, 1936), 1; U.S., National Emergency Council, Report on Economic Conditions of the South, 17. The South's excess of births over deaths was ten per thousand compared to a national average of seven. The high Southern rate, compared to a static national rate, was of considerable concern to the administration. Some projections showed that, barring changes in the trends, poorly educated, unskilled people of Southern rural background would constitute a majority of the American population within 50 years. See remarks on the subject by Roosevelt and Tugwell in FDR Press Conferences, IV, 212. Press conference 160 (Warm Springs, November 23, 1934).

[10]Johnson, Embree, and Alexander, The Collapse of Cotton Tenancy, 4-5.

and farmed without supervision.[11]

A second arrangement was share tenancy, in which the renter provided at least some of his equipment, draft animals, seed, feed, and fertilizer, as well as most of his food and subsistence goods. Landlords furnished an average of 25 acres, a house, and whatever equipment the farmer lacked. If necessary, they also advanced cash, food, or subsistence goods during the year. Share tenants worked on a yearly verbal contract under varying degrees of supervision. The farm owner marketed the crop, and usually gave the tenant three-fourths or two-thirds of the proceeds, less any advances.[12]

One third of all Southern tenants were sharecroppers, "the lowest category of poverty and dependence" among renters. Included were 383,000 whites (16.4 per cent of all white farmers) and 392,000 blacks (44.6 per cent of all Negro farmers). They operated 716,000 small plots of their landlords' holdings, averaging 20 acres each. Sharecroppers were actually propertyless workers paid with a portion of the crops they raised. Landowners not only supplied acreage, houses, workstock and everything else needed for farming (often including such common implements

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[11]There were about 205,000 cash tenants in ten cotton states. Norman Thomas, The Plight of the Sharecropper (New York: The League for Industrial Democracy, 1934), 6. According to Arthur F. Raper, Preface to Peasantry, A Tale of Two Black Belt Counties (New York: Atheneum, 1968 ed.), 4, 146-48, increases in cash tenancy in the older cotton belt reflected disintegration of plantation farming, hard pressed in the Southeast by exhausted soil and the ravages of boll weevils. Absentee owners and corporate holders of foreclosed plantations leased land to cash tenants, who had a secure but relatively low plane of living.

[12]Raper, Preface to Peasantry, 146-48; T. J. Woofter, Landlord and Tenant on the Cotton Plantation (Washington: WPA Division of Social Research, Monograph V, 1936), 36. The 25 acre average was for seven cotton states east of Texas and Oklahoma.

as hoes), but also made advances of food and living necessities, which they deducted from the tenant's share of the crop when they sold it. The cropper contributed only his and his family's labor, worked under much direct supervision, and received half the proceeds of his production.[13]

Planters provided food or subsistence goods to tenants either by arranging limited credit for them with a local merchant, or directly, through a plantation commissary. Since this "furnish" was considered income drawn in advance of the settlement of accounts, landowners tried to restrict it to an amount they estimated the cropper's cotton could cover. The landlord (or merchant creditor) held a statutory lien on the tenant's part of the crop, which entitled him to market it and deduct the cost of all advances, plus interest. Creditors, of course, kept all accounts, with the result that most of the poorly educated croppers were ignorant of the exact extent of their indebtedness.

In his research of southeastern plantations for the Works Progress Administration, T. J. Woofter discovered that "usury laws are inoperative" in the furnishing system. He found that of 588 North Carolina croppers, 82 per cent received cash from their landlords averaging $109 at 21 per cent yearly interest. Such advances usually extended at a "flat rate" of 10 per cent, but since they were made in the spring

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[13]Raper, Preface to Peasantry, 146-48; Johnson, Embree and Alexander, Collapse of Cotton Tenancy, 7. In Georgia, South Carolina and Arkansas the cropper was legally not a tenant, but an employee. Generally, other states recognized croppers as tenants with an equity in the crops they raised. However, a landlord had a statutory lien on all the cropper's production for rent and all advances and interest. Charles S. Johnson, "Legal Status of Southern Share-Tenants and Share Croppers," n.d. [1933], Johnson papers.

and repayable as cotton was marketed in the fall, the money was used for less than a year and the real annual rate was much higher. Sixty per cent of the croppers obtained food and household goods (worth an average of $113) from landlords at an average 53 per cent interest (a "flat" 20 or 25 per cent). Forty one per cent received supplies (averaging $54) from a merchant on their landlord's guarantee at an average 71 per cent interest.[14]

This pernicious credit system was an inherent part of cotton tenancy. In fact, landlords often found that they could not profit without exploiting and impoverishing their dependents through "furnishing."[15] So long as all phases of cotton growing were unmechanized, making necessary a large force of ignorant and unskilled workers with whom crops were shared, the very terms of the division put strong pressure on planters to maximize profits at their tenant's expense. A perceptive WPA field investigator explained it best. "Every business enterpriser," he wrote, "seeks to reduce his cost of production by all rational means to

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[14] Woofter, Landlord and Tenant, 29-31, 36, 62. Landlords usually borrowed from banks in order to make advances. Before the New Deal their bank rates were often high, but by 1934 Southeastern landlords obtained credit from banks or federally chartered production credit associations at an average rate of 6-1/2 per cent. Charging exhorbitant rates to tenants was often excused because they were poor risks. But Woofter found that for all advances the "flat" rate was 19 per cent, leaving a net gain of 14 per cent. However, the average duration of credit was only six months, therefore the real annual return was about 28 per cent. He concluded that landlords and merchants "are taking care to keep the interest rate well above any possibility of loss from default."

[15] Johnson, Embree, and Alexander, Collapse of Cotton Tenancy, 9-10; David E. Conrad, The Forgotten Farmers, The Story of Sharecroppers in the New Deal (Urbana: University of Illinois Press, 1965), 9.

a minimum [percentage of the product's selling price]. This the sharecropping system prevents, for the cost of production will be [half the net proceeds from each bale] less of course what he can recoup in the way of profit on his 'furnish' to his tenants." In times of declining prices, a 50 per cent cost of production (or 25 or 33-1/3 per cent in the case of share tenants) combined with interest on a mortgage, taxes, and other overhead expenses could consume the planter's profit. Therefore he often had compelling reasons to appropriate as much of the tenant's share as possible.[16] The practice of furnishing and his lien on the cropper's cotton gave him the means to do so.

The workings of the furnishing system deprived many tenants, whose meager shares of crops could not cover advances and interest, of all net income. Charles S. Johnson discovered that in 1932 only 9.4 per cent of the landless blacks in Macon county, Alabama, received any cash profit; all others "broke even" in their accounts or sank further into debt. Such conditions were common throughout the South. In 1934 Johnson supervised field surveys of croppers in South Carolina, Alabama, Mississippi and Texas, and found that "few of the tenants had cleared cash incomes since 1921, and many had made nothing since the World War." The fortunate few had averaged $105.43 per family, annually.[17]

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[16]"The Problems Created by the Diminishing Demand for Casual Agricultural Labor in Texas," report by Pierce Williams to Harry Hopkins, March 27, 1936, and Williams to Hopkins, September 30, 1936, transmitting a survey by Stanley V. White, "Economic Insecurity in the Mississippi River Delta Cotton Region," Hopkins papers.

[17]Johnson, Embree, and Alexander, Collapse of Cotton Tenancy, 12-13.

During the 1930's numerous studies emphasized the cotton belt's persistently low incomes. In 1934 T. J. Woofter made an exhaustive survey for the WPA of 646 plantations in the Carolinas, Georgia, Alabama, Mississippi, Arkansas and Louisiana. He found that the average per capita income for all residents, including owners, was only $110 per year, ranging from $89 in the Alabama blackbelt to $127 in the Atlantic coastal plain. Sharecropper families averaged a net annual income (cash and subsistence advances) of only $309 (or $73 per capita), while share tenant families received $417 (or $92 per capita). Actual cash incomes were, of course, lower; $122 and $202 per year for cropper and share tenant families, respectively. Woofter concluded that such figures reflected the low productivity of hand labor on small cropper acreages and "indicate[d] the seriousness of the problem of raising the standard of living among the tenant and farm labor classes. . . ."[18] Mordecai Ezekiel of the Bureau of Agricultural Economics also saw low productivity as "the real reason for Southern poverty." He wrote that "usually the labor of an entire family goes to handle about 20 acres of cotton and to produce at best 5 to 12 bales. At 12¢ a pound . . . the gross value of this family's output is only $360-$720. Even at pre-depression prices in 1929," he added, "cotton farms . . . averaged only $684 cash income. . . . With the sharecropper half of this goes to the landlord . . . leaving at most but $250 to $500 for the . . . family's cash income for the year."[19]

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[18]Woofter, Landlord and Tenant, 72-73.

[19]Mordecai Ezekiel, "Two Hundred Dollars a Month, the Townsend Aim is Not Impossible," USDA History Branch.

These chronically low incomes, of course, declined during hard times. Arthur Raper, a young sociologist working for the Atlanta-based Commission on Interracial Cooperation, began his intensive studies of the Georgia blackbelt in the 1920's. He found that landless Negro farm families in one county averaged $302.06 per year in 1927, but only $150.74 in 1934, and in another county black tenants' incomes declined from $380.70 to $299.56 in the same period. In the spring of 1933, Will Alexander, Raper's mentor and executive secretary of the Interracial Commission, reviewed these trends for the organization's board of directors and stated what knowledgeable people already suspected. "The present depression," he wrote, "is merely aggravating the low earnings of the South's rural dwellers, which in normal times are very low."[20]

As pathetically small as were croppers' incomes, those of farm wage workers were even lower. One planter, sympathetic to the poor, told Henry Wallace that while he would not defend the sharecropper system, he could "safely and confidently assert that it is a blessed haven of affluence and security for cotton workers in the high yield districts as compared to a day labor economy. . . ."[21] Throughout the 1930's the ranks of these laborers swelled as the decline of the furnishing system, the effects of New Deal crop control measures, or, by the middle of the decade, increasing mechanization displaced tenants. By October, 1933,

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[20]Raper, Preface to Peasantry, 36; "National Services in the Alabama and Georgia Black Belt," memo by Will Alexander, spring, 1933, papers of the Commission on Interracial Cooperation, Atlanta University. Hereafter cited as CIC.

[21]Article prepared for the Secretary of Agriculture by Thad Snow, n.d., enclosed in Irving Brant to Mordecai Ezekiel, December 23, 1936, NA RG 16.

an estimated 200,000 dispossessed farmers received federal relief in cotton counties from Arkansas and Louisiana eastward. By 1940 casual laborers numbered over 842,000 in the same general area. Although they might occupy shacks on farms, they were not furnished, and found work only at irregular intervals during the crop season. In 1934 Raper noted Georgia pay scales of 40-60 cents per day for men and 30-50 cents for women. He estimated that the efforts of whole families might yield between $128 and $160 in 1933 or 1934. Similar conditions prevailed in western cotton areas. A 1936 WPA survey in eastern Arkansas found that wage hands netted an average of $203 per year, and more than half subsisted on less than $200.[22]

Income figures, of course, only begin to suggest the intolerable living conditions of thousands in the South, the squalor of their housing, the paucity of their possessions, their malnourishing diets, debilitating diseases, ignorance, and economic dependence. By the early 1930's, their normally low standards had declined to the point that they shocked almost to despair even observers who thought they knew the South well. For example, Frank Tannenbaum, returning to the Cotton Belt in 1934, after an absence of ten years, exclaimed to Will Alexander that living conditions had "collapsed" and "there's nothing you can do to the system that's running now to make it support people."[23]

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[22]Woofter, Landlord and Tenant, 145; George B. Tindall, The Emergence of the New South, 1913-1945 (Baton Rouge: Louisiana State University Press, 1967), 409; Raper, Preface to Peasantry, 39; Pierce Williams to Hopkins, September 30, 1936, transmitting survey by Stanley V. White, "Economic Insecurity in the . . . Delta . . . ," Hopkins papers.

[23]Memoir of Will Alexander, Columbia Oral History Collection, Columbia University, 377. Hereafter cited as COHC-Alexander.

The typical cotton tenant was housed in a two or three room unpainted frame cabin, supported on stone or concrete blocks, constructed of inferior lumber and rarely weatherproof. Roofs were of "tin" (galvanized sheet iron) or pine shingles, doors and windows were without glass and unscreened, and interiors were unceiled. Plumbing, running water, electricity, sanitary wells, and frequently even privies were lacking. In 1930 the average renter's house in the cotton belt was valued at $350; those inhabited by sharecroppers were undoubtedly worth much less.[24]

Family possessions were meager. Sharecroppers, of course, lacked mules, domestic livestock, wagons and farm implements. They also frequently had few household furnishings and no cookstoves--cooking over open hearths was common in cotton country. Relief officials in the Deep South discovered that about 20 per cent of their cotton-growing clients had never owned a mattress until they received one from the FERA. According to one study, the personal belongings of landless whites in Tennessee were worth less than $100 on the average. And Robert W. Hudgens, director of the Resettlement Administration and the Farm security Administration for South Carolina, Georgia, Alabama and Florida, reported that large numbers of blackbelt cotton families owned goods valued at $20 or less.[25]

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[24]Good accounts of tenant housing include Johnson, Embree, and Alexander, Collapse of Cotton Tenancy, 15-16; Raper, Preface to Peasantry, chapter 4, "Housing and Households," 59-75; National Emergency Council, Report on Economic Conditions of the South, 33-36.

[25]Johnson, Embree, and Alexander, Collapse of Cotton Tenancy, 16; Raper, Preface to Peasantry, 65-75; COHC-Alexander, 522; personal interview with Robert W. Hudgens, Chapel Hill, North Carolina, July 8 and 9, 1970; Edward J. Webster to Hopkins, November 29, 1934, Hopkins papers.

Probably the most enervating aspect of the tenant's life was his diet, inadequate even in quantity and a positive menace nutritionally. "Furnish" rarely consisted of more than a dozen items; "meat" (fat salt pork), flour, cornmeal, molasses, dried peas and beans were usually provided. Since vegetable gardens used land which the crop lien system demanded for cotton and reduced furnishing profits, landlords often discouraged tenants from planting them. Likewise, few croppers had cows, pigs or even poultry; Raper reported that in two Georgia counties one-seventh of the families ate neither chicken nor eggs during an entire year. Nevertheless, such food as the poor obtained consumed most of their earnings. In eastern Arkansas, for example, the WPA found that croppers spent 69 per cent of their income for food, including 12 per cent for meat, 17 per cent for lard, and 33 per cent for flour and meal. In addition these destitute people spent another 12 per cent for clothing.[26]

Not surprisingly, these wretched living conditions undermined the health, and therefore the economic productiveness, of the poor. Malaria flourished; about 2 million cases were estimated for the South in 1938. Malnourishing food caused rickets and pellagra, and lack of sanitation resulted in hookworm infestation among rural people who could not afford shoes. In January, 1934, a Florida public health official told a

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[26]Johnson, Embree, and Alexander, Collapse of Cotton Tenancy, 16-19; Raper, Preface to Peasantry, 42, 52-53; Pierce Williams to Hopkins, September 30, 1936, transmitting survey by Stanley V. White, "Economic Insecurity in the . . . Delta . . . ," Hopkins papers; Rupert B. Vance, Human Factors in Cotton Culture, A Study in the Social Geography of the American South (Chapel Hill: University of North Carolina Press, 1929), 247-48, 298-99.

representative of the Federal Emergency Relief Administration that the state had 250,000 cases of hookworm and 80,000 or 90,000 of malaria. In 1938 the well known Report on Economic Conditions of the South succinctly described the cotton states as a "belt of sickness, misery and unnecessary death."[27]

Tenancy had still other culturally and economically blighting effects, frequently described in the 1930's and since. Because land tenure was based on one-year verbal contracts, tenants moved as often as every year or two, crowding Southern highways in midwinter in search of a better "situation." This transience, and the fact that there were no provisions in law for compensation of tenants for farm improvements they made, destroyed incentives for conservation of the soil and maintenance of farm buildings, houses, and other property. Employment of whole families in the fields and constant moving led to sporadic school attendance and low levels of literacy.[28] Moreover, as Raper observed, the cropper's long years of looking to landlords for credit and supervision of his farming left him "schooled in dependency" and "unaccustomed to responsibility."[29] Similarly, Charles S. Johnson described black

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[27]National Emergency Council, Report on Economic Conditions of the South, 29-32; Lorena Hickok to Hopkins, February 5, 1934, Hopkins papers.

[28]Conrad, Forgotten Farmers, 13-14; Johnson, Embree, and Alexander, Collapse of Cotton Tenancy, 20-23. For the most thorough discussion of tenant living conditions on the eve of the Great Depression, see Vance, Human Factors in Cotton Culture, chapter 8, "How the Cotton Farmer Lives," 205-251, and chapter 9, "Human Elements in Cotton Culture," 252-294.

[29]Raper, Preface to Peasantry, 4.

tenants in Macon county, Alabama, as,

> individuals of uniformly low education, low earning power, limited skill, primitive domestic life, high mobility and almost complete mental and economic dependence on the landlord. The average years of schooling is less than four, and illiteracy is high. In the plantation areas this tenant population has been effectively isolated from the dominant currents of American life, and . . . the level of this circumscribed life has, of necessity, been low.[30]

His observations could have applied with equal force to croppers of both races throughout the region.

Beginning about 1925, the fundamental poverty of the South was complicated by prolonged agricultural depression. Both the output and price of the region's great staple, cotton, had always been subject to sharp fluctuations. A period of high returns usually stimulated increased planting to the point of overproduction, which resulted in a price decline. This occurred in the 1920's and early 1930's.

Cotton returns were high during and just after World War I (reaching an average 35 cents per pound in 1919), but dropped precipitously (to less than 16 cents) along with most American farm commodities in the "price break" of 1920-1921. Then, from 1921 to 1924 short crops drove prices up, to a peak of 28 cents per pound in 1923. After 1923 acreage increased steadily, partly because of new cultivation in the lower Mississippi valley and Southwestern plains, and also because of the recovery of some southeastern regions from serious boll weevil infestation. Prices held

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[30]Charles S. Johnson, "Is Share Tenancy Inevitable in the Cotton Economy of the South? A Discussion with Particular Reference to the Negro," typescript, n.d., Johnson papers. For full treatment of the dependence of sharecroppers, see generally Johnson"s Shadow of the Plantation (Chicago: University of Chicago Press, 1934).

above 19 cents through 1925, but sagged the next year to 12 cents. In 1927 cotton brought 20 cents per pound, but then decline set in until 1933. The 1929-1930 crop sold for $1,470,000,000 but that of 1932-1933 was worth only $431 million, or a disasterous six cents per pound.[31]

Because of this general depression, the tenancy system, especially in the Southeast, showed unmistakable signs of deterioration before the New Deal. Even before the crash in 1929 there was widespread depression in the old Cotton Belt, as well as relative decline of landownership, and loss of workstock by share tenants. The Southeast suffered from soil exhaustion, overproduction and subsequent low prices. Moreover, in certain areas, Georgia and South Carolina particularly, falling prices in the 1920's coincided disastrously with eastward advancing boll weevil infestation. After 1929 still more disorganization of prices and finances occurred. In their straightened circumstances many landlords attempted to lighten their financial obligations by discontinuing furnishing. But this drove their sharecroppers out of agriculture, except as irregular wage hands. In 1934 a study of 825 dispossessed tenants in North Carolina revealed that about two-fifths of them had been displace between 1929 and 1932. Fewer were dislocated in 1933, but the number increased again in 1934 due to New Deal acreage restriction. By October, 1933, depression conditions had forced on relief 500,000 persons, or about one-eighth of the population of seven southeastern cotton states. Of these, 300,000 were in cotton counties, either rural cases or town

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[31]Woofter, Landlord and Tenant, 3; Theodore Saloutos, Farmer Movements in the South, 1865-1933 (Lincoln: University of Nebraska Press, 1960), 254-56.

residents dependent on cotton for employment.[32]

As the depression deepened, the federal government tried to bolster agriculture and relieve the unemployed. One of its first efforts, instituted by the Hoover administration, was an extension of low interest credit to farmers for seed, feed and fertilizer. Intended to aid financially pinched farmers to make their crops, these federal seed and feed loans became, in parts of the South almost a necessity for farming.[33] In the Cotton Belt they readily fit into the landlord-tenant system. The operation of the loans revealed generally how planters tried to manipulate federal programs for their own maximum benefit, and also indicated the extent of financial distress of the plantations.

Feed and seed credit was administered by local committees, who approved the loans. In the blackbelt these were usually made up of planters and merchants. Farm owners received loans, but tenants did not unless landlords cooperated. Government money could not be extended

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[32]According to Woofter, Landlord and Tenant, 49, Southeastern landlords required an average of $3,500 to meet crop expenses for a season, $1,200 to furnish tenants, and $150 for miscellaneous wages. They were usually dependent on bank loans for these sums. As cotton prices declined, abandonment of furnishing was often a first step in cutting expenses. See also Calvin B. Hoover, "Human Problems in Acreage Reduction in the South," NA RG 145; Tindall, Emergence of the New South, 415; Johnson, "The Effects of the Depression and Recovery on the Negro," n.d. [c. 1934], Johnson papers; Lorena Hickok to Hopkins, February 14, 1934, Hopkins papers. For a relief administration assessment of the deterioration of tenancy in the Southwest see Pierce Williams, "The Problem Created by the Diminishing Demand for Casual Agricultural Labor in Texas," report to Hopkins, March 27, 1936, Hopkins papers. Williams reported that disasterously low 1932 prices forced many Texas sharecroppers to abandon farms (being unable to make enough from their small acreages to repay "furnish") and seek relief in towns.

[33]"National Services in the . . . Black Belt," memo by Will Alexander, spring, 1933, CIC.

to the landless for the same reason that banks never lent to them. Lenders needed collateral. A landowner could offer real or chattel mortgages for long or short terms, but the propertyless farmer could offer only a lien on his share of a prospective crop. However, landlords already held this security and unless they agreed to waive their liens, no one else could finance their sharecroppers. The government required waivers before making seed and feed loans to tenants. Thus the traditional credit system limited the effectiveness of a federal program in reaching the neediest farmers.[34]

However, many planters, or bankers who had foreclosed land to operate, waived liens and allowed their tenants to obtain government credit, in order to relieve themselves of furnishing expenses. Thus some of the poor were able to get money and buy necessities at cash prices. But more frequently landlords took over the loan by refusing to waive liens in the first place unless the croppers surrendered their checks. Planters had traditionally borrowed directly from banks and then reallocated part of the funds to tenants at higher interest rates. By taking charge of the feed and seed checks they proceeded to do the same with

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[34]Woofter, Landlord and Tenant, 55, 147. Similar New Deal Credit agencies, the Production Credit Associations (authorized by the 1933 Farm Credit Act) were also limited by the plantation system for the same reason--tenants, having given one lien, could offer no other security. The PCAs lent to farmers for general agricultural purposes. In the seven Southeastern states in Woofter's study, 147 (or one fourth of those in the country) were organized by the end of 1934. They provided $17 million (18 per cent of all such credit in 1934) in loans averaging $355 at 5 per cent interest. This low rate necessitated good security, hence loans were made almost exclusively to farm owners.

government credit.[35]

In some cases landlords deposited the checks in their accounts and issued cash back to tenants, as they thought they needed it, at 8 or 10 per cent interest. Thus tenants paid interest twice: 6 per cent to the government and again to the landlord who held the money and "advanced" it to them. Will Alexander reported to the Interracial Commission that "this practice is quite common in . . . the Georgia blackbelt." Other planters who had commissaries reissued the tenant's loan to him in supplies at time-credit prices. This not only deprived the cropper of the benefit of cash buying, but also gave the planter the means to obtain goods for resale--in effect the government subsidized an exploitive furnishing business which had become burdensome in hard times. According to Alexander this procedure was followed "quite freely" in the Alabama blackbelt. Still other landlords secured the checks and applied them to croppers' back debts, an action which was illegal.[36]

In the feed and seed loan program some landlords appropriated for their own use benefits which should have gone to tenants and croppers. These injustices, although probably on a smaller scale, were essentially

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[35]"National Services in the . . . Black Belt," memo by Will Alexander, spring, 1933, CIC.

[36]Ibid. There were other instances of sheer fraud, in which planters, aided by local postal authorities, secured loans upon the names of their Negro tenants, who never knew of the money. Another inequity was that some black farm owners were prevented from obtaining loans. In some cases planter-merchants (having qualified their tenants to avoid the expense of furnishing them) desired to profit by financing the most industrious and propertied Negro farmers. Sitting on loan committees, they offered to finance these blacks at high interest rates, thus giving them the "available credit" which disqualified them for federal loans.

like those which later plagued the AAA in distributing its payments.[37] This suggests that although both the AAA cotton contract and the feed and seed loan procedures provided opportunities for abuse of tenants' rights, the fundamental problem of the poor was less the workings of specific government policies than their complete dependence on landlords in a system which made them vulnerable to exploitation.

Planters also influenced the operation of early relief agencies in the cotton belt in a way which presaged their attitude toward similar New Deal efforts. The Red Cross provided rations for the destitute during the first years of the depression and was credited with virtually keeping many rural Southerners alive in the winter of 1932-1933. It was administered by local committees composed of planters and businessmen. In many cases farmers used the Red Cross to furnish their tenants, for whom they secured places on its rolls. But at the same time they arranged for a cessation of relief during peak work periods so that cheap labor would be plentiful.[38] Later they would expect the FERA and WPA to operate in the same manner.

Similarly, in the Alabama blackbelt in 1932, several counties conducted work relief projects with funds borrowed from the Reconstruction Finance Corporation. As with the Red Cross, planters welcomed the opportunity to shift furnishing responsibilities, but apprehended that work

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[37]Robert C. Weaver, "The New Deal and the Negro. A Look at the Facts," Opportunity, XIII (July, 1935), 200-03, quoted in Howard Zinn, ed., New Deal Thought (Indianapolis: Bobbs-Merrill, 1966), 327.

[38]"National Services in the . . . Black Belt," memo by Will Alexander, spring, 1933, CIC.

relief wages higher than those they customarily paid would "disorganize labor." For example, in county seat towns RFC paid 75 cents per day for as many as three days work per week, but due to planter influence, offered only one day's work per week at 50 cents in rural areas. During the spring plowing season planter-dominated RFC committees cut town wages to the rural level and dropped from employment those wanted for field labor, thus forcing them to accept "available work" offered by farmers, often at no more than 35 cents per day.[39]

The limited farm credit and relief measures of the Hoover years were, of course, far from adequate to cope with the distress of the rural South. Indeed, by the time the New Deal took office, many of the region's long-standing problems had reached a crisis point. The tenancy system, although deteriorating, still exploited and impoverished millions. Some scholars and journalists recognized that the section's destitution was chronic and pervasive. But public awareness of the South's condition centered on the general depression which intensified that poverty. Of particular concern was the disasterous level of cotton prices. It was to that matter that the New Deal turned first.

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[39] Ibid.

CHAPTER II

PARITY AND POVERTY

The New Deal's involvement in the South's problems began in May, 1933, with the passage of its major farm policy, the Agricultural Adjustment Act. This measure was hastily drafted and enacted during the emergency-packed "Hundred Days." But the law's fundamental principle, price parity, was not new; it had been current in various forms throughout the 1920's. First developed by George N. Peek in 1921, parity was a plan for "equality for agriculture" in a time of depressed crop prices. It was the basis for the unsuccessful McNary-Haugen bills of the Coolidge era and "finally became an accepted part of American farm policy" with the passage of the Agricultural Adjustment Act.[1]

The idea of parity was to create, or actually restore, a "fair exchange value" between agricultural commodities and industrial and consumer goods. This would require an increase in the prices farmers received for their principal crops until they were the same, in relation to general prices, as in the last five years before the First World War, a time of comparative prosperity for agriculture.[2]

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[1]Gilbert C. Fite, George N. Peek and the Fight for Farm Parity (Norman: University of Oklahoma Press, 1954), 38.

[2]Ibid., 39.

Peek and others saw overproduction as the main factor depressing staple crop prices and reasoned that the key to raising them was elimination of surpluses. During the 1920's there were two main ideas on how to accomplish this goal. Peek proposed that the government subsidize the sale of the surplus abroad, even at a loss. With the excess disposed of in this manner, he expected domestic prices to rise to an acceptable level. The second method, never favored by Peek but embraced in the late 1920's by Chester Davis and some of his other associates, was to curtail production of staples, probably by limiting the acreage planted. This was a recurrent idea in the South whenever large cotton crops lowered prices and cut profits. The period from 1929-1932, for example, saw several futile campaigns to institute voluntary or state-imposed controls.[3]

By 1924 Peek's idea of parity and how to achieve it (expressed in the McNary-Haugen bills) had become a powerful movement in the Midwest. Serious Southern interest began in 1926 as cotton prices dropped from previously satisfactory levels and prewar returns suddenly looked increasingly attractive. With both Southern and Midwestern backing, McNary-Haugen legislation was enacted by Congress in 1927 and 1928, but vetoed by Coolidge. During the Hoover years parity measures were further frustrated by the President's known hostility to them and by the administration's unsuccessful efforts to control surpluses through

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[3]Ibid., 39, 84-85, 162, 170, 181; Theodore Saloutos, Farmer Movements in the South, 1865-1933 (Lincoln: University of Nebraska Press, 1960), 266-269.

its Federal Farm Board.[4]

With the enactment of the Agricultural Adjustment Act on May 12, 1933, price parity became national policy. The act's declaration of intent made clear that it was commodity legislation. It proposed:

> to establish and maintain such balance between the production and consumption of agricultural *commodities* . . . as will reestablish prices to farmers at a level that will give agricultural *commodities* a purchasing power with respect to the articles that farmers buy, equivalent to the purchasing power of agricultural *commodities* in the base period . . . August 1909-July 1914.[5]

The reference to "purchasing power" (a commonplace phrase in the lexicon of most New Dealers, including the President) did not constitute a commitment to increase the personal incomes of all persons dependent upon agriculture for a living, desirable as that aim was. The law's language specifically linked purchasing power to the prices of major crops--indeed that relationship was the whole import of the decade-long drive for parity legislation which found final expression in the AAA.[6]

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[4]Fite, *George N. Peek*, 71, 162, 170, 177, 180-181; Saloutos, *Farmer Movements in the South*, 268-271.

[5]Henry Steele Commager, ed., *Documents of American History* (7th ed.; New York: Appleton-Century-Crofts, 1963), 242-246. Italics added.

[6]Donald F. Grubbs, "The Southern Tenant Farmers' Union and the New Deal" (unpublished Ph.D. dissertation, University of Florida, 1963), rejects the idea that AAA's objectives were simply to raise commodity prices. He takes the position that "actually, the purpose of the . . . bill, as envisioned by almost all who developed and supported it, was . . . [not] to aggrandize the farmer-as-businessman . . . [or] raise the income of individual farmers as a goal in itself as Peek suggested. . . . Rather, as the bill [title] stated, the idea was 'to relieve the existing national emergency by increasing agricultural purchasing power.'" But after the bill's enactment, according to Grubbs, "powerful interest groups representing organized large-scale farming were slowly gaining control of AAA and narrowing its original purpose [to a mere concern with crop prices]." At another point Grubbs takes AAA chief Chester Davis to task

The AAA was forced to operate its cotton program on an emergency basis during the 1933 crop season. When the act was passed farmers had already planted a crop of record proportions and a huge surplus was expected. Since it was too late to curtail planting, the only alternative was the famous "plow up." According to hastily devised agreements, farmers plowed under one third of their acreage. In return they received cash benefits of $7-$20 per acre (depending on their average yield) or $6-$12 per acre plus options to purchase (before January 1, 1934) surplus government cotton, equivalent to that destroyed, at only six cents per pound, with the intention of reselling it at a profit as prices rose. During the summer 10.4 million acres were taken out of production, reducing the crop from an estimated 17 million bales to 13 million. Farmers received $161 million in cash and options. The price of cotton climbed to eleven cents per pound in July, then settled between eight and ten cents in the fall. Parity was considered to be 12.7 cents.[7]

The distribution of plow up benefits was shot through with abuses.

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for "contradicting the avowed purpose of the act . . ." when Davis wrote that "it is not intended that the act should deal with deep-seated social problems." Grubbs seems to equate "increasing agricultural purchasing power" with a broad social aim of distributing that purchasing power among all farmers. The difficulty with this interpretation is its failure to place the AAA in the context of the long drive for price parity. It was in that movement, concerned with the purchasing power of commodities, that AAA's aims really originated. Moreover, the act's statement of policy (quoted above) makes clear that the purchasing power referred to is that of commodities. If one sees the act as a commodity-price measure, it is unrealistic to talk of "narrowing" a purpose which was never broader than price parity. This is not to deny, of course, that AAA's benefits were distributed inequitably.

[7]George B. Tindall, The Emergence of the New South, 1913-1945 (Baton Rouge: Louisiana State University Press, 1967), 394.

Landlords, as contract signers, received the checks, but AAA required them to divide payments with tenants according to their interests in the destroyed cotton--for example, half for a sharecropper and two-thirds or three-fourths for a share tenant. This conformed to traditional procedures in which planters allocated all credit or profits to their dependents, and it was also reminiscent of their manipulation of federal feed and seed loans in 1932. As Department of Agriculture economist Calvin B. Hoover later pointed out, a landlord holding the check was in a position to make any settlement he wished. The resulting inequities were common knowledge by 1934. Some tenants received no plow up money and others received a portion less than their equity in the crop. A considerable number of landlords simply applied tenants' benefits to their debts for advances. At first glance this reduction of indebtedness would seem to be to their advantage, except that many illiterate croppers were ignorant of how much they owed, and in any case their accounts usually included exhorbitant interest charges.[8] Nevertheless, the AAA legal section later ruled that such "set-offs" were legal unless prohibited by state law.[9]

In October, 1933, less than six months after AAA operations began, a two year cotton program was outlined and contracts covering both the

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[8]David E. Conrad, The Forgotten Farmers, The Story of Sharecroppers in the New Deal (Urbana: University of Illinois Press, 1965), 43-50; Calvin B. Hoover, "Human Problems in Acreage Reduction in the South," NA RG 145; Charles S. Johnson, "The Effects of the Depression and Recovery on the Negro," typescript, n.d. [probably c. 1934], Charles S. Johnson papers, Fisk University. Hereafter cited as Johnson papers.

[9]Memo, Francis Shea to Margaret Bennett, November 14, 1934, NA RG 145.

1934 and 1935 crop seasons were drawn up. Under this plan the government proposed to "rent," through voluntary agreements, 15 million acres, or about three-eights of the nation's cotton land, to keep it out of production. In return it offered growers a payment of four and one half cents per pound of the average yield (1928-1932) of the "rented acres."[10]

This payment was divided into two parts. The major portion, three and one half cents per pound, was a "rental" paid to the landowner. There were two exceptions to this rule. A cash tenant, due to his independent status, was entitled to the full rental. Likewise, a "managing share tenant" was supposed to receive half of it. The contract defined a managing share tenant as a share tenant who had actual control of leased land, paid a percentage of the crop as rent, and farmed without landlord supervision. Just which of the more independent share tenants qualified became a matter of extreme controversy. The second part of the AAA benefit, one cent per pound, was called the "parity" payment and was to be divided between landlord and tenant according to the interest each had in the crop. Cash tenants would receive all of it, share tenants three-fourths or two-thirds, and sharecroppers half. As in the plow up, landlords received the checks and distributed the tenants' portions. This apportionment of benefits gave the average landlord with sharecroppers the full rental of three and one half cents per pound of the average yield of his rented acres and half the parity payment (one half cent per pound) and left the cropper with one half

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[10]Form no. Cotton 1, U.S. Department of Agriculture, Agricultural Adjustment Administration, Production Division, "1934 and 1935 Cotton Acreage Reduction Contract," and "Essentials of the Cotton Plan for 1934-35," press release, n.d., NA RG 145.

cent per pound. (In addition they both could hope to receive an improved price on the reduced amount of cotton they grew.) Thus the landlord received eight-ninths of the government benefit.[11]

This disproportionate division was a unique feature of the cotton contract. The rationale for it revealed much about the pro-landlord outlook of the AAA cotton section. According to Calvin Hoover, who in 1934 critically assessed the operation of the program for the AAA, cotton landlords would receive a smaller cash amount from the government than the signers of corn-hog and tobacco agreements if the benefits were divided equally between farm owner and tenant as in the case of those commodities. Accordingly, Hoover wrote, the cotton section apprehended that landlords would not cooperate with the AAA unless they received significantly more favorable terms. Thus they were given nearly 89 per cent of the payment compared to the cropper's 11 per cent and "induced to sign the cotton contract by [benefits] obtained at the expense of the share tenant and the share cropper."[12]

Section 7 of the contract, an imprecise paragraph, attempted to protect the tenants by placing three general obligations on landlords. To compensate tenants for the paucity of their government payment, landlords were to permit them to occupy their cabins rent free during 1934 and 1935, cut plantation wood for fuel without charge, and use an "adequate portion" of the "rented acres" to grow food. The contract

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[11]Form No. Cotton 1; "Essentials of the Cotton Plan for 1934-35; Calvin B. Hoover, "Human Problems in Acreage Reduction in the South," all in NA RG 145. For a secondary account see Conrad, Forgotten Farmers, 54-61.

[12]Hoover, "Human Problems in Acreage Reduction in the South," NA RG 145.

writers calculated that if croppers had actually received half, rather than one-ninth, of the government benefit for the average of six acres they no longer cultivated, they would get about $3 more per acre, or a total of $18-$21. Compensatory use of "rented" land was thought to be worth at least that much. But as Hoover remarked, that assumed that croppers would really have full use of it. Secondly, "as near[ly] . . . as practicable" contract signers were to prorate the acreage reduction among tenants to avoid leaving some with little or no land to make a crop in which they could share. Finally, to prevent the displacement of their workers, farm owners were "insofar as possible" to "maintain on the farm the normal number of tenants and other employees." However, a loophole allowed the eviction of those who became a "nuisance or a menace to the welfare of the producer."[13]

The authors of these provisions were Cully Cobb, a former Georgia farm editor and chief of the AAA cotton section, and Oscar Johnston, the paternalistic manager of the immense Delta and Pine Land Company of Scott, Mississippi, the nation's largest plantation. They intended section 7 to constitute only a "moral obligation" for landlords.[14] When Socialist leader Norman Thomas later excoriated Chester Davis for "writ[ing] pious hopes into a contract as if they were legal

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[13] _Ibid._; Form no. Cotton 1, NA RG 145; Conrad, _Forgotten Farmers_, 55-57.

[14] Conrad, _Forgotten Farmers_, 59. For Johnston's remarks about his authorship, see the quotations in William Amberson to Paul Appleby, November 29, 1934, NA RG 16, AAA legal file.

provisions . . ."[15] he was not far wrong. Actually, however, when the section was written there were objections to it from within the AAA. D. P. Trent, Assistant Director of the Commodities Division and an authority on tenancy, told Davis he thought the division of benefits was unfair and predicted that they would cause dissatisfaction and play into the hands of radical leaders. He suggested a revision of the contract to distinguish between cotton tenants in non-plantation districts (mostly white, often former farm owners of some ability, and not wards of their landlords) and those on large plantations (by implication the more dependent blacks). The proposed one-ninth benefit might be adequate for the latter, he thought, but the abler croppers should receive 25 per cent of the rental as well as half the parity payment. While Davis agreed with Johnston and Cobb on basic policy, he was evidently sufficiently impressed by Trent's arguments to press them upon Johnston, although unsuccessfully. In November, after the contract was written, Davis evaluated it for administrator Peek. "I want to call your attention to the fact that . . . there is no legally enforceable provision that will hold on the farms the normal number of tenants," he wrote. Then he predicted that the paragraph would become a source of trouble, but like Trent, he expected the objections to come from white croppers in non-plantation areas dissatisfied with payment divisions.[16]

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[15]Thomas to Davis, March 22, 1935, NA RG 145.

[16]Trent to Davis, October 30, 1933 and Davis to Peek, November 11, 1933, NA RG 145. One representative of the legal section, Alger Hiss, participated in the drafting and argued for a more enforceable provision against displacement of tenants. See Memo from Hiss, November 9, 1933, NA RG 16, AAA legal file. His position was supported by Jerome Frank, head of the legal section, but was overruled. See Conrad, Forgotten Farmers, 58.

The tenancy provisions of the 1934-1935 contract were indeed unenforceable and, beginning about the middle of 1934, aroused a storm of public criticism against the AAA. Reliable observers agreed that violations were widespread. By the end of the year four competent assessments of the situation had appeared, which, taken together, can be considered conclusive evidence of the general charges. One of these evaluations was AAA's own. The agency, responding to attacks from the press and elsewhere, and at the suggestion of economist John D. Black (a New Deal agricultural advisor), appointed Calvin B. Hoover, a Duke University economist attached to the AAA, to review the cotton program. Drawing upon his expertise in Southern agricultural matters, he wrote a report, "Human Problems in Acreage Reduction in the South," which was made public in the spring of 1934. The fact that Hoover was an official of the AAA and had no special intention of discrediting it or the New Deal lent special significance to his penetrating criticism.[17]

Slightly later in 1934, Socialists published harsher censure. Norman Thomas, the party's 1932 presidential candidate, wrote The Plight of the Sharecropper, which succinctly described the tenants' living conditions and included a suggestion for government landownership and cooperative farming.[18] Appended to it was a report of a thorough survey of croppers in the region surrounding Memphis. It was prepared by William Amberson, a physiologist at the University of Tennessee Medical College

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[17]Hoover, "Human Problems in Acreage Reduction in the South," NA RG 145.

[18]Norman Thomas, The Plight of the Sharecropper (New York: The League for Industrial Democracy, 1934).

in Memphis and active Socialist.[19] Both these works were polemical and anti-New Dealish in tone, but factually accurate and based on reliable observation.

A fourth critical report was that of the Committee on Minority Groups in the Economic Recovery, which represented a Southern liberal point of view not adverse to the New Deal as a whole. The committee consisted of Will Alexander of the Commission on Interracial Cooperation, Charles S. Johnson, Edwin Embree of the Rosenwald Fund, and Frank Tannenbaum. During the summer of 1934 Johnson directed extensive investigations throughout the cotton belt, and in December Tannenbaum delivered a summary of the results to the Agriculture Department. The committee later published its findings as The Collapse of Cotton Tenancy, the decade's most scholarly short work on the subject.[20]

The injustices which these critics noted fell into several categories. The first was that some landlords simply did not distribute parity payments. In other instances tenants received only part of their due, or had benefits applied to their indebtedness as in the 1933 plow up. The threat of eviction, of course, could forestall their complaints to the AAA. The fundamental problem in these cases was that the agency

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[19]"The Social and Economic Consequences of the Cotton Acreage Reduction Program," Report of Survey Made by the Memphis L.I.D. and the Tyronza Socialist Party under the direction of William R. Amberson published with Thomas, Plight of the Sharecropper. The Amberson survey was conducted with the aid of Clay East, president of the newly-organized Southern Tenant Farmers' Union and was a semi-official statement of the union.

[20]Charles S. Johnson, Edwin R. Embree, and Will W. Alexander, The Collapse of Cotton Tenancy (Chapel Hill: University of North Carolina Press, 1935).

made checks only to farm owners and relied on them to make proper allocation of the money. This was partly a matter of administrative convenience, but it also conformed to the old plantation pattern in which the landlord dispensed credit or profits to his dependents, often according to his estimation of their needs and his own.[21]

Secondly, the division of payments, in which the higher strata of landless farmers received more than those of lower status, encouraged landlords to downgrade tenants whenever possible. This was especially true in the case of the ill-defined "managing share tenant," who was entitled to half the rental payment (which amounted to nearly 39 per cent of the total benefit). Farm owners who rented to self-directing share tenants often claimed to exercise a supervision which disqualified them as managers with a stake in the rental. Similarly, because ordinary share tenants received more of the parity payment than sharecroppers, they were sometimes demoted to that level. And a planter who could redefind his croppers as wage hands could reap maximum profits from the government because the contract gave day laborers nothing whatever. Moreover, as Calvin Hoover summarized the situation, "the more favorable the division of . . . payments is to the tenant, the stronger will be the motive to reduce the number of tenants" and substitute wage labor.[22]

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[21]Thomas, Plight of the Sharecropper, 11-14; "Social and Economic Consequences of the Cotton Acreage Reduction Program," 26-28; Hoover, "Human Problems in Acreage Reduction in the South," NA RG 145.

[22]Hoover, "Human Problems in Acreage Reduction in the South," NA RG 145.

The most serious abuse of the contract was the outright eviction of croppers, despite the planters' obligation "insofar as possible" to keep the normal number. "The simplest and surest way . . . to avoid the division of payments with sharecroppers is to have no sharecroppers," one planter later admitted.[23] The displacement was of massive proportions. The total number of sharecroppers in the South declined between 1930 and 1935 for the first time in more than five decades.[24] A Texas farm census in January, 1935, counted 76,000 sharecroppers as compared to 105,000 in April, 1930.[25] The FERA, which recognized this problem well before the Agriculture Department did, felt compelled as early as February, 1934, to create a special division to reestablish dispossessed farmers.[26]

Certainly not all displacement was directly attributable to the AAA. Already in parts of the Southwest fewer croppers were needed due to the increased use of tractors.[27] In the Southeast, planters sought to

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[23]Article prepared for the Secretary of Agriculture by Thad Snow, n.d., enclosed in Irving Brant to Mordecai Ezekiel, December 22, 1936, NA RG 16.

[24]U.S., National Resources Committee, Farm Tenancy, Report of the President's Committee (Washington: U.S. Government Printing Office, 1937), 39, 99. Between 1930 and 1935, the percentage of farmers in the South who were tenants declined from 55.5 to 53.5. The actual number of sharecroppers declined from 775,000 to 715,000.

[25]"The Problem Created by the Diminishing Demand for Casual Agricultural Labor in Texas," report by Pierce Williams to Harry Hopkins, March 27, 1936, FDRL Hopkins papers. Hereafter cited as Hopkins papers.

[26]See below.

[27]"The Problem Created by the Diminishing Demand for Casual Agricultural Labor in Texas," report by Pierce Williams to Harry Hopkins, March 27, 1936, FDRL Hopkins papers.

escape furnishing responsibilities, financially "one of the chief trouble spots for the landlord."[28] But the AAA contract was a compelling reason for the discontinuance of sharecropping. In 1936, one Missouri planter, a former newspaperman sympathetic to tenants, considered the trends of the past few years toward wage labor and remarked on the planter outlook,

> The planter-businessman has absorbed plenty of punishment in years gone by, but he remains optimistic and is always willing to risk all his own money and all he can borrow on a cotton crop. Now businessmen, when they have obtained an advantage by special legislation . . . do not rush forward cheerfully to share the advantage with their work people. This reluctance is said to be inherent in business. We cotton planters are sufficiently businesslike in that way too. We have secured an advantage by special legislation which . . . more or less assures us a remunerative price for high yield cotton and also gives us real money for reducing our acreage. And does it seem reasonable to us that we should share this advantage with our work people, and do we do it gladly? It does not and we do not. . . . We merely take the industrialist view.

He concluded that planters changed to the use of wage labor because it paid to do so. Furthermore, any contract provisions to the contrary amounted to little more than "moral suasion," bound to be ineffective, because of a "long established habit of thought, part of the Southern culture, in fact, that rejects the idea that the cotton cropper is entitled to or benefited by a money income more than sufficient to supply his most pressing bodily needs."[29]

The formation of the Southern Tenant Farmers' Union in July, 1934,

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[28] T. J. Woofter, Landlord and Tenant on the Cotton Plantation (Washington: WPA Division of Social Research, Monograph V, 1936), 29.

[29] Article prepared for the Secretary of Agriculture by Thad Snow, n.d., enclosed in Irving Brant to Mordecai Ezekiel, December 22, 1936, NA RG 16. At the time, Snow was a member of the Presidential commission on tenancy which had just prepared a report to promote the Bankhead-Jones farm tenancy legislation in the 1937 session of Congress.

was the most significant reaction of poor farmers themselves to the inequitable workings of the AAA. The union originated with a bi-racial group of sharecroppers on the Hiram Norcross plantation near Tyronza, in Poinsett County, Arkansas. Significantly, this strongest of tenant organizations began in a fertile delta area which had been brought into cultivation mostly since 1910 and where, in contrast to the older plantation regions of the Southeast, both cotton planting and sharecropping were expanding until the early 1930's. The Norcross tenants turned for leadership to H. L. Mitchell and Clay East of Tyronza, local Socialists who had recently discussed the possibilities of labor union activity among tenants with Norman Thomas. Their organizational efforts spread STFU locals throughout northeastern Arkansas and enrolled a membership of perhaps 5,000 by the end of 1934.[30]

Although the STFU later became outspoken in its criticism of most New Deal tenancy policy and anti-poverty efforts, its original objectives were much narrower. Chiefly concerned with establishing union bargaining power with landlords and assuring tenants equitable treatment under existing AAA regulations, it began bombarding the agency with reports of evictions and contract violations. Meanwhile, local reaction to the union was, at first, limited to suspicion of its aims and its racially mixed membership. But by January, 1935, a violent union-greaking campaign by some planters and local law enforcement officials

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[30]Grubbs, "The Southern Tenant Farmers' Union and the New Deal," 88-91; Conrad, Forgotten Farmers, 85-86; Memoir of H. L. Mitchell, Columbia Oral History Collection, Columbia University, 20-25. Hereafter cited as COHC-Mitchell.

broke out in Arkansas and dragged the AAA's tenant problems into full public view.[31]

Early in 1935 the growing tenancy controversy split the AAA and resulted in both the dismissal of most of its legal staff and an implicit reaffirmation of the agency's price parity aims. The general outlines of this episode, known as the AAA "purge," are well known and need be sketched only briefly.

There had always been friction within the AAA between the traditional agriculturalists who dominated it (men like Chester Davis who became administrator in December, 1933) and viewed its sole objective as price parity, and certain staff members of the legal section who leaned toward making the agency more responsive to consumers' needs and toward social reform in general. Included in this group were Jerome Frank, head of the legal section, Francis Shea, Alger Hiss, Lee Pressman, Margaret Bennett, Robert McConnaughey, and Gardner Jackson, who was an assistant in the office of the AAA Consumers' Counsel.[32] By the fall of 1934 the legal section began to investigate the complaints emanating from STFU territory in eastern Arkansas. This interest led directly to a clash with the cotton section over interpretation of the AAA contract.

The immediate issue concerned the eviction of sharecroppers from the Norcross plantation for membership in the STFU. The tenants had

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[31]Conrad, Forgotten Farmers, 87, 93, 95, 97 and generally chapter 9, "The Reign of Terror," 154-176; COHC-Mitchell, 25; STFU list of 266 violations, prepared by Ward Rodgers, December, 1934, NA RG 16, AAA legal file.

[32]Conrad, Forgotten Farmers, 106-07, 110-11, 116; Fite, George N. Peek, 256, 261-66.

sued their landlord in the state courts of Arkansas to enjoin him from dismissing them, contending that their union membership was not a legal reason, under the contract, for such action. They also requested the Secretary of Agriculture to halt the evictions pending investigation. Finally, the STFU's attorney asked the AAA to intervene in the case for the tenants.[33]

This matter and others were referred to a special three-member AAA committee on contract violations. The chairman and the cotton section's representative held that Norcross had not contravened the letter of the agreement because, although he had dismissed sharecroppers, he had not reduced the number of his tenants. This conformed to the cotton section's standard view concerning evictions. Therefore the majority counseled the Secretary that it was "inadvisable administratively and not in accordance with public policy" to use the threat of contract revocation to force landlords to keep the same persons as tenants, rather than merely the same number. Of course they also objected to intervention in the suit.[34]

In a minority report endorsed by Frank, Margaret Bennett argued that union membership was neither a "nuisance" nor a "menace" under the contract and therefore not cause for eviction. Furthermore, as the legal section now read the regulations, landlords were bound to keep

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[33]Paul Porter to Jerome Frank, January 3, 1935; Eleven Norcross sharecroppers to Wallace, December 12, 1934; C. T. Carpenter to Frank, January 11 and 15, 1935, all in NA RG 16, AAA legal file. See also Conrad, Forgotten Farmers, 136-37.

[34]Memo to Wallace from majority of Committee on Violations of Rental and Benefit Contracts, January 10, 1935, NA RG 16, AAA legal file.

the identical 1934 tenants during 1935. Therefore, the Secretary should "enforce the contract," as interpreted by the legal section, and forbid Norcross to discharge his croppers.[35]

Another development, in January, 1935, intensified the AAA dissension. Frank sent an agency lawyer, Mary Conner Myers, to Arkansas with a mandate for thorough investigation of all contract irregularities. On January 18 she wired Frank from Memphis that she found the contract "openly and generally violated."[36] After several days in the Delta she filed a report which reputedly was trenchantly critical of the AAA. However, it was withheld from publication, probably on Chester Davis' direct order. The suppression of the Myers report became, in itself, a cause for even more public censure of the AAA.[37]

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[35]Memo to Wallace from Margaret Bennett, and Memo to Wallace from Frank, both January 12, 1935, NA RG 16, AAA legal file.

[36]Frank to Wallace, January 12, 1935, and telegram, Myers to Frank, January 18, 1935, NA RG 16, AAA legal file.

[37]The Myers report was not only suppressed, but removed from the AAA files and has never been found. It has become a mysterious element in the story of the AAA purge. The agency's standard reply to those who demanded publication was that it could not be released since it named specific violators (which was likely) who might be subject to future legal action (much less likely) and besides it contained nothing new. See for example, Paul Porter to Walter White, March 26, 1935, and Davis to Roger Baldwin, March 2, 1935, NA RG 145. This explanation was probably true as far as it went. In a letter to Paul Porter, March 27, 1935, NA RG 145, H. L. Mitchell, executive secretary of the STFU, reconstructed the report on the basis of his conversations with Myers. According to his outline, it differed little from the published accounts by Thomas, Amberson, or Hoover, or those submitted to the Department by Frank Tannenbaum. However, there is evidence that the report excoriated the AAA in harsh language which the agency did not want published. After one day in the Delta, Myers wired Frank that she had uncovered violations constituting "one long story of human greed." Myers to Frank, January 18, 1935, NA RG 16, AAA legal file. Likewise, in Memphis she called on Amberson who reported that she "turns out to be very sympathetic to our cause." He even found himself trying to convince her that "not all planters

The AAA's internal struggle climaxed early in February, 1935, Jerome Frank's legal section, during Chester Davis' absence from Washington, prepared a reinterpretation of Section 7 requiring landlords to retain the same tenants throughout 1935 as they had had in 1934, not merely the normal number. This would, of course, greatly restrict planter prerogatives in ridding themselves of unwanted croppers. Davis, finding this revision pending upon his return, demanded that Wallace fire most of the legal section. The Secretary, fearing a storm of planter and Congressional objection to changes in existing regulations under a contract which still had a year to run, supported Davis and dismissed Frank, Francis Shea, Lee Pressman, as well as Gardner Jackson from the Consumers' Counsel office. Alger Hiss resigned slightly later. Wallace then promulgated a final interpretation of the contract which reaffirmed the cotton section's position.[38]

The AAA purge involved a number of related issues. One was a jurisdictional dispute concerning power to construe the contract. Such

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are dishonest as she is prepared to believe on the basis of her first two day's stay." See Amberson to Roger Baldwin (January 19, 1935), to Margaret Marshall, to C. T. Carpenter, to Clay East (all January 21, 1935) and to Norman Thomas (January 26, 1935), all in the William Amberson papers, Southern Historical Collection, University of North Carolina. Finally, as Conrad, Forgotten Farmers, 158, 162, has shown, the AAA suppressed the report simply because it found the tenancy issue an extreme embarrassment.

[38]Conrad, Forgotten Farmers, 146-49. Wallace's fears of planter reaction appear well founded. For example, on January 16, 1935, the American Cotton Cooperative Association passed a resolution protesting any requirement that landlords keep the same tenants. Its president, N. C. Williamson, warned that such an interpretation would cause "consternation" in the South, "reverse completely the sentiment of thousands of friends of crop control" and "break . . . faith with cotton growers." Williamson to Wallace, January 16, 1935, NA RG 16.

matters were normally the responsibility of a legal staff, but no one had ever asked Frank's office to interpret the cotton agreement.[39] When it did so on its own, the cotton section regarded its action as an unwelcome imposition. A second question was the extent to which the agency should try to prevent the tenant displacement that resulted from production control, and a limited view won out. A less immediate issue was an indirect challenge by the AAA liberals to the preeminence of the agency's price parity aims. This was implied in the legal section's main policy statement in the dispute, Margaret Bennett's dissent (supported by Hiss and Frank) from the majority report of the committee on contract violations. This key document made several points which, if accepted, could have increased the reformist outlook within the AAA.

Miss Bennett argued that the Secretary should require landlords to keep the same tenants in 1935 and in 1934 because, in her opinion, anything less would allow them the latitude to reduce the number of their dependents, and furthermore, "it is not unreasonable to ask [them] to contribute . . . to the welfare of the[ir] communit[ies]" by not evicting croppers who would otherwise become part of a "destitute floating population" and a public burden.[40] This was a good point socially, but it would be impossible to read into the contract any mandatory contribution to public welfare and she did not attempt to do so.

She also urged the Secretary to forbid evictions which were solely

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[39]Conrad, Forgotten Farmers, 141-42.

[40]Memo, Margaret Bennett to Wallace, January 12, 1935, NA RG 16, AAA legal file.

for STFU membership. She thought such dismissals contravened Congressional policy which, as expressed in section 7-a of the National Industrial Recovery Act, recognized collective bargaining.[41] But here too, she argued on social grounds since there were no AAA contract obligations analogous to the NIRA's 7-a.

Summarizing her position, Bennett advised Wallace to stop the growing criticism of AAA by "attempting to carry out the declared policy of the [Agricultural Adjustment] Act (that is, to increase not only the price of agricultural commodities, but also the purchasing power of <u>all farmers</u>). . . ."[42] Thus she confused the objective of increasing farm purchasing power (which the law plainly linked to commodity prices) with the social aim of increasing the income of every person engaged in farming. Acceptance of this position would have been a departure from the concept of parity as the fundamental principle of the AAA.

Price parity continued as a major New Deal commitment. A few claimed that it could uplift the poor. For example, at the height of the AAA controversy the chief of the cotton section, Cully Cobb, told Chester Davis that production control and enhanced prices had pulled landlord and tenant alike out of debt and put them "in a far stronger position than they were in the early months of 1933." He saw the cotton program as a "new opportunity to tenants" and a "first step towards economic independence," at least for the "more efficient."[43] But a much more frequently expressed view was that parity was the region's major economic

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[41]*Ibid.* [42]*Ibid.*

[43]Cobb to Davis, January 5, 1935, NA RG 16, AAA legal file.

need--an expectation that the overall prosperity of the South was largely a matter of 12-cent cotton.[44] These views were occasionally expressed at the highest levels of the administration. For example, in December, 1934, as public criticism mounted against the AAA for helping the few rather than the many, the President remarked in a press conference that "the objective is a parity price. . . . If we can maintain something pretty close to parity for three or four years more all through the cotton raising area . . . it is going to do more for the south than has been done at any time before in our lifetime."[45]

One of the best examples of southern landowners' and agriculturalists' faith that parity prices could assure the region's general prosperity was the cotton section's hearings on a 1936 production control contract in Memphis in October, 1935. Equally important, these hearings were notable for the efforts of a small group of Southern liberals to persuade the AAA to make its program more equitable for poor farmers.

At the end of the 1935 crop season the agreement with producers expired and a new one was needed. The law required the Secretary of Agriculture, before promulgating any crop control contract, to call public hearings at which all interested persons could present their views. Accordingly, Wallace announced a conference for October 11-12 in Memphis. In order to confine the discussion to commodity price

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[44]Lorena Hickok to Hopkins, February 7, 1934, Hopkins papers.

[45]FDR Press Conferences, IV, 257. Press Conference 162 (Warm Springs, December 4, 1934). FDR was not speaking directly about the AAA controversy, but about parity in general. Also, his understanding of the region's poverty was broader than these remarks indicate.

matters, the official notice called for testimony specifically concerning the effectiveness of the AAA in achieving parity and whether acreage and production control were the most practicable means of attaining that goal.[46]

At this point Will Alexander, the Assistant Administrator of the newly established Resettlement Administration, perceived that the hearings offered an opportunity, while a contract was still being developed, to bring public pressure on the AAA to improve benefits for poor farmers. As an official of the RA, Alexander was unable directly to attack the procedures of another government agency, but he sought out private citizens who would. On October 4 he contracted Francis P. Miller, a Virginian who had recently organized the Southern Policy Committee, a network of prominent Southerners interested in various regional reforms, especially those to alleviate the plight of landless farmers. Alexander persuaded Miller that the SPC should send a representative to Memphis to press the AAA vigorously to change its tenant policies.[47]

Miller contacted the SPC's president, Herman Clarence Nixon, professor of government at Tulane University, who agreed to undertake the mission. Miller thought the issue to stress was that the AAA was "organized and managed in the interest of the upper class planter." He charged

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[46]U.S. Department of Agriculture, Official Report of Proceedings before the Agricultural Adjustment Administration in Re: Hearing on Proposed Adjustment Program for Cotton. Memphis, Tennessee, October 11, 12, 1935, NA RG 145. The notice of hearing is on p. 9.

[47]Francis P. Miller to H. C. Nixon, October 5, 1935, papers of the National Policy Committee, Library of Congress. Hereafter cited as NPCP. Will Alexander to Charles S. Johnson, October 7, 1935, papers of the Commission on Interracial Cooperation, Altanta University.

that Cully Cobb privately "makes no bones about this. He says he is doing for the planters what Hamilton did for the industrialists in the latter part of the eighteenth century." This inclination of the AAA, Miller thought, should not be allowed to fade from public attention. Therefore he saw the hearings as the occasion for the SPC "to turn on the heat on the cotton section" to devise a fairer 1936 contract. Moreover, Nixon could present the case with great credibility. Not only was he well known as an academic advocate of improved Southern rural life (he was one of the twelve "Nashville Agrarians" of 1930), but as the absentee owner of an Alabama plantation with eleven tenants he could appear as a landlord and contract signer. Finally, Miller had arranged for Charles S. Johnson, who had conducted the field surveys for the recently published Collapse of Cotton Tenancy, to attend and supply Nixon with technical data on AAA's effects on the poor.[48]

As the hearing approached, Miller foresaw a possible complication. He hoped that a trenchant criticism of the AAA by the SPC would arouse the "rational and liberal elements of the South" to demand reform of the contract. But he feared that the "semi-communist" STFU, or its local advisor William Amberson, might appear and by intemperate condemnation of the New Deal overshadow and undermine Nixon's presentation. Therefore he warned Nixon to be alert to Amberson's possible attendance and if necessary try to dissuade him from testifying.[49]

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[48]Miller to Nixon, October 5 and 9, 1935, Nixon to Miller, October 6 and 10, 1935, NPCP; Johnson to Nixon, October 5, 1935, papers of H. C. Nixon, in the possession of the Nixon family, Nashville. Hereafter cited as Nixon papers.

[49]Miller to Nixon, October 5, 1935, NPCP.

On October 11 the hearings convened at the Chisca Hotel in Memphis with Robert McConnaughey presiding. A long succession of planters, farmers, and Agricultural Extension Service officials testified, filling most of the 452 page transcript with lavish praise for the AAA. Most of them stressed that the agency, while not lifting prices to full parity, had greatly increased the value of the cotton crop. Consequently, farmers had paid debts, added to bank deposits, and bought consumer goods. This increased spending had in turn stimulated industrial production and retail trade. For example, one spokesman presented statistics to show that general merchandise sales in the South had increased nearly 25 per cent from 1933 to 1934. Another read a letter from the president of Sears, Roebuck and Company citing greatly improved catalog business in the region. Most of the statements made little reference to tenants, except personal assurances of good landlord-cropper relations. On the whole the hearings seemed to produce remarkable unanimity that AAA had benefited the South. Some even declared that it should be made permanent.[50]

Toward the end of the hearing Nixon took the stand. He agreed that the AAA had increased agricultural purchasing power, but pointed out that it had obviously failed to distribute it democratically. He

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[50]Hearing on Program for Cotton, October 11, 12, 1935, NA RG 145. This lengthy hearing is packed with favorable comment on the AAA. This paragraph draws mainly upon the testimony of Walter L. Randolph of the Alabama Farm Bureau (22-29), N. C. Williamson of the American Cotton Cooperative Association (55-57), C. H. Waller of the Negro Council of Agriculture (152-57), Charlie McNeil of the Mississippi Farm Bureau (171-75), D. E. Wilson of the same organization (177-80), and Donald Kirkpatrick, general counsel for the American Farm Bureau Federation (215-16 and 226).

referred to The Collapse of Cotton Tenancy and other studies as evidence that contract abuses had deprived tenants of their already inadequate payments and concluded that the landless were as impoverished as they had been two or three years earlier. Nixon advocated larger payments for them without reducing what landowners received. He argued that such an expansion of benefits would improve the South's general economy even more than had landlords' AAA checks. Poor farmers would, for example, buy cotton clothing, thus stimulating the region's textile industry and providing employment for another large needy group, the mill hands. Finally, Nixon commended the pending Bankhead tenancy bill (for which he was an active advocate) as a measure which could help alleviate poverty by assisting some tenants to own small farms.[51]

Charles S. Johnson followed Nixon and eloquently supplemented his colleague's remarks about the AAA's injustices for the landless. Since the STFU, to the surprise of many, made no formal appearance, the two SPC spokesmen sounded the only discordant note amid the praise of the agency.[52] Moreover, except for limited efforts by some AAA officials in the fall of 1933, they were the only ones who ever advocated before the cotton section better benefits for poor farmers while a contract was still being developed.

After the hearings Nixon and Johnson submitted specific recommendations to Secretary Wallace. They suggested that the new contract avoid a major difficulty of the old one by clarifying the definition and

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[51]*Ibid.*, 356-84.

[52]*Ibid.*, 385-410; Nixon to Miller, October 13, 1935, NPCP.

rights of managing share tenants. Similarly, they proposed to redefine the rental payment as a general benefit and divide it according to interests in the crop. Thirdly, they advocated limiting the percentage of a sharecropper's payment which the landlord could apply to back debts. Furthermore, the agreement should provide for a diminution of the planter's receipts from the government proportionate to any unwarranted reduction in the number of his tenants. Nixon and Johnson recommended that the AAA make checks to every individual beneficiary, rather than rely on landlords to distribute the money. And finally, when assigning acreage allotments to states and counties, the agency should consider the suitability of different parts of the South for continued cotton growing and encourage a gradual shift away from it in the less productive areas of the Southeast.[53]

On December 3, 1935, the AAA announced a new contract for the crop seasons of 1936-1939, which was patterned after the old one, but "designed to eliminate inequities revealed in the operation of the previous program." The modifications were undoubtedly a response to the attacks of many critics since 1934, but it is significant that some of the changes followed SPC suggestions and the agency cited the Memphis hearings in making them. Crop reduction payments were to be divided more advantageously for tenants. Thirty-seven and one half per cent went to the person who furnished land, while the one who provided workstock and equipment could claim 12-1/2 per cent. The remaining 50 per cent would be split in the same manner as the crop. This apportionment made the

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[53]Nixon and Johnson to Wallace, November 4, 1935, FDRL PPF 660.

benefits not dependent upon vague classifications such as "managing share tenant." It gave the ordinary sharecropper with half interest in his cotton 25 per cent of the payment, rather than about 11 per cent as before. A self-equipped share tenant could get as much as 50 per cent rather than about 22-1/2 per cent. Moreover, the plan required AAA to pay landless farmers by individual checks.[54]

While the new terms improved tenant benefits, it is not likely that they could have halted the advancing displacement of croppers and the shift to wage labor, even had the Supreme Court not prevented their implementation by declaring the Agricultural Adjustment Act unconstitutional one month after their announcement. The contract still required signers "insofar as economically possible" to retain the same number of tenants and other employees from year to year, but imposed no effective penalties on those who did not. The parity programs which succeeded the AAA, the Soil Conservation and Domestic Allotment Act and the AAA of 1938, had the same general defects.[55]

Despite the great faith of Southern farmers and administration officials in the benefits of price parity for the South's economy, the New Deal's production control policies were not an answer to the fundamental problems of the poor. These programs did little or nothing to lessen the dependence of the destitute, improve their farming skills or

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[54]"AAA Announces New Four Year Cotton Adjustment Program," press release, December 3, 1935, NA RG 145; Nixon to Miller, December 8, 1935, NPCP; Brooks Hays to Nixon, December 9, 1935, Nixon papers.

[55]"AAA Announces New . . . Cotton . . . Program," December 3, 1935, NA RG 145; Nixon to Miller, December 8, 1935, NPCP; Grubbs, "Southern Tenant Farmers' Union and the New Deal," 360-62.

general competence, or give the abler tenants a chance for small landownership. These problems became the concern of other New Deal agencies.

CHAPTER III

THE FERA AND THE REHABILITATIVE IDEA

The administration's first real program to improve conditions for the rural poor originated not in the parity-minded Agriculture Department, but in the relief establishment, which was forced by circumstances to consider their plight. To understand why this was true, it is necessary to examine the operation of federal relief in the South during the first year of the New Deal.

The primary relief agency was the Federal Emergency Relief Administration, which operated under annual appropriations beginning in 1933. Headed by Harry Hopkins, FERA granted funds to the states, which administered their own programs, under general federal oversight but with much variation of policy, through State Emergency Relief Administrations. Usually ERAs furnished direct assistance, although they also conducted some work projects. Federal money was supposed to supplement whatever funds states could provide, but throughout the South FERA paid nearly 100 per cent of the costs.[1]

Hopkins directed a second agency, the Civil Works Administration.

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[1] U.S., Federal Emergency Relief Administration, Monthly Report, December 1-31, 1933 (Washington: U.S. Government Printing Office, 1934), 78-87.

An important characteristic of CWA was that it was an emergency organization, created specifically for the winter of 1933-1934 and never intended to be permanent. The federal government funded it completely and determined all its policies, although the state ERA director was usually designated CWA administrator in his state. Its program was work relief, generally on public construction, mostly road work in the rural South. Standard pay in the region was 30 cents per hour for common labor, which accounted for about 60 per cent of Southern CWA wages.[2]

Early in the New Deal it was evident that many in the rural South were dependent on direct federal relief. In July, 1933, a survey of 166 selected farm counties revealed that in 70 Southern counties 37,000 of 250,000 families, or 15 per cent, received ERA aid, and that the percentages of country families on relief in the South Atlantic, East South Central and West South Central census regions were 18, 16, and 10 respectively. Except for the Mountain West's 12 per cent, no other region exceeded 6 per cent. However, monthly relief per family was low in the South, varying from $4.57 per family (East South Central) to $6.28 (South

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[2] Ibid., 16-17; transcript of testimony of Harry Hopkins to the Bureau of the Budget, January 22, 1934, FDRL, Hopkins papers. Hereafter cited as Hopkins papers. CWA used the same pay scales as the Public Works Administration, which, like all New Deal work relief, had regional differentials, with the lowest rates in the South. In each state half the CWA employees were supposed to be drawn from relief rolls and the rest from the unemployed registered with the National Reemployment Service job offices. However, in several states, e.g., Georgia and Florida, enough relief cases were transferred en masse to fill the quota. This still left many on relief and led to a public belief that to become eligible for CWA one had to get on relief first. As a result many middle class unemployed, having avoided the stigma of the ERA "dole" while awaiting work relief, crowded on to the rolls and resented those earlier (and fundamentally poorer) reliefers who received CWA jobs. See Lorena Hickok to Hopkins, January 11, 1934, Hopkins papers.

Atlantic) and $6.76 (West South Central). Figures elsewhere ranged from $10.20 (West North Central) to $25.70 (New England). CWA employment was also quite large. At its high point, in January, 1934, the agency enrolled approximately 1,018,000 persons in the former Confederacy.[3]

FERA and CWA were not specifically designed for the rural South, and in fact were anomalous in a tenancy system which was supposed to employ agricultural workers and provide them subsistence when not occupied, and in which landlords traditionally assumed those responsibilities. But with the system breaking down, relief was the only immediate way to fill the needs of the destitute. Furthermore, because agricultural work was so seasonal and normal living standards so low, it was often hard to define "unemployment" in rural areas. As a federal relief official in Georgia told one of Hopkins' representatives, "a farmer considers every nigger living in a house--or the worst kind of shack you ever saw--on his place, employed, whether he is paying him anything or not. For a few weeks each year perhaps, he actually will pay the head of the family 30 or 40 cents a day."[4]

The original purpose of FERA was relief of depression-related unemployment, and not necessarily to raise living standards or correct poverty conditions. Not everyone thought FERA should shoulder these additional responsibilities. In April, 1934, the director of the Texas

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[3]E. D. Tetreau to Henry Wallace and Rexford G. Tugwell, October 11, 1933, NA RG 69, FERA Old Subject file. Includes relief survey for July, 1933. For CWA figures see U.S., Federal Emergency Relief Administration, _Monthly Report, December 1-31, 1933_ (Washington: U.S. Government Printing Office, 1934), 93.

[4]Lorena Hickok to Hopkins, January 23, 1934, Hopkins papers.

state office wrote to Hopkins' assistant, Aubrey Williams, about growing rural case loads. Many county offices, she told him, had assumed, without much analysis of "what they are getting into from a viewpoint of long time relief and rehabilitation," the community's burdens of general dependence and poverty, including many Negroes and Mexicans she thought could be self sustaining, at least during the summer. She recommended removal from relief of all persons "who have not really been affected seriously by the depression and [who] present a perennial picture of low standards of living." Instead of attempting to improve their condition, the ERA should concentrate on its "real function" of aiding those jobless on account of the depression.[5] Williams agreed that those on relief for reasons other than depression unemployment should be forced back upon local resources, but he urged the Texas administrator to "keep the back door open" in case some chronic dependents faced starvation.[6]

On the other hand, some believed FERA could not ignore the question of living standards. Considering the adequacy of relief wages, rather than who should receive assistance, a Tulane professor of social work told Williams, "I do not know whether it is sound to attempt to raise standards of living thru [sic] relief. . . ." But failure to set minimums for clients would squander money by "perpetuating a standard of living that makes for continued illness and human waste. . . . To set a relief standard lower than some tenant farmers and rural laborers get is

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[5]Marie Dresden to Aubrey Williams, April 24, 1934, NA RG 69, FERA state files.

[6]Williams to Dresden, May 1, 1934, ibid.

to . . . set . . . [it] below the pittance paid by sweated industries. We do not do this in cities, why should we do it in rural areas?"[7]

Landlords' attitudes toward relief in 1933 and 1934 were ambivalent. Paternalistic tradition made them responsible for their tenants' subsistence. In December, 1933, an FERA researcher found belief in that tradition still strong among Alabama landlords.[8] With some consistency they also regarded relief as "demoralizing" for labor, probably because it tended to remove tenants and wage hands from their direct control. Despite this concern, there was a growing desire to shift the responsibilities of "carrying" tenants to the FERA.[9] Lorena Hickok, a personal investigator for Hopkins, found instances of tobacco farmers moving their surplus sharecroppers into Wilson, North Carolina, and even paying their first week's rent for town shacks to qualify them for relief.[10] Another field report, from Arkansas in April, 1934, told of a planter attitude that relief was a method of maintaining the availability of cheap labor, until needed, without local expense.[11] In addition, as the 1934 planting season approached, a frequent complaint was that CWA pre-empted labor needed by farmers. The source of this objection, as will be explored

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[7]Florence Sytz to Williams, November 27, 1934, FDRL, Williams papers.

[8]Harold Hoffsommer, "Landlord-Tenant Relations and Relief in Alabama," Research Publications of WPA and FERA, II, November 14, 1935, 17, NA RG 69, WPA Library. The study reflected conditions as of December, 1933.

[9]Ibid., 29.

[10]Hickok to Hopkins, February 14, 1934, Hopkins papers.

[11]Elmer Scott to Hopkins, n.d. (April, 1934), Hopkins papers.

shortly, was that while there was no labor shortage, relief pay was actually higher than customary agricultural wages or sharecroppers' incomes.

Throughout the New Deal, relief agencies found themselves beset by landlords desiring cheap seasonal labor. For example, in the fall of 1933, Malcolm Miller, South Carolina ERA administrator, found that D. R. Coker, powerful planter, progressive agriculturalist and son-in-law of Commerce Secretary Dan Roper, insisted that relief be suspended state-wide so that workers would be even more plentiful and cotton could be picked promptly.[12] Gay B. Shepperson, Georgia ERA director, recalled that cotton farmers, and growers of other crops as well, were "quite brazen" in their demands for relief curtailment during crop seasons. Planters frequently complained of labor shortages to their Congressmen. They in turn contacted Hopkins, and put him under considerable pressure in the fall of 1934.[13]

The relief establishment felt constrained to accommodate these demands, especially in the Cotton Belt. In September, 1934, Hopkins polled Southern ERA directors and found without exception their policy was to release from their rolls persons offered employment in the fields.[14]

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[12]Memorandum, Miller to Hopkins, October 6, 1934, NA RG 69, FERA Old Subject file.

[13]Memorandum of telephone call, Thad Holt (Alabama ERA director) to Hopkins, September 11, 1934, Hopkins papers; form letter from Hopkins to cotton states ERA directors, September 17, 1934, NA RG 69, FERA Old Subject file; personal interview with Gay B. Shepperson, Richmond, Virginia, June 29, 1970.

[14]See NA RG 69, FERA Old Subject file, "cotton reports", form letter from Hopkins to 13 cotton states ERA directors, September 17, 1934, and replies from F. M. Baker of South Carolina (September 20),

However, in numerous cases, planters, aware that relief clients had to accept their work offers, lowered wages even below customary levels. Therefore, the more conscientious administrators, such as Miss Shepperson, tried to ascertain that those cut from the rolls were offered "bondafide" employment of reasonable duration, paying at least the prevailing rate of 50 or 60 cents per day, which was still inferior to relief.[15] There is abundant evidence that FERA and its successor, the Works Progress Administration, continued throughout their existence discharging clients for low wage cotton picking.[16]

In the first year of the New Deal there were frequent cases in which Southern state officials and ERA directors themselves were reluctant to extend adequate relief in rural areas. In the summer of 1933 Harper Gatton, the Kentucky administrator, told Hopkins that the 30 cents per hour recently specified for FERA work projects would "play havoc in our

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Thad Holt of Alabama (September 21), Mrs. Thomas O'Berry of North Carolina (September 21), Gay B. Shepperson of Georgia (September 21), Wallace Crossley of Missouri (September 25), George B. Power of Mississippi (September 26), and Walter L. Simpson of Tennessee (September 27). Miss Shepperson's letter was forwarded to FDR for his information. See Hopkins to Marvin McIntyre, September 24, 1934, FDRL OF 444.

[15]Personal interview with Gay B. Shepperson; Shepperson to Hopkins, September 21, 1934, NA RG 69, FERA Old Subject file, and FDRL OF 444.

[16]For examples of the continuing complaints against these policies under WPA see Gardner Jackson to FDR, September 12, 1936 (enclosing Jackson to Hopkins, September 12, 1936), FDR to Jackson, September 26, 1936, Jackson to FDR, October 31, 1936, and FDR to Jackson, December 16, 1936, all in FDRL OF 444-C. For a later protest from the Southern Tenant Farmers' Union, see D. A. Griffin and P. H. Benson to Hopkins, August 20, 1938, Southern Tenant Farmers' Union papers, Southern Historical Collection, University of North Carolina. Hereafter cited as STFU papers.

agricultural counties" where farmers had already protested a $1.50 daily wage. Gatton intimated that higher rates would not be paid in rural districts. Hopkins asserted that 30 cents per hour was "the lowest amount mentioned in the President's Reemployment Agreement," and federal standards would be maintained. He declared, "this business of [making relief conform to] a prevailing wage on the farms is a stall to pay miserable . . . wages for public work," and vowed "to have no part" in it. Furthermore, he told Gatton, "I am of the firm belief that in the long run the best thing that can happen to the South is a substantial increase in the wage rates because I do not see how we are ever going to get any purchasing power into our new economy on a dollar a day."[17]

In August, 1933, Aubrey Williams met in Jackson, Mississippi, with Governor Sennett Conner and others, to discuss "the desirability of doing away with relief in this state September 1st," because of the objections of big tax payers and planters' opposition to work relief wage rates. Williams told the state officials they would have to assume full public responsibility for such action and that neither he nor FERA would justify or take part in it. This evidently ended the discussion, although Williams did agree that relief could probably be suspended during cotton

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[17]Harper Gatton to Hopkins, July 31, 1933, Hopkins to Rowland Haynes, August 2, 1933, Hopkins to Gatton, August 3, 1933, Hopkins papers. There were still other problems in Kentucky. The legislature refused to appropriate funds for relief after August 15. Gatton also declined, contrary to federal policy, to give relief to striking coal miners. Consequently, Hopkins, determined to fight out the issue of federal standards in Kentucky, cut off federal relief August 12, 1933. At the time 22 per cent of the state's population was dependent on FERA. See Hickok to Hopkins, September 6, 1933, Hopkins papers, reporting that at least 150,000 miners and subsistence farmers in eastern Kentucky were destitute, with some cases of starvation.

picking season for those offered work in the fields.[18]

In Georgia, where in September, 1933, 28 per cent of the state's families were on relief, Governor Eugene Talmadge characterized the recipients as "bums and loafers" and decried the 30 cent per hour work project wages.[19] Talmadge's obstruction of ERA operations finally led Hopkins to federalize all relief in Georgia on January 7, 1934.[20] Virginia state officials were not opposed to assisting the poor at federal expense, but were very reluctant throughout 1934 to provide state funds as requested by FERA. Senator Harry Byrd's organization reportedly would "resist a state appropriation for relief even to the extent of abandoning the relief program."[21] On a more local level, planters and the county agent in Pulaski county, Arkansas, attempted in January, 1934, to persuade ERA officials there to consult landlords when their renters or laborers applied for relief and be governed by their recommendations. One planter strongly objected to the practice of providing Negro clients such "luxuries" as the tomato juice given to prevent rickets.[22]

Louisiana was a particularly striking example of reluctance to extend rural relief. Harry Early, the state director, told Hopkins that,

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[18]Aubrey Williams to Hopkins, August 14, 1933, Hopkins papers.

[19]Alan Johnstone to Hopkins, September 18, 1933, Hopkins papers.

[20]Michael Stephen Holmes, "The New Deal in Georgia: An Administrative History," (unpublished Ph.D. dissertation, University of Wisconsin, 1969), 64-66. See Hopkins to Eugene Talmadge, January 7, 1934, quoted in its entirety in Talmadge to FDR, January 10, 1934, and FDR to Talmadge, January 22, 1934, FDRL OF 444.

[21]Alan Johnstone to Aubrey Williams, March 7, 1934, Hopkins papers.

[22]Edith Foster to Hopkins, report for January 5-8, 1934, Hopkins papers.

contrary to usual practice, he had barred, in November, 1933, farmers, tenants and croppers from FERA and CWA work projects because the farmer was a "proprietor," capable of self-support "would he but apply himself." In a further step, on February 10, 1934, the Louisiana administrator made them ineligible for direct assistance, excepting only those in "dire need." He also complained that so long as CWA paid a 30 cent hourly wage, many regarded it as employment "which they feel . . . [a] moral obligation if not patriotic duty to qualify for."[23] Commenting to Aubrey Williams on ERA officials in Louisiana and surrounding states, a Tulane social work professor found them "not far in advance of the rural thinking" in which "so few people care about the poor . . . ."[24]

In many other cases assistance was inadequate when given. Sometimes this was due to temporary shortages of funds. During one such period, in July, 1933, the director of social services for the Alabama ERA reported that rolls were "ruthlessly cut" by dropping those with any opportunity of obtaining food, even in insufficient amounts. Aid per family was slashed to as little as 50 cents per week in some rural counties and completely stopped in others. By August, she estimated, the state relief load would reach 101,000 families.[25] Although this situation was extreme,

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[23]Harry J. Early to Hopkins, March 31, 1934, and November 15, 1934, Hopkins papers.

[24]Florence Sytz to Aubrey Williams, November 27, 1934, FDRL, Williams papers. Louisiana is a good example of the degree of state independence in the decentralized FERA program. There was little the administration could do to force uniformity of policy, except for cutting off funds from a state until it complied, as in the case of Kentucky in 1933, or federalizing all relief operations, as in the case of Georgia in 1934.

[25]Mrs. A. M. Tunstall to Thad Holt, July 28, 1933, NA RG 69, FERA state files.

usual conditions were little better. In September, 1933, Aubrey Williams informed Hopkins that Alabama relief was "far from adequate measured by any decent standards." The statewide average was then $8 or $9 monthly per family, but those figures were deceptively high because 20,000 Birmingham families received $17 or $18 per month.[26] ERA grants per case in Georgia averaged only $5.48 in July, 1933, and $11.12 in January, 1934.[27] It was also true that FERA relief was lower in the South than elsewhere. This was frequently justified, occasionally even by Hopkins, with the claim that Southern living costs were lower than those in the rest of the country.[28]

Federal relief made its greatest impact in the rural South during the winter of 1933-1934 when CWA injected unprecedented wages into the area. Its effects were best recorded by FERA field representatives. The most important and probably most perceptive of these observers was Lorena Hickok, a Minneapolis newspaperwoman, friend and occasional traveling companion of Eleanor Roosevelt, and special investigator reporting

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[26]Aubrey Williams to Hopkins, September 13, 1933, Hopkins papers.

[27]Holmes, "The New Deal in Georgia," 648.

[28]Transcript of Hopkins' testimony to Bureau of the Budget, January 22, 1934, Hopkins papers. For an example of the disparities of relief under FERA see E. D. Tetreau to Wallace and Tugwell, October 11, 1933, NA RG 69, FERA Old Subject file, and RG 16. In 1935 WPA continued the differentials, paying as little as $19 and $21 per month in the rural South whereas other regions received a minimum of between $32 and $40. A defense of this system by Assistant Administrator Corrington Gill, based on the lower living costs argument, appears in the New York Times, May 26, 1935, 3, and a contrasting view by Jonathan Daniels in the Raleigh News and Observer, December 22, 1935. George B. Tindall, The Emergence of the New South, 1913-1945 (Baton Rouge: Louisiana State University Press, 1967), 483, argues cogently that "the differential . . . reflected differences not in the cost of living but in the standard of living."

directly to Hopkins. On several trips through the South Hickok attempted to assess public opinion and evaluate the federal program by interviewing people within and outside the relief bureaucracy.[29] During January and February, 1934, just as the dismantling of CWA was being planned for the spring, she toured the South Atlantic states.

Hickok found some outspoken supporters of CWA. Malcolm Miller, the South Carolina administrator, told her he was "strong for the federal wage scale," even though farmers paying their hands $3 per week could not compete in hiring unskilled laborers with CWA which paid them $9 per week. But he thought in the long run it was necessary to force wages up and make working conditions less exploitive. "For 65 years the South has been the sweatshop of the nation," he told her, because "we wanted to keep . . . [the Negro] down, and did. But we dragged ourselves down too."[30] Around Moultrie, Georgia, an area of diversified farming, she met local merchants who favored work relief because its wages enabled many to "catch up" in buying necessities, such as shoes, which they had needed for years. Several farmers and city officials commended the agency for employing surplus labor and "pouring money in at the bottom."[31] She encountered similar warm support from the New Deal mayor of Charleston, Burnet Maybank, and editor Jonathan Daniels of the Raleigh News and Observer.[32]

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[29]Hopkins to Algernon Blair, January 5, 1934, NA RG 69.

[30]Hickok to Hopkins, January 11, 1934, Hopkins papers.

[31]Hickok to Hopkins, January 23 and 24, 1934, ibid.

[32]Hickok to Hopkins, February 10 and 14, 1934, ibid.; Raleigh News and Observer, February 15, 1934.

However, most opinion was unfavorable. The banker and chairman of the county commission in Jackson county, Georgia, (a "Bourbon, heart and soul," Hickok called him) condemned CWA as "charity" and its projects as useless, and thought it should pay no more than 12-1/2 cents per hour. Hickok thought he was representative of a certain small town and rural element reluctant to pay higher taxes or wages.[33] Racial antipathy also influenced feeling against CWA. In Savannah, among other places, Hickok encountered a concern that many rural blacks were crowding into the city for work relief, which they called "guv'ment easy money," and that the agency benefited them unduly. This opinion was rising among whites unable to obtain CWA employment after quotas were filled. One federal reemployment director told her, "Any nigger who gets over $8 a week is a spoiled nigger, that's all!"[34]

Local relief administrators reported many cases of farmers wanting their surplus sharecroppers on CWA, but, as the 1934 planting season approached, there were already rumblings of discontent from farmers unable to reemploy their laborers. In other instances, CWA workers were still living rent free in shacks on their former employers' land. If their relief jobs continued after planting began, Hickok suspected, farmers would evict them and bring in other wage hands. In early January Georgia cotton planters bluntly told her they counted on CWA tapering off before planting time.[35]

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[33]Hickok to Hopkins, January 14, 1934, Hopkins papers.

[34]Hickok to Hopkins, January 16, 1934, ibid.

[35]Hickok to Hopkins, January 11 and 14, 1934, ibid.

Perhaps the most negative attitudes toward relief were those of Florida truck and citrus farmers. Like cotton planters, they complained that CWA lured away all their workers, although county relief figures demonstrated beyond question the existence of a labor surplus. In early January, citrus growers in Orlando met with local CWA officials and demanded that wages be reduced to prevailing agricultural levels, often 50 cents per day. The agency's field representative present regarded this as an unthinkable support for intolerable working conditions.[36] The local administrators went to considerable lengths to accommodate the growers, offering to remove from CWA, upon written request, any specific Negroes they claimed to need and could not induce to leave public work, provided they promise immediate and reasonably steady employment. Only one request was received.[37]

Hickok thought Florida citrus growers were "irresponsible" because they made not even the cotton planters' pretense of supporting their workers during slack seasons. She also concluded they were dishonest in their claims that CWA caused a labor shortage. At the time of the Orlando meeting the local relief office employed 2,000 on CWA projects, but had 4,200 registered with the Federal Reemployment office and distributed direct relief to numerous others. Similar conditions prevailed around Lakeland and Tampa, and probably throughout the entire state.[38]

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[36] Owen R. Lovejoy to Alan Johnstone, January 4, 1934, ibid.

[37] Hickok to Hopkins, January 29, 1934, ibid. In the same place see Hickok to Hopkins, January 23, 1934, which reports a similar procedure with the same result in the cotton belt.

[38] Hickok to Hopkins, January 29, 1934, ibid.

In Charleston Hickok conferred with a group which included Clemson Extension officials; cotton, tobacco and truck farmers; relief administrators, social workers, Mayor Maybank and the writer Julia Peterkin. The farmers, who wanted CWA ended, "did not have what you would call a social viewpoint. They were quite frank in their statements that they wanted to keep the price of labor down" to its usual level of 75 cents per day, or in the case of truck farmers, 40 cents per day. They wanted CWA discontinued in towns as well as in rural areas to prevent their Negroes from leaving farms to seek work relief. "There's a sort of enchanting naivete about these fellows," she told Hopkins. "They take it for granted that their interests should be taken under consideration first and . . . then, if there is any consideration left, other people should have a chance." When she inquired how wage hands could subsist during slack seasons, one farmer replied, "'Oh, they can fish!'"[39]

Later, Maybank and the ERA staff members stressed to Hickok that there was a labor scarcity only in terms of what most farmers wanted to pay--a lack of farm workers who preferred 40 cents per day to CWA. They maintained that the shortage, if such existed, would disappear when employers paid a living wage. Maybank, actually discussing an historical outlook of Southern planters in general, told her that the truck farmers, especially, were "gamblers," thinking in terms of high-profit windfalls from a good season's crop, "up today and down tomorrow," never interested in "any ordinary, even income." Such attitudes were not conducive to steady employment of wage hands, rather, growers desired "plenty of cheap

[39]Hickok to Hopkins, February 8, 1934, ibid.

labor to grab on a moment's notice." Obviously, CWA disrupted this condition.[40]

As for farmers still using a contractual sharecropping arrangement, Hickok concluded that many of them wanted the government to assume their old function of "carrying," or "keeping their peons alive during the slack season on pork and meal." But, she thought, both in the case of wage labor and tenancy, many farmers and planters expected relief to be ended prior to their work season "'so these niggers will be good and hungry,'" and thus provide abundant cheap labor. Their opposition to CWA stemmed from the realization that it could force them to offer better terms in order to get and keep labor.[41]

In April, 1934, Hickok encountered in other parts of the South the irony of the rural poor finding better conditions on relief than in any agricultural work available to them. She observed the great numbers of blacks and Mexicans, many no doubt of country origin, receiving aid in New Orleans, Houston and San Antonio. In those places she found widespread opinion that they so saturated the rolls that funds were spread too thin, depressing the standards of public assistance for middle class whites forced to seek it. Influenced by local ERA officials, she became half convinced that the government should force destitute Negroes and Mexicans off the rolls and into agricultural labor, even though she recognized it as "peonage," on the assumption that they would be no worse off than usual. Then limited FERA money could provide work relief for

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[40]Hickok to Hopkins, February 10, 1934, ibid.

[41]Hickok to Hopkins, February 14, 1934, ibid.

the middle class without lowering their accustomed living conditions so drastically. While Hickok admitted that a federal double standard of access to relief was hardly defensible, she had heard that such discrimination was quietly practiced in many areas anyway.[42]

By the beginning of 1934 FERA recognized still more problems in the rural South. The agency found its efforts complicated by acreage restriction. Dislocation of tenants and decreased need for wage hands enlarged an existing farm labor surplus and further overburdened relief rolls. In January, 1934, a cotton planter near Augusta, Georgia, bluntly told Hickok that along with curtailment of his planting he would reduce his work force by 25 per cent. Near Moultrie, Georgia, cropper displacement was already well advanced, not as a result of AAA, but because several years earlier progressive farmers had voluntarily diversified crops and introduced livestock, and in the process cut Colquitt county's cotton land from 90,000 to 45,000 acres. There was a corresponding increase in surplus laborers, many of whom were employed in 1934 by CWA. When Hickok met with South Carolina farmers and Extension officials in February, "they insist[ed] that AAA reduction of acreage will not mean reduced employment," because their contracts required them to maintain their usual number of croppers and they "swore by all that's holy" they would observe that regulation. She told Hopkins she considered them less frank than Georgia planters.[43]

In eastern North Carolina, where surveys counted some 10,000

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[42]Hickok to Hopkins, April 13 and 17 and May 4, 1934, ibid.

[43]Hickok to Hopkins, January 14 and 24 and February 8, 1934, ibid.

uprooted cotton and tobacco tenants, Hickok visited squatters living on farms in shacks and windowless tobacco barns, people without prospects of sharecropping who could expect early eviction by landlords who could not let them stay permanently. These people, she concluded, "are our relief load. Hundreds of them have moved to town [Wilson, North Carolina] . . . . Their number increases, due to the PRACTICAL results of AAA acreage reduction. . . . I don't care HOW much the farmers talk about that agreement not to lay off hands. . . ."[44]

The effects of this displacement were well recognized in the higher echelons of FERA. In hearings on January 22, 1934, Hopkins informed the Budget Bureau that "we will have to take care of tens of thousands of negro . . . and other farm laborers who have worked in the cotton fields, chopping, planting or picking, who will not be employed." Not that he welcomed the responsibility; he made clear that he thought it belonged elsewhere. "I have been over at the Agriculture Department," he said, "and tried to get them to put a clause in this [pending Bankhead Cotton Control] legislation saying that these people have got to take care of their tenants."[45]

There was also an awareness within FERA that the rural South's labor surplus was not caused solely by acreage reduction, but was a long standing condition. In Georgia, ERA administrator Shepperson estimated that the excess had been mounting for the last 10 years. In North Carolina,

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[44]Hickok to Hopkins, February 14, 1934, ibid. Emphasis original.

[45]Transcript of Hopkins' testimony to Bureau of the Budget, January 22, 1934, Hopkins papers.

Jonathan Daniels called it a permanent problem and suggested to Hickok that it would require more than emergency treatment. In February, 1934, near the end of her South Atlantic trip, Hickok summarized for Hopkins local administrators' opinions that "we are by no means through with this relief job in the South. Everywhere I hear the same thing. A tremendous labor surplus that is not an emergency [condition] . . . but CHRONIC . . . [especially] in rural areas among illiterate Negroes and poor whites." She continued, "just how bit the surplus is can only be guessed at now . . . it might be a darned good idea to start finding out. That there IS . . . a surplus nobody doubts."[46]

Not only the surfeit of labor, but general poverty, was recognized by some as chronic. The Episcopal bishop of South Carolina confided to Hickok his suspicion "that even in good times things have been a whole lot worse in the South than we knew. If it hasn't done anything else, the federal emergency relief program has brought them to our attention. And now, having had . . . [poverty conditions] brought out into the open, we ought to clean them up."[47] Throughout the South FERA observers

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[46]Hickok to Hopkins, February 5, 1934, Hopkins papers. In the same place see also Hickok's letter of February 14, 1934.

[47]Hickok to Hopkins, February 5, 1934, Hopkins papers. There is evidence that for a few the depression had the effect of making evident the poverty which had always existed. A New Orleans utility executive said federal relief had made visible the "accumulated dregs of human misery . . . [which] had been like sediment lying at the bottom . . . [to which] had been added all the wreckage of recent years." See Elmer Scott to Hopkins, April 12, 1934, Hopkins papers. E. J. Webster to Hopkins, November 25, 1934, Hopkins papers, reported from Dallas that "even more distressing than the low poverty level of many relief clients is the fact that it does not represent the consequences of an economic catastrophe. It is their usual state. . . ." Gertrude Gates to Aubrey Williams, December 14, 1934, Hopkins papers, referred to surveys made

reached similar conclusions. Field reporter Edith Foster noted that Alabama sharecroppers crowded on to relief rolls because of "conditions [which] are the accumulation of many years of dwindling income." Likewise, she found local ERA directors in Arkansas concerned about the causes of dependency in a system which gave thousands a "starvation income." She discovered that hill county officials considered it unnecessary to investigate applicants for aid because of the area's "uniform poverty." From Little Rock Elmer Scott reported that "the product of fifty years of agricultural exploitation is a very large body of unskilled and . . . vagrant tenantry devoid of mental or material resources." A Florida administrator told of "wretched conditions of life" which had prevailed in the northwestern part of the state for ten years, since the decline of its lumber industry, and concluded, "this district has been little effected [sic] by the current depression."[48]

FERA administrators, who wrestled daily with the problems of dispensing relief to unemployed in cities and towns, were in the best of all positions to appreciate that industry could not absorb the rural poor. The South Carolina and Georgia directors saw little likelihood of it. Malcolm Miller found textile mill managers skeptical of such suggestions, even though their factories were then increasing production.[49]

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in 1926 revealing widespread need in rural Virginia, but thought the state's "conservative element" had been, and still was, indifferent to it. "Why should they be disturbed in 1934 and 1935 about those same people, plus a few more?" she wrote of their outlook.

[48]Edith Foster reports to Aubrey Williams for January 9-14 and February 12-15, 1934, Elmer Scott to Hopkins, n.d. (April, 1934) and Julius Stone to Hopkins, April 11, 1934, Hopkins papers.

[49]Hickok to Hopkins, January 25, 1934, and Malcolm Miller to Hopkins, April 3, 1934, Hopkins papers.

FERA continually received reports of destitution, appalling health conditions, squalid housing and general misery among the "spare help" in Carolina mill villages, which were a problem for the agency in themselves.[50] Moreover, all the major Southern cities Hickok visited in the first half of 1934 reported very large relief loads.[51]

Some within FERA also perceived that the declining cotton productiveness of the Southeast[52] made it unlikely that the traditional staple crop economy could reabsorb its excess workers. Hickok encountered "a good deal of gloom about the economic future of the South" from Georgia and South Carolina administrators, who thought that their states, with much soil exhaustion and high fertilizer expenses, were finished as cotton growers, unable to compete with areas west of the Mississippi River. Thoughtful people might propose agricultural diversification, but to the extent that it had occurred, voluntarily or as a result of AAA, it had often reduced the demand for hand labor.[53]

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[50]Reports to Hopkins from Martha Gellhorn, November 5, 11 and 19, 1934, Hopkins papers. These reports, although written in late 1934, concerned chronic conditions and were applicable to early 1934.

[51]See for example, Hickok to Hopkins, January 16 (Savannah), January 25 (Atlanta), January 29 and 31 (Miami), March 29 (Montgomery), April 13 (New Orleans), April 17 (Houston and San Antonio), all from 1934, Hopkins papers.

[52]For two contemporary scholarly views of the declining position of the Southeast see Arthur F. Raper, Preface to Peasantry, A Tale of Two Black Belt Counties (New York: Atheneum, 1968 edition), 171, 201-206, 216-222, 404-407 and Will Alexander's Forward to the original 1936 edition; Charles S. Johnson, Edwin R. Embree and Will Alexander, The Collapse of Cotton Tenancy (Chapel Hill: University of North Carolina Press, 1935), 35-36, 39-43.

[53]Hickok to Hopkins, January 11 and 24, 1934, Hopkins papers.

The most perceptive Southern FERA officials recognized that the agency, if it hoped to prevent continual expansion of its relief load, not to mention decreasing it, would have to confront the problems of the impact of its wages in an impoverished region, acreage reduction, tenant displacement, and chronic labor surplus not immediately assimilable by either agriculture or industry. These concerns could put FERA into the business of providing some new occupation, presumably agricultural, for the rural poor and raising their living standards to an acceptable level. Such a policy would go considerably beyond the original objective of aiding the unemployed, yet might be necessary for its success.

The impending expiration of CWA (never intended to last beyond the spring of 1934) brought all these Southern relief problems to a point which demanded an attempt at resolution. On January 24, Budget Director Louis Douglas recommended to Roosevelt that he disband the agency by February 15, before local "political subdivisions" which had developed vested interests in it, made that step increasingly difficult. Even if the President decided to continue the program, Douglas thought, it should be "materially diminished in rural areas."[54] Roosevelt, concerned about excessive spending and apprehending creation of a permanent relief class, agreed. On February 17 Hopkins announced that CWA would be phased out. Industrial cities would maintain full quotas until late March, but 400,000 would be dropped within the week, beginning in the South.[55]

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[54] Memorandum, Louis Douglas to FDR, January 24, 1934, Hopkins papers.

[55] Atlanta Constitution, February 17, 1934; William E. Leuchtenburg, Franklin D. Roosevelt and the New Deal (New York: Harper and Row, 1963), 122-123. Hopkins, concerned about moving too abruptly, influenced FDR to reduce the pace of disbanding CWA. See Hopkins to FDR, February 15, 1934, FDRL OF 444.

Those farmers and others who opposed work relief undoubtedly welcomed Hopkins' announcement. Some local ERA administrators also desired the end of CWA because they thought they detected the spread of an improper belief among its employees that they were entitled by right to public jobs. Hickok reached this conclusion and found that many on the North Carolina staff agreed with her.[56] However, certain other state directors, notably Miss Shepperson in Atlanta, doubted that CWA could remedy any of the rural South's fundamental ills and therefore wanted to replace it with something of more lasting effectiveness and confine future FERA work relief to cities and towns.[57] Similarly, in February, 1934, Aubrey Williams, considering the deplorable standards of relief in the South, sensed a growing feeling in Washington that CWA could not simply be "choked off."[58] But he also admitted that it could not permanently uplift the poor, even if continued indefinitely. If the FERA intended to get rural people on their feet, he wrote, other means would have to be found.[59]

Finding more appropriate means was a major problem, especially since there was general objection to direct relief or the "dole,"[60] which in any case would not be more effective in changing fundamental conditions

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[56]Hickok to Hopkins, February 4 and 5, 1934, Hopkins papers.

[57]Hickok to Hopkins, January 25, 1934, Hopkins papers.

[58]Aubrey Williams to Edith Foster, February 7, 1934, NA RG 69.

[59]See Harry J. Early to Aubrey Williams, February 21, 1934, and Williams to Early, February 26, 1934, NA RG 69.

[60]Aubrey Williams to Edith Foster, February 7, 1934, NA RG 69. An exception was the budget director. See Louis Douglas to FDR, January 24, 1934, Hopkins papers.

than CWA. However, one fashionable idea of the early 1930s was that summed up by the phrase "back to the land." Some expected that large numbers of the unemployed could be moved to the country where they could subsist by growing their own food on small garden plots. This proposal, of course, failed to consider the existing excess of agricultural labor.[61] Among some in rural areas there was a corresponding and equally simplistic notion that displaced farmers could be absorbed by industry.

A somewhat more informed version of "back to the land" was the subsistence homesteading then being attempted by the Interior Department. Beginning in 1933, its Subsistence Homestead Division had established several "rural industrial" colonies for "stranded" workers (those left unemployed by the decline or failure of their area's only industry), providing them garden acreage and perhaps cows and chickens. Residents were to produce most of their own food and, if possible, secure part time factory work for cash income. There were expectations, not well founded, that manufacturers would decentralize and locate near these subsistence communities. By early 1934 the FERA had created a few experimental projects, similar in concept. Among the most important was Woodlake, north of Houston, promoted by Colonel Lawrence Westbrook, the Texas ERA director.[62] Proposals to return the destitute to the land appealed to some Southern businessmen. For example, an FERA field representative wrote from Houston that technological advances, NRA recognition

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[61]George B. Tindall, The Emergence of the New South, 371.

[62]Paul K. Conkin, Tomorrow A New World: The New Deal Community Program (Ithaca, New York: Cornell University Press, 1959). See generally chapter 5, "The Subsistence Homesteads Program," 93-130, especially 105-109 and 132.

of collective bargaining and code provisions for minimum wages had given impetus in Texas to industrial plant modernization and elimination of labor in an effort to minimize costs. Accordingly, he reported, some industrialists, recognizing the displacement of workers, wanted subsistence homesteading to counteract it, absolving them of responsibility for increasing unemployment and allowing cost cutting improvements to proceed as rapidly as possible.[63]

Another emerging idea, not to be confused with the subsistence communities, was that the rural poor, already located on land or recently displaced from it, but in any case not adequately employed in agriculture, and perhaps on relief, could be reestablished as farmers on small individual acreages and made self-sustaining by a combination of credit and close supervision. By the beginning of 1934 this concept, which became known as rural rehabilitation, was fairly widespread in the South.

Possibly the earliest application of the idea was by a privately organized relief committee in Greenville, South Carolina. In 1930, its chairman, investment banker Robert W. Hudgens, who "had to sell the idea to himself," and Mrs. B. S. Hill, the committee's social worker, organized a farm project with many rehabilitative features. Administering Red Cross funds, they had been dispensing relief to unemployed mill hands, most of whom were of farm background and desired to return to the country. Accordingly, they selected recipients for possible reestablishment on the land, using as criteria farm experience, eagerness to work, intelligence and adaptability.

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[63]Elmer Scott to Hopkins, April 6, 1934, Hopkins papers.

Hudgens and Mrs. Hill had difficulty financing their program. Local churches and charities were disinterested. Extension officials at Clemson told Hudgens that his relief clients had left farms in the first place because they were basically "sorry," and treated derisively his suggestion that they had failed for lack of farming knowledge. Hudgens was also unable to secure federal funds from the Hoover administration. Nevertheless they located land for their clients, 32 vacant farms near Greenville and a 1,000 acre tract in Abbeville county, foreclosed by a federal land bank. The bank agreed to rent the land for $25 per family per year if the committee would supervise the tenants.

Meanwhile, Hudgens obtained $5,000 from the National Red Cross with which to provide mules, wagons, plows and simple tools for the clients. Title to these goods remained with the Red Cross to prevent sale or mortgage. In April, 1931, Hudgens and Mrs. Hill settled 32 families on the individual farms and 10 on portions of the Abbeville land. By June the latter were in difficulty and the sponsors, primarily Mrs. Hill, applied more intensive supervision. "I stood right over them the rest of the summer," she recalled. "They were the most helpless people you ever saw. They couldn't even have their mules shod without advice." As Red Cross funds ran out she arranged $900 credit from local merchants. Under her guidance the families were able to repay the advance and divide $840 cotton income and large quantities of garden produce. In 1932 Mrs. Hill secured federal seed loans for the rehabilitants and by 1934 they had progressed to the point of arranging this financing for themselves.[64]

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[64]This account of the Abbeville project is drawn from Hickok to Hopkins, February 7, 1934, Hopkins papers, and personal interview with

The Abbeville project attracted considerable attention, including that of Rexford G. Tugwell, who visited it in 1935 and indirectly offered Hudgens a position in the recently-organized Resettlement Administration. In the summer of 1935 Hudgens accepted and began his career with the agency, ultimately becoming an Assistant Administrator of the Farm Security Administration.[65]

By the beginning of 1934 many within the FERA had concluded that a policy of reestablishing poor farmers on land through supervised credit would be an effective program in itself and a convenient replacement for CWA. Discussing the matter with Lorena Hickok, Miss Shepperson and Lincoln McConnell, the federal Reemployment Director for Georgia, expressed grave concern about the persistent surplus of ignorant and backward country people, often afflicted with debilitating diseases and not assimilable by industry. The administrators considered city and town unemployment a true depression emergency requiring maximum relief efforts. However, they did not regard rural impoverishment as merely an emergency, it was a fundamental condition, which, though worsened by the

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Robert W. Hudgens, Chapel Hill, North Carolina, July 8 and 9, 1970. Hudgens refers to these people as needing supervision because they had experienced such prolonged privation that "their recuperative powers were impaired." Although the Abbeville project was a community operating on a crop division basis, it differed in important respects from Subsistence Homesteading (of which Mrs. Hill was a critic). Clients had to have farm backgrounds. No part time industrial work was contemplated--the goal was self-sustaining farming. Although acreage per family was small and there was great stress on producing food, a cash crop was grown. Moreover, the community arrangement appears not to have been very binding. On February 7, 1934, Hickok reported that five of the original families had left to become independent tenants elsewhere. And, finally, there were 32 families, of generally higher ability levels, placed on individual farms.

[65]Personal interview with Robert W. Hudgens.

depression, was not caused by it. For this reason, in Shepperson's opinion, the $7 million per month FERA and CWA spent in Georgia was wasted outside the cities, since it effected no basic changes.[66]

Shepperson and McConnell, and members of the South Carolina relief staff as well, thought the solution was "subsistence" farming with intensive supervision. They did not regard availiability of land as an insurmountable problem since their information was the federal government owned extensive tracts in the South on which landless farmers could grow their food and small amounts of cotton for cash. Clients could repair, or if necessary build, their own cabins. Only the simplest equipment and facilities would have to be furnished them. Hickok reported that the administrators' advice was "don't try to start off with bath tubs and mattresses . . . . Bring in those things one at a time. But first . . . get them out of those hovels and into weatherproof cabins. That would be enough to start with."[67]

Despite references to this proposal as "subsistence farming," Hickok stressed that it differed from the Interior Department's projects she had observed in 1933 in West Virginia. There was no intention of moving stranded industrial workers into rural colonies, she pointed out, but rather of "taking people who are already on the land, thousands . . . of sharecroppers . . . [and wage] hands, who are existing in tumble down

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[66]Hickok to Hopkins, January 25 and February 5 and 14, 1934, Hopkins papers. By March, 1934, Hopkins was making public remarks nearly identical to Miss Shepperson's. See Atlanta Constitution, March 14, 1934.

[67]Hickok to Hopkins, January 25 and February 5 and 14, 1934, Hopkins papers.

shacks . . . cluttering up farms where there is no employment for them," and giving them the necessary supervision to raise their living standards, however modestly.[68]

The administrators emphasized that maximum supervision would be the key to any rehabilitative program's success, along with attention to the most serious of the clients' health problems. Such guidance might have to be permanent for the present generation of the poor, they thought, but with health care and education, their children might become self-sustaining. Hickok anticipated that some would object that the contemplated small scale farming offered at best a subsistence with no chance for advancement, but she asserted that impoverished Negroes and poor whites were already a "wretched lot" without ambitions to blunt or morale to ruin. Moreover, she thought, they were docile and would lend themselves to a supervision which might seem paternalistic to Northern critics.[69]

Hickok informed Hopkins that he could probable expect Miss Shepperson to begin strongly advocating rehabilitative measures. However, the Georgia administrators were hardly the only ones thinking in these terms. Hickok found similar interest at the local level in Moultrie, Georgia, and in the state relief offices in the Carolinas. Later she discovered that the principle had been considered within the Alabama ERA

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[68]Hickok to Hopkins, February 5, 1934, ibid. The West Virginia project was probably Arthurdale, a rural industrial settlement for unemployed miners which was of special interest to Mrs. Roosevelt.

[69]Ibid.; see also Hickok to Hopkins, January 25, 1934, in the same place.

since before her discussions with Miss Shepperson in January.[70] In Raleigh, on February 15, Jonathan Daniels editorialized in general terms on the need to replace CWA with a permanent program of "human reconstruction.[71] Meanwhile, at Fisk University, the distinguished black sociologist, Charles S. Johnson, outlined a plan for "Rehabilitation of Landless Rural Families" which included the essential features later adopted by the FERA.[72] On February 19, with the idea gaining some currency, Lincoln McConnell publicly called for rehabilitation of at least 75,000 of the rural poor as the only solution to Georgia's unemployment problem and summarized the expectation that many in the ERA must have had that "once back on the farm again, these farmers will be permanently removed from the relief rolls."[73]

Thus by February, 1934, the idea of rural rehabilitation was at hand and gaining acceptance within the FERA. It had, in fact, penetrated to the highest levels of the relief establishment. As early as December, 1933, Hopkins told the President that FERA and CWA had benefited "millions of working people and farmers, who even in 'prosperous' times never got much of a break" and had suffered more than anyone else since 1929. However, he was concerned that "at the end of Civil Works this spring there will still be millions without work, heavily in debt and terribly

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[70]Hickok to Hopkins, April 7, 1934, ibid.

[71]Raleigh News and Observer, February 15, 1934.

[72]"Rehabilitation of Landless Rural Families," typescript by Charles S. Johnson, n.d. (probably early 1934), Charles S. Johnson papers, Fisk University.

[73]Atlanta Constitution, February 19, 1934.

discouraged," for whom provision would have to be made.[74] A little more than one month later it became clear that he included the rural South's dispossessed in that number. Early in February, 1934, Hopkins accepted the resignation of Lawrence Westbrook as Texas ERA director and brought him to Washington to devise measures for reestablishing poor families on the land, including those displaced by production control policies.[75] And by February 26, Aubrey Williams could inform the Louisiana administrator that Hopkins planned to replace CWA in part with a new rural program and add that he expected its announcement soon.[76]

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[74]Hopkins to FDR, December 29, 1933, FDRL OF 444.

[75]Hopkins to Westbrook, February 1, 1934, Westbrook to Thad Holt, February 14, 1934, NA RG 69.

[76]Aubrey Williams to Harry Early, February 26, 1934, NA RG 69.

CHAPTER IV

RURAL REHABILITATION UNDER THE FERA

Even as early as the beginning of 1934 it was clear to FERA officials, though perhaps not to the Agriculture Department, that so far New Deal programs, the AAA in particular, had not benefited the most destitute people of the rural South. On March 4, 1934, the Atlanta Constitution reviewed recent federal announcements concerning relief policy and commented:

> It would appear that it has finally been discovered that measures taken to relieve farm distress through acreage curtailment, paying rental for idle acres, processing taxes, and other similar expedients do not reach the underlying trouble, and that practical and lasting recovery will not begin until former farm families are removed from temporary relief lists . . . and placed in homes on land where they may adequately care for themselves and begin to build for the future.

The paper noted that Georgia had 75,000 displaced farmers on public rolls who had not been helped by current agricultural policies, but saw indications that the government was finally seeking their permanent rather than temporary relief.[1]

The Constitution had read FERA intent accurately. After Hopkins announced the end of CWA, he proposed to reorganize his agency to concentrate on three problems: providing work for the urban unemployed,

[1]Atlanta Constitution, March 4, 1934.

assistance for certain "stranded" industrial populations, and rural rehabilitation. Accordingly, he assigned Lawrence Westbrook to plan the latter. By March 7 Westbrook had outlined a program which drew heavily on the rehabilitative ideas current within Southern ERA staffs. Its major principle was that relief in rural areas should provide recipients a means for self sustenance, supplemented if necessary by wages from work projects. The new plan then suggested ways to accomplish this purpose. It contemplated that an ERA could place relief families on small tracts of landlords' AAA "rented acres" or other available land, or perhaps arrange for them to rent on a contract basis foreclosed property from federal land banks or mortgage institutions. Preliminary investigation indicated that ample acreage (with numerous tenant houses) was available. The ERA could supervise those it settled, as well as its destitute wards already on farms.[2]

The relief administration might also furnish or lend the participants certain essentials for farming, such as the implements and work-stock which almost all of them lacked. In many cases these might be borrowed from landlords or corporate landholders. The ERA could provide cows and pigs, acquired perhaps from AAA surplus, poultry, stock feed, and garden and crop seed. It might even be necessary to advance groceries to the rehabilitants until they became self-sustaining. The plan envisioned providing everything on a loan or rental basis. Those who supplied land, equipment or food could expect compensation. Clients

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[2]Typescript of "Suggested Rural Program (as amended)," March 7, 1934. Copy enclosed in Howard Odum to Will Alexander, March 7, 1934, papers of the Commission on Interracial Cooperation, Atlanta University. Hereafter cited as CIC.

could pay farm owners for use of acreage by repairs and improvements on their tenant houses, terracing and erosion control work on the land, or labor on their crops. All of this would be done under ERA supervision and at a rate of exchange agreed upon by the relief agency and the landowner. Another possibility was that the program could establish potential buyers of small tracts from owners who wished to dispose of portions of their holdings. These same conditions would apply when land banks or corporate holders allowed use of their foreclosed land. For its advances of equipment, livestock and food, the ERA would also be repaid, in most cases with a share of the client's garden produce, eggs, milk and the like, which it could distribute to those on direct relief.[3] This plan proposed, in effect, that the ERA assume much of the traditional "furnishing" of the landless poor, as well as their supervision. Thus, in two important functions it would substitute itself for the landlord.

Hopkins and Westbrook recognized that FERA's farmers would need a minimal cash income for living expenses and repayment of advances. However, in most cases this could not be obtained by the cultivation of a money crop because this would run afoul of AAA's efforts to curtail production of staples. Therefore they expected rehabilitants to grow only food and feed crops. These restrictions would, in most cases,

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[3]"Suggested Rural Program," March 7, 1934, CIC. Later, Hopkins described the plan as not making "fundamental changes" in the landlord-tenant relationship. See Atlanta Constitution, March 13, 1934. This would not be accurate if the FERA became a furnisher and supervisor of tenants and the landlord became only a provider of land and recipient of rent. However, to the extent that FERA could keep tenants on the land and guide their farming, it would keep the tenancy system from further deterioration.

necessitate some nonagricultural source of supplementary income. Accordingly, they planned to allow clients to work part time on various relief projects in rural areas, such as building community parks, repairing country schools, road work, and construction of cooperative produce markets or food canning facilities. Many of these suggested projects resembled those of the CWA and often were actually the unfinished work of that agency.[4]

To conduct the new program Westbrook proposed to create a rural rehabilitation division within FERA. Like all the agency's other activities, the new undertaking would be decentralized. Therefore Westbrook expected state relief administrations to form rehabilitation committees and hire state rehabilitation administrators. At the local level he envisioned county and community committees to select clients and provide for their supervision. Since FERA had no staff of trained agriculturalists to oversee its new farmers, it would have to borrow personnel from, or through, the Department of Agriculture's Extension Division.[5]

The plan was hastily devised, a "crash program," partly because of the need for a quick replacement for CWA and also because a rural operation, to be effective, would have to start before the South's crop season began. Westbrook suggested that Hopkins form the new FERA rehabilitation division immediately, work out its procedural details, and present an outline to a meeting of ERA directors.[6] Accordingly, Hopkins scheduled a conference of Southern relief staffs and Extension officials

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[4] "Suggested Rural Program," March 7, 1934, CIC.

[5] Ibid. [6] Ibid.

for March 12-13 in Atlanta.[7]

One indication of FERA's hurried planning was that Secretary of Agriculture Henry Wallace, whose attitude was important and whose cooperation would be essential, was apparently not consulted until one week before the Atlanta conference. Wallace was critical of the rural rehabilitation plan and consented to it reluctantly. On March 5, 1934, Hopkins sent the Secretary a draft of the proposal and tried to enlist his support for it. Anticipating one major objection from the Department of Agriculture, Hopkins stressed that the whole program would be conducted in conformity with AAA crop reduction. Judging from another of Hopkins' statements of about the same time, he must have approached Wallace in about these terms:

> We realize that our problems in rural areas are closely identified with the problems of the Department of Agriculture, and it will be our purpose, not only to cooperate with the Department . . . by harmonizing our program with theirs, but to secure the advice and assistance of the various agencies [Extension Service] of that department. . . . The establishing of farm families on the land does not at all mean that the production of cash crops would be increased. On the contrary, it is obvious that farming for self-sustenance will <u>reduce</u> the amount of land hitherto planted in cash crops.

Aware of FERA's dependence on Extension and other Department of Agriculture personnel for supervision of clients' farming, Hopkins stressed that rural rehabilitation would not interfere with price parity efforts. He also told Wallace the plan would enable rehabilitants to subsist on their own, get them off relief rolls, and make them potential purchasers

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[7]Atlanta <u>Constitution</u>, March 11, 1934.

of small acreages.[8]

Wallace took issue with Hopkins' assumptions. He doubted that placing relief recipients on land and emphasizing production of food and feed could help reduce planting of staples. In his opinion clients would almost be forced to grow a money crop because subsistence farming would not provide an adequate income for them. At best, he contended, they could produce part of their food and fuel, but no meat or clothing. Even if they produced all their food, he reasoned, they would still need cash for clothing, health care, minimum furniture, household goods and the like. He pointed out that even in the Department of Agriculture's estimated modest living standard budget of $2,000 per year, non-food items constituted 70 per cent of family expenses. Likewise Wallace considered it even more unlikely that FERA's farmers, without cash incomes, could ever purchase small acreages.[9]

After these observations Wallace came to his main objection. Rehabilitants needed income and could obtain it in only three ways: by growing and marketing a staple crop and thus interfering with production control, by work relief which would leave them as partial public charges, or by part time industrial employment wherever it could be arranged. Resolutely opposed to the first alternative and assuming the second to be undesirable, Wallace suggested that a workable program should confine

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[8]Hopkins' letter of March 5, 1934, is outlined in Wallace's reply to it, dated March 12, 1934, in NA RG 69, FERA Old Subject file. The quotation is from "Suggestions for Mr. Harry Hopkins' Statement," n.d. [before March 7, 1934], ibid.

[9]Wallace to Hopkins, March 12, 1934, NA RG 69, FERA Old Subject file.

its efforts to selected areas where some industrial work was available. In such localities clients could be settled on five acre plots to grow food. The Secretary proposed that two-thirds of each individual's support come from non-agricultural work. This was, of course, the program of the Interior Department's Subsistence Homestead Division and had not notably reduced rural poverty. Wallace also suggested that work opportunities might become more widespread in rural areas with the expansion and decentralization of industry, but he admitted that the prospect was remote.[10]

Thus, despite Hopkins' assurances to the contrary, Wallace apprehended that FERA's entry into farm affairs might disrupt crop control. Because of his reservations, the Secretary concluded that the Department of Agriculture could not support any plan which might expand agricultural production for any purpose other than home consumption or free distribution through relief channels. Having detailed these limitations, he then said perfunctorily that the Department would be glad to "cooperate fully" with FERA in developing the program and that he would send representatives to the Atlanta conference.[11]

Although the Secretary's arguments had some force, one might contend that impoverished rural Southerners could benefit more from farming for home use than Wallace supposed. Certainly the incomes of the landless

[10]Ibid. Wallace also told Hopkins he doubted trading client labor for use of farm acreage could be a permanent or general policy. Although it might provide temporary subsistence for many until they could be absorbed into other employment, he feared it would bring back into production much of the marginal land retired under the AAA.

[11]Ibid.

farmers and laborers on relief were normally far below the $2,000 per year Wallace referred to as supporting a modest living. Therefore they might not require 70 per cent or any such substantial part of their incomes in money to improve their living conditions. Later research by the Works Progress Administration revealed that whereas landowners' cash receipts increased in direct proportion to the percentage of their land planted to staple crops, the real living standards of tenants and sharecroppers, at the very bottom of the scale to begin with, could be increased significantly by production for home consumption.[12]

On March 12, relief directors and staff members from all Southern states, Extension officials, and numerous others assembled in Atlanta's Biltmore Hotel to hear Hopkins and Westbrook present the new policy. Hopkins was delayed arriving in Atlanta and FERA Southeastern field representative Alan Johnstone opened the conference. Westbrook outlined the program. He stressed that the first priority should be to place rural relief recipients on land and in houses. He thought land was readily obtainable from landlords who had AAA "rented acres" available, insurance companies, commercial banks and federal land banks, all of which held foreclosed farms. He expected these owners to provide acreage willingly if it were made clear to them that they would benefit from farm improvements made by expertly supervised tenants. Indeed, Westbrook asserted, this was the only way in which FERA could reasonably hope to enlist their cooperation.

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[12] T. J. Woofter, "Rural Planning for More Workers," n.d. [1939], copy in the 1914-1939 file of the History Branch, Economic and Statistical Analysis Division, Economic Research Service, U.S. Department of Agriculture.

Westbrook thought the simplest arrangement would be to obtain land from private landlords. Because most of their unused land was "rented" by the AAA under crop control contracts, no cotton could be grown on it and therefore the client family could raise only food and feed crops. Rehabilitants, he emphasized, should have assurances, preferably written, of at least one year's tenure on the land. He also recommended that if funds became available, tenants who proved successful under supervision might be assisted to purchase their small acreages.

The Agriculture Department was represented in Atlanta by Louis Bean of the Bureau of Agricultural Economics. He presented Wallace's views by reading a statement virtually identical to the Secretary's letter to Hopkins. Like Wallace, he stressed the need for non-agricultural work to provide clients most of their incomes in lieu of cash cropping. Westbrook assured him that rehabilitation farming would not interfere with production control, but would aid crop diversification and therefore help cut the output of staples. Wallace had told Hopkins, albeit reluctantly, that the Department would cooperate with FERA in devising a rural program, and Bean indicated one substantial contribution it could make. He informed the conference that AAA could furnish state relief administrations with surplus cattle, mostly from drought areas, for use as domestic livestock by rehabilitation families.

Most of the state relief officials present responded favorably to the new plan. For example, the Georgia ERA, under Miss Shepperson's guidance, had been thinking for weeks about the problems of rural relief and had already outlined ways to apply the FERA proposal to the state. There was considerable enthusiasm for the program within the Alabama delegation as well. Some ERA officials, however, were skeptical about some of its features. A Virginia administrator predicted that landlords, who were accustomed to paying wages lower than relief rates, would object vigorously if FERA expected them to observe its minimum standard of 30 cents per hour for rehabilitants working part time on their farms to repay advances of equipment or rent. Westbrook hastened to assure him that this was not contemplated. FERA, he said, would continue to set a minimum rate for work relief, including that performed for settlement of advances it made. But the agency would not attempt to establish pay scales for private employers who furnished land or equipment and accepted client labor in return. Fully aware of FERA's dependence on landlords' cooperation in allowing access to the land, Westbrook stated that the new program simply could not be instituted under any other policy.

Relief administrators from both North Carolina and South Carolina criticized the program for its inadequate encouragement of small farm ownership. The North Carolinians had experienced in the eastern part of the state massive displacement by AAA of cotton and tobacco tenants who then had to be taken on relief. They doubted that rural rehabilitation could be of more than supplementary use in reestablishing them on land. For several months they had contemplated establishing a loan fund administered by a non-profit corporation. Displaced tenants could be placed on land, equipped by the ERA, and pay for their small acreages and implements on extended contracts. Malcolm Miller, the South Carolina ERA director, expressed interest in the North Carolina suggestion. He said he feared that the new FERA policy might only increase the tenant population and predicted failure for any plan not aimed at ultimate ownership. Similarly, the Mississippi administrator thought it would be most economical to have clients buy land outright, on long terms with supervision. Relying on his consultations with the state Extension Service, he estimated that a reliefer could acquire a small farm with a house and barn, as well as a mule, plow, wagon, cow and other minimum stock and equipment for about $1,080 repayable over a period of years. But clearly he was not thinking of conditions which could be met by the most impoverished in his state.

Malcolm Miller also questioned Westbrook's assumption of the ready availability of farms foreclosed by federal land banks. He reported that of 737 farms comprising 162,000 acres held by the land bank in Columbia, South Carolina, only 231, averaging about 170 cultivable acres each, were not already rented out. He suspected that these were among the least productive foreclosed properties in the state, and therefore not of the type on which clients should be settled. Furthermore, Miller doubted that the program could be started in time for the 1934 crop season.

The most negative views expressed at the conference were those of two spokesmen for Harry Early, director of the Louisiana ERA. N. C. Williamson, planter, president of the American Cotton Cooperative Council, and beneficiary of government assistance through AAA, spoke "as a farmer myself," and declared,

> I do not believe these enormous numbers of people need permanent relief or temporary relief for the balance of this year. As far as Louisiana is concerned, we would like to see . . . this meeting . . . report that there will not be any relief program

> next year for agriculture. We believe it will be more helpful and more healthful for the rural communities and the people on the farms. . . . The general attitude of people is that if they can get relief . . . they will get all they can. I do not believe that the southern states are in anything like as dire distress as we have pictured them. . . . I do know that whenever you begin a system of dole . . . any kind of relief will grow as it is continued. They are going to claim that they need help . . . but I think we should consider a program of educating our people to relying on themselves again. . . . The quicker farming people know they are going to have to rely on their own resources, the better off they will be. . . . The people are supposed to support the government, not the government the people.

Another Louisiana planter concurred, "I do not feel that we need a continuation of relief. I believe we can get along without it as we did in years past." He neglected to inform the conference whether just planters or the whole rural population of Louisiana got along so well without FERA assistance.

On the other hand, Alabama relief officials (who would, during 1934, develop the country's largest rural rehabilitation program) were enthusiastic about Westbrook's outline. They hoped it would develop into a broad, long-term credit plan. But they thought it would be useful even if instituted only on an emergency basis for the current year, because immediate measures were needed to reach 50,000 rural relief cases in the state.

Hopkins arrived in Atlanta on the afternoon of March 12, as the conference recessed for the day. That evening he talked with reporters about his views of the objectives of rehabilitation. He indicated that he saw it as a total alternative to direct relief in the rural areas--it would end relief *per se*, he said, by making self-sustaining the country people then on ERA rolls. Both Hopkins and Westbrook stressed that state relief administrations would have great latitude in developing their own procedures. Westbrook remarked that FERA would approve almost any plan which aimed at permanent rehabilitation of its clients.

Although much conference discussion centered around meeting the immediate needs of 1934, Hopkins envisioned broader efforts. He told state directors to "forget emergencies" and seek ways to make the poor permanently self-supporting. Achievement of that objective would require a "long time program, not of this week or this month or this summer." He thought it would be "remarkable," in fact, "if we even get started this year getting them used to working on their own piece of land, or if we can get it underway with the kind of supervision we need. . . ."

Hopkins also commented on the probable size of the new undertaking. He had available for immediate use in the spring of 1934 between $250 million and $350 million, of which an "appreciable amount" would be spent in the South. Current federal estimates were that 696,000 rural families in the United States (about 10 per cent of all the nation's farmers) were on relief. Approximately 700,000 individual cases throughout the country could benefit from rural rehabilitation. A total of about 1,181,000 Southern families were expected to receive relief during the coming year and Hopkins estimated that 120,000 of them would be included in the new program.[13]

[13]Sources on the Atlanta conference include "Program, Southern Rural Rehabilitation Conference, Atlanta, March 12-13, 1934," draft of "Suggestions for Mr. Harry Hopkins' Statement," n.d. [before March 7, 1934] and "Transcript of the Minutes of the Regional Conference on Rural Rehabilitation held by the Federal Emergency Relief Administration in Atlanta, Georgia, March 12 and 13, 1934," all in NA RG 69, FERA Old Subject file. See also Atlanta Constitution, March 10, 11, 12, 13 and 14, 1934, and Montgomery Advertiser, March 11, 13 and 14, 1934.

Throughout 1934 FERA directives to state administrators elaborated the new rural policy. Making the poor self-supporting by locating them on land, advancing equipment and domestic livestock and providing supervision remained stated objectives. Supplementary income was still regarded as necessary for clients, but they were expected to obtain it from labor for landlords or work relief. FERA rarely mentioned part time industrial employment as an alternative. By the middle of 1934 the agency began to list helping its wards to buy land as a long range goal. For example, a June memorandum advocated improvement of rehabilitants' conditions "insofar as possible on their own farms."[14]

FERA suggested that county relief administrations begin by surveying vacant tenant houses and acreages suitable for gardens. Those approved for occupancy could be repaired and made habitable by the ERA or the rehabilitants themselves, and in return owners would sign leases for 1934-1935 and charge no cash rent. Destitute reliefers placed in these houses, or already occupying them but lacking crop arrangements, could be aided in getting use of land to grow food and feed crops. For this they would compensate landlords with part time labor or a stated portion of their produce, according to a standard rate of exchange devised by the local rehabilitation committee. In all of this rehabilitation supervisors would direct the clients, who were expected to sign agreements to follow instructions.[15]

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[14]FERA directive, "Objectives and Suggested Procedure for Rural Rehabilitation," June 7, 1934, NA RG 69.

[15]Ibid. The rehabilitation committees were to be adjuncts of the county relief administrations. If they set compensation rates for private landlords, they would be acting contrary to Westbrook's expectation at the Atlanta conference.

Hopkins also suggested criteria for selecting rehabilitants. ERA rolls should first be cleared of all rural cases having any other means of support and only those remaining should be considered as possible clients. Those eligible for relief should be required to show that they had no access to any employment at a living wage (including available work in spring plowing and planting), no jobs in local business, industry, or public projects such as road work. Moreover, they should demonstrate that they could not arrange for use of land on any terms, could not obtain government or private credit, and had no AAA benefits due.[16]

FERA defined two kinds of advances which could be made to rehabilitants. One was subsistence loans for food, clothing, fuel and essential medical care--things usually given to reliefers. The other type was rehabilitation, or capital, goods, comprising necessities for making a crop. Arrangements for possession or use of land and buildings, acquisition of farm equipment, tools, domestic livestock, work animals, feed, seed, and fertilizer fell into this category. Directives specified that these chattels could either be sold or leased to clients, but in all cases payment would be required. When items were sold, relief administrations were to retain title until farmers paid in full, to prevent their selling or mortgaging equipment before its complete amortization. Likewise no one should receive title until the ERA had assisted him to settle his back debts so that creditors could not take

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[16]"Rural Program: Statement of Policy," directive from Hopkins to all ERAs, March 22, 1934, in the papers of H. C. Nixon, in the possession of the Nixon family, Nashville. Hereafter cited as Nixon papers.

over capital goods as soon as he acquired them. All advances were to be secured by notes held by the ERA with repayment depending on the item. In those few cases in which land was sold the recommended period was about 35 years. Most equipment was to be paid for within a time equal to its useful life. FERA suggested two or three years for livestock and one year for consumable subsistence articles.[17]

In the spring and summer of 1934 Henry Wallace still had reservations about rural rehabilitation. On March 21, just after the Atlanta conference, chairman Donald Comer of the Alabama rehabilitation committee wrote Westbrook about a discussion with Wallace in which the Secretary wondered "why USDA should turn over to us land which he has rented away from cotton farmers . . . so clients can raise truck for sale in competition with truck the neighboring farmers might also be raising."[18] In May, after the program had started on a limited scale in the South, Wallace received a favorable assessment of it from Calvin B. Hoover, the Department's leading authority on the displacement of tenants by the AAA. Hoover implied that FERA's attempts to stabilize the rural poor would actually help fulfill one intent of the AAA, insofar as it counteracted the reduction of the number of sharecroppers on the land, a trend which all AAA contract signers had pledged to endeavor to prevent. He pointed out that rehabilitation families were most frequently settled by arrangement with landlords, often those who had previously cut their

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[17] "Rural Rehabilitation Program: Financial Policies and Procedures," directive from Westbrook and Corrington Gill, December 26, 1934, NA RG 16, AAA legal file.

[18] Comer to Westbrook, March 21, 1934, NA RG 69, FERA Old Subject file.

normal number of tenants. Moreover, Hoover assured the Secretary that "this work is being carried on in close cooperation with our Extension Agents and every effort is being made to see to it that the program does not interfere with our acreage reduction . . . and does not result in any improper use of 'rented acres'. . . ."[19]

Wallace was never wholly convinced. On July 25 he told Aubrey Williams he doubted "subsistence farming" could be kept completely non-commercial. Reluctantly he said that "established agriculture," because of its desire to contribute to a solution of the nation's relief problems, would accept rural rehabilitation. But he apprehended that "we may not couple subsistence farming with adequate part time employment, and FERA's farmers might enter commercial channels and affect AAA's benefits to landowners. "In that event," he wrote, "agriculture will pay more than its share of the relief bill."[20]

Perhaps because of Wallace's reservations, but more likely because the relief administration needed Agriculture Department cooperation in providing its clients expert guidance, FERA, the Extension Service, and the AAA hammered out a working arrangement in June, 1934. The agreement was signed by Westbrook, H. R. Tolley of the AAA Program Planning Division, and C. W. Warburton, head of the Extension Division. It accepted the general outline of FERA's plans and specified that all supervision would be by "trained specialists in agriculture and home economics," assisted by capable local farmers. "It is imperative that the experience

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[19]Calvin B. Hoover to Wallace, May 2, 1934, NA RG 16.

[20]Wallace to Aubrey Williams, July 25, 1934, NA RG 69.

and resources of the Extension Service be utilized in this program," an FERA supplementary statement read. Another formally accepted principle was that "the rural rehabilitation program of the Federal Emergency Relief Administration and the Agricultural Adjustment program . . . should be coordinated," which meant, of course, that rehabilitants would not grow cotton.[21]

Agreement also extended to procedural matters, where it became clear that Extension would exercise great influence. State relief administrations were to appoint rehabilitation directors who were acceptable to the directors of Extension. In Georgia, for example, Miss Shepperson and the state rehabilitation committee selected Robert Vansant, a county agent, and the Alabama ERA designated Robert K. Greene, a prominent planter and Auburn graduate. At the local level the agreement recommended that the county advisory committees include agricultural and home demonstration agents as well as the relief directors and others. There was a general expectation that these groups would play a major role in the selection of clients.[22] They were also to choose county

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[21]FERA directive, "Objectives and Suggested Procedure for Rural Rehabilitation," based on a memorandum of June 7, 1934, signed by Westbrook, Tolley and Warburton, NA RG 59, FERA Old Subject file, and a more detailed directive from Westbrook, with the same title, dated June 27, 1934, copy in the Wisconsin State Historical Society, Madison.

[22]"Suggested Rural Program," March 7, 1934, CIC; plan for rural rehabilitation in Georgia enclosed in Count D. Gibson to Gay B. Shepperson, April 17, 1934, NA RG 96; "Plan for Rural Rehabilitation in Louisiana," n.d. [after March 22, 1934], Nixon papers; Montgomery Advertiser, March 15 and 21, 1934; "Field Notes," Rural Rehabilitation, I (November 15, 1934), 16; personal interviews with Gay B. Shepperson, Richmond, Virginia, June 29, 1970, and Robert L. Vansant, Lawrenceville, Georgia, July 16, 1970. Georgia committees included vocational agriculture

rehabilitation supervisors, who were supposed to have the qualifications of a "more mature county agent," thus practically guaranteeing their Extension antecedents.[23] These officials, in turn, were to select staffs of outstanding farmers from the area to supervise rehabilitants directly for a per diem compensation. There would also be a parallel staff of women assistants to advise clients' wives in homemaking.[24]

The pervasive influence of the Extension Service in the new program was a matter of some importance because of the considerable divergence of

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teachers and those in Louisiana added parish school and health officials. No state seems to have accepted FERA suggestions that established tenants or some of the clients themselves be included, but most included local farmers or businessmen. It is difficult to determine how much influence these committees had in client selection. But apparently in Alabama the county relief administrator and rehabilitation committee chose them jointly, while in Georgia and Louisiana ERA officials made the major decisions.

[23]Here again actual practice varied. In Georgia these supervisors were sometimes graduates of land grant colleges, occasionally former county agents, but mostly "practical farmers." On the other hand, Alabama required them to be graduates of agricultural colleges. Montgomery Advertiser, March 21, 1934; personal interview with Robert L. Vansant.

[24]In Alabama the assistants were former "cotton committeemen," originally chosen to assist county agents to initiate AAA crop control in 1933. Under FERA they were known as "farm foremen." See Lorena Hickok to Hopkins, June 7, 1934, FDRL Hopkins papers. Hereafter cited as Hopkins papers. The agreement specifically stated, probably at the insistence of Extension agriculturalists, that ERA case workers would have no part in supervising clients. See FERA, "Objectives and Suggested Procedure for Rural Rehabilitation," June 27, 1934, mimeographed copy in the Wisconsin State Historical Society, Madison. The agreements provided still another means for the USDA to keep in close touch with FERA rural policy. In a separete "Memorandum of Understanding," signed by Westbrook, Tolley and Warburton on June 7, 1934, the USDA established its own rehabilitation coordinating committee headed by J. Phil Campbell to advise FERA on department policy and promote the relief agency's program among county agents. In addition, all USDA personnel assigned to FERA rehabilitation were to send reports of their activities to Campbell. The memorandum is in NA RG 69, FERA Old Subject file.

outlook between it and the relief administrators, a difference acknowledged by both sides. Extension was a part of the Department of Agriculture, which was preoccupied with the needs of landowning commercial farmers. It was also administered through the land grant colleges and staffed by professional agriculturalists who had scientific-technical backgrounds and were greatly concerned with spreading the gospel of improved farm methods, proper use of land, and the like. Understandably, these county agents were drawn to working with those progressive and usually prosperous landowners who were most likely to appreciate and benefit from their efforts. Robert L. Vansant, the Georgia rehabilitation director, recalled a general opinion in the 1930's that Extension men were "old-line conservatives" and admitted that they were mainly concerned with successful farmers.[25]

The agriculturalists tended to conceive rural rehabilitation in terms of extending credit according to sound financial principles and saw supervision as instruction in the best technical methods. As Alabama operations began in late April, the state rehabilitation division instructed its farm foremen concerning the guidance of clients. It advised them, "above all, do not lose your sense of proportion and let's make this a sound and sensible program that will be an example of good business practice under adverse conditions."[26] When Vansant agreed to head the new effort in Georgia he wanted it understood that he would conduct an "agricultural program, not a social work program." He

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[25]Personal interview with Robert L. Vansant.

[26]Montgomery Advertiser, April 22, 1934.

consistently maintained that only sound loans for which repayment could reasonably be expected should be made and that borrowers should be supervised by "practical, technical, agricultural men." But as an official of the FERA, and later the Resettlement and Farm Security Administrations, Vansant became convinced that chronic poverty was rooted in lack of opportunity, ignorance and ill health. He was "converted" to an appreciation of the need to improve the abilities of the poor. After this realization many of his Extension acquaintances concluded that he had "gone over completely to social work."[27]

In contrast to the agriculturalists, relief administrators were mostly former social workers who saw their function as helping needy people. They saw rural rehabilitation as an experiment in improving the farming skills and general living habits of their clients, encouraging their ability for self-direction and lessening their dependence on both government and landlords. Miss Shepperson recalled that the Extension service in Georgia was very cooperative in providing supervision and technical assistance. But she also remembered that one could "tell these agriculturalists that our purpose was the rehabilitation of people, not land, and they would agree 100 per cent." However, in the application of the program she regarded them as overly concerned with correct technical methods and thought they revealed a lack of understanding of efforts to increase the general competence of the poor.[28]

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[27]In the FERA program Vansant may have taken clients who did not meet his standards as good risks. However, in Georgia selection of rehabilitants was handled by ERA county administrators. Personal interviews with Robert L. Vansant and Gay B. Shepperson.

[28]Personal interview with Gay B. Shepperson. She thought Vansant was an excellent rehabilitation administrator and he in turn held her in high esteem. Personal interview with Robert L. Vansant.

Late in April, 1934, as Alabama rehabilitation work was getting underway, Lorena Hickok visited Montgomery and traveled through the blackbelt. She found that the ERA staff had little use for Extension officials and was skeptical of the value of their assistance. Relief administrators thought Extension was too "political minded" and feared that in choosing local supervisors they would probably look for men with "superior technical qualifications," bypassing those who could deal with poor families on a "practical and sympathetic basis." Hickok had previously observed that county agents were usually uninterested in people on relief. They preferred to work with big successful farmers, she reported, and were too "silo-minded." If Hickok was critical of the agriculturalists, she was caustic in her assessment of the home demonstration agents. They "spend all their time fooling around with girls' clubs," and have a "Chautauqua slant on life," she wrote. She suspected they would "shudder at the idea of walking into a tenant farmer's shack and teaching the wife how to clean the place up."[29]

Alabama, Georgia and Louisiana initiated rural operations within several weeks after the Atlanta conference. Their programs were the only ones which really functioned during the 1934 crop season. Most other Southern relief administrations were slow in planning and began work, if at all, near the end of 1934 or in 1935.[30] Although FERA

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[29]Hickok to Hopkins, April 7, 1934, Hopkins papers. Personal interviews with Gladys Baker, Washington, D.C., October 31, 1969, and Arthur F. Raper, Oakton, Virginia, December 27, 1969. For a critical appraisal of the Extension Service see Gladys Baker, <u>The County Agent</u> (Chicago: University of Chicago Press, 1939).

[30]Westbrook to Hopkins, April 9, 1934, NA RG 69; T. P. Lee reports to Hopkins on Mississippi, November 3, 10 and 26, 1934, and January 17,

intended ultimately to expand rehabilitation into a nationwide undertaking, its efforts were always concentrated in the South. By February, 1935, only 88,000 families received loans and guidance. More than half of these were in Alabama (20,813) and Louisiana (25,584), while Georgia had the third largest group (6,978). Moreover, 93 per cent of the recipients were in the South and only six other states aided as many as 100. By June, 1935, when the new Resettlement Administration absorbed FERA's farmers, the South still had 60 per cent of the 203,000 cases in the country. This predominance was due to the tenancy system, in which the poor were already on the land or only recently removed from it, and landlords were either unable or disinclined to furnish them. However, the large numbers of clients in some Southern states did not necessarily indicate an unusually comprehensive program in the region. Rather, it often represented wholesale transfer of reliefers to rehabilitation, followed by their classification and differentiated treatment, which in some cases was little more than relief under another name.[31]

Each state administration had some classification scheme to determine eligibility for rehabilitation and these procedures had much to do

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1935, Hopkins papers; Malcolm Miller report to Hopkins on Texas, November 30, 1934, NA RG 69, FERA state files; A. H. Ward to Westbrook, December 22, 1934 (on Florida), J. R. Allgyer to Hopkins, February 9, 1935 (on Tennessee), and field report on North Carolina by Alan Johnstone, January 19, 1935, all in Hopkins papers. For a description of the extensive Arkansas program of 1935 see Loula Dunn to Josephine C. Brown, January 8, 1935, and Malcolm Miller to Hopkins, February 7, 1935, Hopkins papers; field report from William Watson for two weeks ending June 15, 1935, NA RG 69, FERA Old Subject file.

[31]Berta Asch and A. R. Mangus, Farmers on Relief and Rehabilitation (Washington: WPA Division of Social Research, Monograph VIII, 1937), 17-21.

with whether the ERA reached those in greatest need. In Georgia county directors certified relief families who had a physically fit male of at least 18 years of age who had farm experience. In the spring of 1934 they assigned initial priority to those already located on land and requiring the smallest cash advance to start farming. Miss Shepperson announced that the first 1,000 clients would be former farm owners who had lost their land. By August Georgia had a more detailed system which divided reliefers into three groups. Class A consisted of 25,200 destitute families in the open country, 6,700 with no acreage to work and 18,500 at least located on land. Of the latter about half owned some equipment. Class B families were those on ERA rolls in towns--about 1,000 landowners and 3,100 tenants and laborers. There were also about 7,500 class C families, not yet on relief but probably needing rehabilitation assistance. A state directive specified that "B" and "C" groups were not to be considered until the "A" category was exhausted. In Georgia reliefers would receive preference.[32]

In Louisiana the relief administration had previously defined farmers, whether owners or tenants, as "proprietors" capable of self-support, and removed them from the rolls one month before the Atlanta conference. With the new policy, the state office reviewed all rural applicants and considered all without prospects for public or private jobs or credit eligible for rehabilitation.[33] These cases were

[32] W. T. Bennett, report on the Georgia program, NA RG 69, FERA Old Subject file.

[33] Harry Early to Hopkins, March 31, 1934, and November 15, 1934, Hopkins papers.

classified as owners, tenants (with equipment), croppers (without equipment), wage hands and squatters. The Louisiana plan called for first attention to those who could be made self-sustaining with a "reasonable expenditure," especially those who with some help could qualify for a government crop loan. Since this credit was extended only to those who grew staples, these beneficiaries, due to AAA contracts, would be landowners. Other selection criteria included the client's "attitude," experience, and, remarkably, his "standing in the community." Tenants and croppers were considered only if they had secured a year's lease. Wage hands had to meet the same standard and were therefore effectively excluded.[34] There is little evidence of how the Louisiana program actually operated, but it is clear that these requirements prevented it from reaching the state's worst levels of poverty.

As in other states, the Alabama ERA accepted reliefers for rehabilitation only if they had exhausted all possibilities of credit. But it regarded sharecropping arrangements as one of those possibilities and was determined to force landlords to assume as much of their old furnishing burden as possible. Therefore, the ERA refused to accept as rehabilitants persons it thought farm owners could support. It even went one step further and ruled, on April 17, that tenants would be denied any relief unless their landlords certified by affidavit that they could not furnish them.[35]

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[34]Typescripts of "Plan for Rural Rehabilitation in Louisiana," n.d. [after March 22, 1934] and "Initial Steps in Rural Rehabilitation," n.d. [April, 1934], Nixon papers.

[35]Montgomery Advertiser, April 17, 1934.

Likewise the relief administration rejected as rehabilitants those, otherwise qualified, whose landlords would not waive back debts.[36] This was to avoid the possibility of creditors taking over equipment and goods which the ERA helped its clients acquire. Thus one's acceptance for the program depended in part upon a planter's cooperation, a factor unrelated to need. Finally, Lorena Hickok reported that the ERA even cut off from all relief persons it had already accepted for rehabilitation when their landlords refused to sign debt waivers. She thought this policy was "a bit harsh," but relief officials defended it as an attempt to force farmers either to give tenants credit or cooperate with the ERA's efforts to help them. Administrators counted on public opinion to bring recalcitrant planters in line, but Hickok doubted the tactic would work.[37]

The application of all these criteria greatly reduced the number who could hope for rehabilitation. In late March 30,000 rural Alabama families were on relief, but by April 22, as the program started, there remained only 17,200 from whom the first selections were made.[38]

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[36] Ibid., March 21, April 15 and 17, 1934.

[37] Hickok to Hopkins, June 7, 1934, Hopkins papers. Hickok's observations were in northern Alabama. A similar report from a black-belt county counted 456 families on direct relief in March, 1934. By June 1 the number had been reduced to 53, with only 20 shifted to work relief and 70 to rural rehabilitation. Most of the rest were being carried by planters but others had been dropped from relief "because landowners, some of whom did not understand the . . . program, declined to waive rent or debt[s]. . . ." Montgomery Advertiser, June 9, 1934. See also Louise Krueger to Corrington Gill, August 15, 1934, NA RG 69. It should be noted that FERA had to rely on persuasion and public opinion to influence planters, since unlike AAA it had no real leverage to force them to help support the rural poor.

[38] Montgomery Advertiser, April 22, 1934.

Another major factor determining the effectiveness of aid to the destitute was the amount and kind of help they received in obtaining land, equipment and livestock. Closely related to this was the quality of their supervision. In April the Georgia relief administration submitted to FERA an outline of the assistance it intended to give its farmers. It estimated that in 126 rural counties there were available 6,800 vacant tenant houses and 251,000 accompanying unused acres. The plan anticipated that each rehabilitant would cultivate no more than 10 or 15 acres, although he might have more for pasture. Clients could produce no cotton, but would grow various soil builders, corn, peas, beans, peanuts, sorghum, vegetables and melons. The ERA figured that an average family advance would include land rental ($50 per year), house repair ($50), fertilizer (300 pounds per acre at an average total cost of $51.75), food ($92.40 worth of flour, meal, lard, meat, sugar and coffee) for the six months during which garden produce was unavailable, clothing ($60), and medicine ($12). Mules would be rented at first to cut expenses. The ERA envisioned that its charges could own capital goods eventually. The agency planned to advance to cost-sharing pairs of families half interests each in a mule, harness, wagon and implements for $155. In addition individual families might acquire a cow ($25), hogs ($20), and chickens ($10). At first these items would be lent by the relief administration in return for the farmer's pledge to "keep, use and protect" them. Later, as they made some profits, they could amortize equipment and livestock and ultimately, perhaps, land as well.[39]

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[39]Plan for rural rehabilitation in Georgia, envlosed in Count D. Gibson to Gay B. Shepperson, April 17, 1934, NA RG 96.

Alabama's rehabilitation plan was the first submitted to the FERA and some of its procedures were regarded as models for other states.[40] Robert Greene, the state director, had been an outspoken critic of FERA's previous rural operations.[41] With the aid of Extension consultants he outlined an "economy program" designed to cost no more annually than direct relief. In the spring and summer of 1934 the average advance per family was only $94.11. As in other states, clients were expected to repay everything in full. By November 15, 1934, $650,000 had been loaned and $500,000 repaid either in work or produce. Among cost-saving techniques was a requirement that rehabilitants preserve the garden vegetables they grew by drying, rather than canning, because the former method was not only cheaper but less complicated and therefore more likely to be continued by the poor.[42]

But the most publicized expense-cutting procedure was that of providing workstock, which gave the Alabama operations popular notoriety as the "steer program." If clients lacked work animals, the relief administration undertook to furnish, on credit, cattle or oxen, indiscriminately called "steers" in Alabama. Sometimes these were AAA surplus beef animals, but usually local scrub "piney woods steers" were found more satisfactory for pulling plows. The ERA was emphatic that it would not supply mules because ownership and care of them were major financial burdens for poor farmers. Mules were scarce in Alabama, cost

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[40]Malcolm Miller to Aubrey Williams, October 15, 1934, Hopkins papers; Montgomery Advertiser, July 10, 1934.

[41]"Field Notes," Rural Rehabilitation, I (November 15, 1934), 16.

[42]Ibid.

at least $100-$150 apiece, and consumed about $120 worth of feed per year. "You can see," the ERA told its clients in an unintentional comment on its relief standards, "that it costs almost as much to feed a mule for a year as it costs to feed a whole family." But steers cost only about $24 per year to feed because they could graze for their subsistence.[43]

Lorena Hickok was in the Alabama blackbelt in April, 1934, as the steer program began. She encountered much public skepticism about it among small town whites. One critic exploded, "'Hell! This ain't no New Deal if we . . . gotta go back plowin' steers!'" He told her the cattle were difficult to break to a plow. Moreover, they would not work in the heat, but "'just lay right down, or wander off to the swamp draggin' the nigger with 'em, if he ain't leadin' 'em!'" But these detractors, she observed, were mostly non-farmers. She also talked with some rehabilitants who were plowing satisfactorily with steers. A black farmer assured her, "'Anybody c'n git along alright wid a steer.'"[44]

Other critics contended the program was starting too late for the crop season in southern Alabama, but Extension experts disagreed. Various others thought the FERA was going to entirely too much trouble for the benefit of "pore white trash and niggers." There was similar skepticism in Georgia where the state director recalled numerous "doubting Thomases." But Hickok found that the Alabama relief staff

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[43]Alabama Relief Administration, "Instructions for Rehabilitation Subscribers in Group I," December, 1934, Hickok to Hopkins, April 7, 1934, Hopkins papers.

[44]Hickok to Hopkins, April 7, 1934, Hopkins papers.

was confident of good results and the more thoughtful local businessmen and planters expected that perhaps 50 per cent of the clients could be permanently rehabilitated. But all agreed that close supervision was essential. "'You jest gotta stand right over 'em,'" they told her.[45]

In June, 1934, Hickok returned to Alabama and traveled through the northern part of the state. Her reports to Hopkins offer a glimpse of the early operation of rural rehabilitation in the Deep South. Near Florence she observed clients supplied with seed, fertilizer, tools and draft animals (mules in this area, unlike the rest of the state). Advances ranged from $49-$165 and averaged $80. The relief administration bought no land but located families on landlords' AAA "rented acres." Rehabilitants grew no cotton unless they turned it over to FERA for relief use. Their surplus produce was applied by ERA to their indebtedness and they received preference for local road work. Hickok discovered that most landlords were quite willing to waive debts and otherwise cooperate, apparently convinced that land improvement and supervised repair of houses and fences was adequate compensation. In the matter of client selection, Hickok noted that, although those chosen were unquestionably needy, there was some tendency to bypass the most destitute and dependent. "The idea is to start out this year with those most likely to succeed," she wrote. "These will be given further opportunities next year if they make good . . . and . . . if the program goes on less likely candidates will be taken on. It's all experimental this year . . . and they want the best material to work with."[46]

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[45]<u>Ibid</u>.; personal interview with Robert L. Vansant.

[46]Hickok to Hopkins, June 7, 1934, Hopkins papers.

Hickok was surprised to find that county agents, rehabilitation supervisors and assistants with Extension backgrounds were contributing more to the program than relief officials had originally expected. Farm foremen handled about eight families each and several were sufficiently interested to work overtime with their wards. Hickok made the rounds with one foreman who was quite proud of his clients' progress and confident of their success, although he did admit personal difficulty with "one smart nigger who don't like to take advice." Another conscientious supervisor told her that most rehabilitants were illiterate and had great need for someone to advise them in business affairs, since landlords had always kept their accounts. "Now our job is to see that they get a new start, with someone to protect them," he said.[47]

Although Hickok admitted that the Alabama program, with its steers, $40 mules, borrowed land and minimal loans, might seem "niggardly" to some, she thought it had an essential practicality. "Instead of starting out with $2,500 homes . . . brand new expensive equipment and stock" and excessive indebtedness, she observed, "these people are being given the things they actually need to get started--and on terms they can meet . . . ." Other improvements in their living standards "will come in time," she added.[48]

Hickok's observations raise the important question of the effectiveness of FERA rehabilitation in reaching the South's worst poverty. It is true that it aided only reliefers who had no prospects of jobs or credit. However it was less than comprehensive in this. One of the

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[47] Ibid. [48] Ibid.

program's original aims was to end direct relief in rural areas. Thus, while relief administrations transferred many cases to rehabilitation, they also attempted, as in Alabama, to force large numbers of the poor back upon the resources of landlords, and completely dropped many others from the public rolls. In June Aubrey Williams commented that in the process of shifting to rural rehabilitation, Alabama and Louisiana had taken "arbitrary actions" to slash relief loads. "I strongly suspect this is the cause of considerable suffering," he wrote.[49] It should also be remembered that the state agencies classified rural clients and, as Hickok observed, placed the "best material" on land with supervision and credit. But two WPA researchers, writing in 1936, concluded that great numbers of rehabilitants, presumably the least capable, received little more than relief.[50]

Furthermore, there is evidence that by 1935 state relief administrations were becoming more selective in providing assistance. In December, 1934, the Alabama agency issued its top group of rehabilitants instructions for 1935 which required them to find their own places to farm, make a rental agreement with a landlord (preferably for more than one year) and obtain a waiver of any back debts they owed him. County relief offices were supposed to assist the tenants fill out lease forms and may have given them more extensive help. However, it is likely that these arrangements were considerably more than the most impoverished and dependent clients could negotiate. These instructions strongly suggest

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[49]Aubrey Williams to George B. Power, June 4, 1934, FDRL Williams papers.

[50]Asch and Mangus, Farmers on Relief and Rehabilitation, 18.

that the Alabama ERA extended aid in 1935 to a less needy and more capable clientele than in the spring of 1934.[51] A similar trend prevailed throughout the Southeast. One investigator found that only about 20 per cent of the rehabilitants in a seven state area were wage hands, and of the others, only one-third were sharecroppers. He concluded, "those farm families who were presumably in a better financial situation . . . were more often taken on the . . . program than were croppers and farm laborers."[52]

The extent to which impoverished rural Negroes shared the benefits of the FERA program is uncertain. Official policy, of course, prohibited racial discrimination. Both Hopkins and Forrester B. Washington, the director of FERA's National Negro Division, made that point at the Atlanta conference. It is also clear that there were many black clients. In April, 1935, a National Emergency Council official reported that one third of Alabama's 10,000 rehabilitants were Negroes. But there were inequities in the size of clients' advances. In seven Southeastern states 4,028 whites received an average of $205 during one year on the program, while the figure for 2,260 Negroes was only $122.[53] At the same time, some localities may have exerted subtle pressures which discouraged black applicants. In December, 1934, a curious report from a staff member of the Georgia ERA stated that displaced "colored families

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[51]Alabama Relief Administration, "Instructions to Rehabilitation Subscribers in Group I," December, 1934, Hopkins papers.

[52]T. J. Woofter, Landlord and Tenant on the Cotton Plantation (Washington: WPA Division of Social Research, Monograph V, 1936), 174.

[53]*Ibid.*, 173.

who might be eligible for this program are afraid to apply for it" because they had "become accustomed to a measure of economic and social protection [by ERA] in the cities, which, they believe, is entirely lacking in the rural areas." However, the report continued, those blacks who were rehabilitants had progressed as well as the whites and there was "no evidence of racial antipathy to them in the [communities]." The writer concluded that the agency should strive to overcome unfounded black apprehension about the program.[54]

In October, 1935, Alfred Edgar Smith, a researcher for the FERA race relations unit, found that "rural rehabilitation . . . attended by difficulties as it has been . . . is effective enough for blacks in its limited scope," but nevertheless, "rural Negro labor continues in a deplorable state." However, Smith later prepared a report on all federal relief operations and concluded, "apparently Negroes shared in every phase of emergency relief but were definitely discriminated against in one or more detail of administration."[55] One may surmise that his general assessment applied to rural rehabilitation.

FERA's rural operations were hastily conceived and conducted with little central direction. Rehabilitation reached limited numbers, 209,951 cases in its peak month of April, 1935, and then probably

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[54]Report to Hopkins from Gay B. Shepperson (written by Alice R. Owens), December 5, 1934, Hopkins papers; John D. Petree (Alabama NEC director) to Eugene S. Leggett (NEC Executive Assistant), April 2, 1935, NA RG 44, Federal Records Center, Suitland, Maryland.

[55]Alfred Edgar Smith, "Negro Labor and Unemployment Relief," October, 1935, NA RG 69, WPA Library; "Report-Summary, 1935, Negro Clients on Federal Unemployment Relief, December 31, 1935, NA RG 69, FERA New Subject file.

by-passed the most impoverished.[56] But its idea of combining credit and guidance was sound. It fit the experience of the South's rural poor, who had always received advances and supervision from the same source, the landlords. FERA assumed these functions with the intent of encouraging and improving the competence of destitute and landless country folk, and without charging planters' interest rates. By supplying workstock and implements to propertyless croppers it provided some a chance to raise their status to that of share tenants.[57] The New Deal continued and refined this rehabilitative idea in its Resettlement and Farm Security Administrations.

Harry Hopkins was convinced of the worth of rural rehabilitation and wanted to continue and expand it as part of the relief effort. On December 14, 1934, he proposed to Roosevelt a complete reorganization of federal relief for 1935 and assigned the rural program a place in his new design. He told the President that FERA then gave direct aid to 4.3 million families and 700,000 single persons. Of these, a million were unemployable because of age, illness, or disabilities. Another 3.5 million were unemployed and simply needed jobs. But about 500,000 needed rehabilitation as farmers. Hopkins proposed to abolish direct relief and turn unemployables over to the care of the states. For the jobless he favored a new federally administered and financed work relief agency. To complete the plan he wanted to expand rehabilitation to cover a half million cases, and at the same time, resettle "stranded"

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[56] Asch and Mangus, <u>Farmers on Relief and Rehabilitation</u>, 17.

[57] Woofter, <u>Landlord and Tenant</u>, 189.

farm families from submarginal lands to more fertile acres.[58]

Finally, throughout 1934 many associated the rehabilitation idea with the encouragement of landownership. Some regarded purchase of small acreage as an essential final step in uplifting the poor. Even before the Atlanta meeting, Hopkins had suggested to Wallace that rehabilitants could be potential land buyers.[59] At the conference itself several of the state relief officials urged the idea upon Westbrook and the FERA.[60] Moreover, many of the state plans affirmed general intentions of assisting the needy to own small tracts. The Georgia outline proposed that the ERA's best farmers be located "at once on lands which they shall eventually amortize for themselves."[61] In December, 1934, the Alabama ERA instructed its top clients to attempt to arrange with landlords leases with options to buy.[62] In the latter part of 1934 most state administrations established rehabilitation corporations to fulfill legal requirements in obtaining, leasing and selling property, and these bodies were empowered to purchase and convey real

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[58]Confidential memorandum, Hopkins to FDR, December 14, 1934, FDRL OF 444-C. The new work relief agency was, of course, the WPA. The reorganization was carried out in April, 1935, but rural rehabilitation was transferred to the new RA.

[59]Wallace to Hopkins, March 12, 1934, NA RG 69, FERA Old Subject file.

[60]"Transcript of the Minutes of the Regional Conference on Rural Rehabilitation held by the Federal Emergency Relief Administration in Atlanta, Georgia, March 12 and 13, 1934," NA RG 69.

[61]Georgia plan enclosed in Count D. Gibson to Gay B. Shepperson, April 17, 1934, NA RG 96. The plan contemplated plots as small as eight acres.

[62]Alabama Relief Administration, "Instructions to Rehabilitation Subscribers in Group I," Hopkins papers.

estate.[63] In June, 1935, for example, the Arkansas program contemplated land acquisition for clients because "home ownership is the ultimate aim in every case."[64]

Small landownership as a means of rehabilitating the poor was in fact a growing idea, among critics as well as upholders of the FERA's operations. On June 20, 1934, T. J. Woofter, a researcher of farm problems for the relief agency, wrote to Will Alexander, executive director of the Commission on Interracial Cooperation. He told Alexander that his investigations had convinced him of the need for a "long time plan looking to the reduction of tenancy to the status of a way station to ownership." He thought that FERA's "recent hurried attempt at rural rehabilitation" was no substitute for a farm ownership program, since it was mainly a scheme to get country families off relief and dealt with "the most depressed tenant class." The elimination of tenancy, he thought, would necessitate "working first with the better class of tenant." Woofter envisioned an "evolutionary" plan which would "open opportunities for land ownership" for the poor. He was probably unaware of it, but Alexander would soon undertake a campaign for legislation to promote rehabilitation by land redistribution.[65]

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[63]"Rural Rehabilitation Program: Financial Policies and Procedures," FERA directive from Westbrook and Corrington Gill to all state ERA and rehabilitation directors, December 26, 1934, NA RG 16, AAA legal file.

[64]FERA field report by William Watson for the two weeks ending June 15, 1935, NA RG 69, FERA Old Subject file.

[65]T. J. Woofter to Will Alexander, June 20, 1934, CIC.

CHAPTER V

THE CONCEPTION AND INTRODUCTION OF THE BANKHEAD LEGISLATION, 1934-1935

The move to obtain anti-poverty legislation began late in January, 1934. Stacy May of the Rockefeller Foundation telephoned Will Alexander in Atlanta, and suggested, that since the New Deal was nearing its first anniversary, the time had come for serious investigation of the impact of federal recovery efforts upon Negroes. May told Alexander that the foundation could provide $50,000 for research on the subject, but desired no publicity. Accordingly, he proposed to channel the money through the Rosenwald Fund, which had a long interest in the problems of Negroes, to the Interracial Commission which would manage the inquiry. May requested that Alexander, with Edwin R. Embree, executive director of the Rosenwald Fund, and Charles S. Johnson, a Fisk University sociologist, accept responsibility for the study. Alexander agreed, and in late March, 1934, the board of the Interracial Commission formally approved his participation.[1]

Early in February, Alexander, Embree and Johnson constituted

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[1]Memoir of Will Alexander, Columbia Oral History Collection, Columbia University, 372 (hereafter cited as COHC-Alexander); Edwin R. Embree to William P. Beazell, February 15, 1935, papers of the Commission on Interracial Cooperation, Atlanta University (hereafter cited as CIC).

themselves the Committee on Minority Groups in the Economic Recovery and met in Nashville to organize the study. They devised a threefold plan. First, they established an information clearing center in Atlanta headed by Arthur Raper, of Alexander's staff, to receive reports from throughout the South concerning the effectiveness of New Deal policies for blacks. Secondly, Johnson would arrange for an inquiry into the Negro's position in two major Southern industries--meat packing and steel--governed by NRA codes. This research was assigned to George S. Mitchell, a Virginian who was later a regional director of the Farm Security Administration, and a black associate, Horace R. Caton. Their findings were ultimately published as Black Workers and the New Unions, which appeared shortly after the demise of the NRA.

Finally, Alexander and Johnson undertook to examine New Deal agricultural policies. As Alexander informed Howard Odum, "It was decided to make some sort of effort to discover an intelligent basis for a long-time program for Negroes on the farm, particularly those who will be uprooted by crop reduction and the withdrawal of marginal lands."[2] Significantly, even at this early date, there was consideration of the need for long range policies.

Johnson managed the study of the AAA. By June, 1934, he had assembled a staff of investigators and sent them into the Deep South for inquiries, interviews and observation. He took special pains to assure his bi-racial group of field men personal "security and confidence" in potentially hostile plantation districts where they might be regarded

[2]COHC-Alexander, 374-75; Alexander to Odum, February 15, 1934, CIC.

as meddling outsiders. He attempted to obtain credentials for them from the Interior Department through Clark Foreman, Secretary Ickes' advisor on Negro affairs. Failing in this, he made the best possible local arrangements. In Mississippi for example, where investigations were scheduled in Bolivar and Noxubee counties, Johnson secured the cooperation of the State director of Extension, who instructed county agents to provide assistance. Johnson procured letters of introduction from the State Commissioner of Agriculture, and Oscar Johnston, president of the Delta and Pine Land Company, granted full access to that plantation. As a final precaution, the field staff received the written sanction of the sheriff at Cleveland, Mississippi.[3]

Although some field study continued as late as December, 1934, most of the investigations were concluded before October. The voluminous evidence confirmed that the South's cotton tenancy system was in a state of advanced deterioration, that crop restriction had compounded the difficulties, and that AAA's reputed inequities for tenants were real enough and general throughout the cotton belt. These findings compelled the committee to shift its concentration from exclusive concern with the condition of rural Negroes to the deplorable plight of all the landless farmers of the South.[4]

The committee saw among its purposes the arousing of public opinion and the inspiration of Congressional action. In order to influence

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[3]Johnson to Alexander, June 14, 20, 23, and 25, 1934, Charles S. Johnson papers, Fisk University. Hereafter cited as Johnson papers.

[4]Johnson to Alexander, December 10, 1934, and Embree to Beazell, February 15, 1935, CIC; COHC-Alexander, 375-76.

opinion they determined to publish a brief report rather than the voluminous results of the field studies. To prepare this, the committee hired Frank Tannenbaum, a historian with considerable reputation in Latin American studies. Tannenbaum, then employed at the Brookings Institution in Washington, was well versed in the history of foreign land reform movements, particularly those in Mexico. He also knew the South; in 1924 he had written Darker Phases of the South, a perceptive book about the section's social and economic deficiencies. He had not, however, been in the region since that time.[5]

In the early fall of 1934, Alexander, Embree, Johnson and Tannenbaum met together for the first time, at Alexander's home in Atlanta, to review the committee's findings. They concluded that the AAA cotton program had been an "unforeseen calamity" for sharecroppers and tenants, reducing and even destroying the minimal security afforded by the crop lien system. Landowners now found it profitable to reduce the number of their tenants and demote those remaining to wage laborers. Those displaced were forced on relief, "with all that means in purposelessness, in futility, in the absence of self-governance, in the destruction of ambition and the devastation of a dream that 'next year'" would promise better conditions. The committee was by no means the first to make such observations, but it based its conclusions on the results of Johnson's field studies and grasped well the trend in the South.[6]

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[5] COHC-Alexander, 375-77.

[6] Tannenbaum to Alexander, October 13, 1934, Frank Tannenbaum papers, Columbia University. Hereafter cited as FT. The letter is titled "Memo of a recent discussion between Tannenbaum, Johnson, Alexander, Embree."

Discussion turned to the proposal of some minimum program. "The problem as we visualized it," Tannenbaum wrote, "is to find an immediate way out for the poorest and most nearly forgotten group in our rural population." But despite this affirmation, the conference sought no sweeping plans for the eradication of poverty. Instead, the four searched for some program which could be achieved quickly and at relatively low cost to the government. They maintained that the aim should be to restore tenants and croppers to something like their past condition rather than raise them to any ideal status. This would provide a sense of security and renew the ambition of the poor.[7]

The committee clearly recognized that it was concerned with a "marginal group" of impoverished people whose condition was chronic. Because of this they thought social and economic programs for the poor should be simple and modest in scale; they saw no value, for example, in establishing elaborate cooperative projects which the poor could not manage for themselves. Another assumption, later discarded, was that no spectacular improvement could be made in the lives of sharecroppers so long as the national economic emergency persisted. But at the same time they reasoned that even a "meagre program" would alleviate the distress of the South's rural poor.[8]

The four men developed only one tentative recommendation--a pilot project in which 300 rural relief cases would be provided half-acre homesites in a farm community settlement. These clients would be expected to build their own homes, of logs if necessary. Self-sufficiency

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[7] Ibid.   [8] Ibid.

in gardening would be required. The community would hold cropland, pasture and woodland collectively, or distribute acreages to residents. They anticipated some degree of government supervision. Cash cropping would be de-emphasized but probably not eliminated completely.[9] This vague proposal seems to have drawn upon the example of the Interior Department's subsistence homesteads and the FERA's rural communities, as well as Tannenbaum's writings on Mexican land redistribution.

This program, the committee thought, realistically recognized the chronic poverty and marginal abilities of those it sought to help. It wisely refused to idealize the poor by overestimating their capabilities, providing elaborate communities which they could not manage, or expecting rapid or dramatic changes in their living standards. The committee did expect its approach, if widely applied, to get rural people off relief and care for some of those displaced and "set adrift." Moreover, the land tenure provisions were flexible enough to permit individual or collective ownership within the experimental community. Still another advantage was that a single demonstration project could be started quickly. The chief limitation of the plan was also mentioned by the committee, but as a virtue: it aimed only to relieve emergency conditions and therefore contemplated no broad permanent reconstruction of rural life. Implicit in these discussions was the idea that fundamental reform had to await the return of general prosperity.[10] This recommendation illustrates that even the thinking of these men, who were sincerely concerned for the poor, was hampered by timidity and lack of imagination

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[9] _Ibid._ [10] _Ibid._

in the face of an overwhelming problem.

It is very likely that it was at this meeting that the committee asked Tannenbaum to tour the South and observe conditions first hand before writing the report. Probably in mid-December, 1934, Tannenbaum began an itinerary suggested by Johnson through Arkansas, Mississippi, Alabama and Georgia. He originally intended to take ninety days for the trip but cut it short after only ten, declaring that he had seen enough to convince him that the tenancy system had collapsed under the weight of its own inadequacies and the depression, and could not be restored or made to support masses of landless people. Either the committee or the New Deal, he asserted, had to do something about it.[11]

Tannenbaum's brief excursion was a turning point for him and the committee. He had not been South since before the Great Depression. Although he had been well acquainted with the region's poverty in the early 1920's, he apparently was unprepared for the destitution he witnessed ten years later, in December, 1934. Alexander's recollections of Tannenbaum's reaction suggest that the latter had been appalled by what he saw. At the same time, Tannenbaum's sense of shock evidently altered his colleagues' thinking. The following March Alexander recalled that at the end of 1934 "our committee was of the opinion that the tenant system could never be patched up, that at its best it was an impossible system, that its breakdown is complete. . . ."[12]

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[11]COHC-Alexander, 377; Johnson to Alexander, December 10, 1934, CIC.

[12]COHC-Alexander, 375-77; Alexander to Bruce Bliven, March 9, 1935, CIC.

Between October, 1934, and the end of the year Tannenbaum's outlook and that of the committee had changed dramatically. The community pilot project was never mentioned again, nor was there further talk of restoring the former position of the poor, or of the impracticability of basic reform during hard times. By December, 1934, the committee was formulating a plan of land distribution which it expected to end tenancy and reduce poverty permanently by promoting small landownership. Alexander emphatically told Embree that any program which aimed at less than farm ownership for the landless was "temporizing."[13] Thus, by the beginning of 1935 the committee had abandoned palliative measures and had shifted its attack to the Southern land tenure system. It now thought in broader and more fundamental terms than it had dared in October, 1934. But as later experience revealed, an emphasis on land ownership would also mean an increasingly narrower concern with only those among the poor who had sufficient ability and resources to become small owners.

In the last weeks of 1934, Tannenbaum returned to Washington, where the committee had provided him an office and where he was to write the report and circulate the findings among New Deal officials. But since the committee also intended to promote public policy, he assumed the extra duty of trying to stir the administration to action. Tannenbaum's essential proposal, traceable to his studies of Mexico, was a massive government land-buying program which would create small farms for resale on easy terms to the rural poor. Shortly before the new year he discussed this idea with Assistant Secretary of Agriculture Paul Appleby, who was receptive and willing to convey the proposal to Henry Wallace.

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[13]Alexander to Embree, January 8, 1935, CIC.

At the Secretary's suggestion Appleby brought the matter to the attention of Chester Davis, who was sufficiently favorable to recommend that an outline be circulated within the Department.[14]

In the last days of 1934 and the first month of 1935, Tannenbaum refined his proposal and wrote four memoranda. On December 29 he submitted a preliminary outline to Appleby. On January 6 he conferred again with the committee in Atlanta and wrote another outline, essentially the same as the first, for its use. Later in the month he prepared a comprehensive statement in the name of the whole committee. This document was intended for circulation within the Agriculture Department and the FERA. It traced what the committee probably then considered the ultimate dimensions of its program. Finally, Tannenbaum wrote a fourth memorandum, more cautious in tone than the third, which likely was intended to be the basis for a bill. From these sources the thinking of Tannenbaum and that of the committee and its sympathizers in the Department can be reconstructed.[15]

In Tannenbaum's analysis, the plantation was normally deficient in providing adequate living standards for its workers. Since the 1920's, however, depression conditions had struck a mortal blow to the system.

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[14]COHC-Alexander, 378; Tannenbaum to Paul Appleby, December 29, 1934, FT and CIC.

[15]Tannenbaum to Appleby, December 29, 1934, and "Notes on Conference of Messrs. Alexander, Embree, Johnson, Tannenbaum and Simon on Agricultural Rehabilitation" at Atlanta, January 6, 1935, FT and CIC; "A Proposed Program for the Improvement of the Condition of the Tenant Farmer, Particularly in the Cotton Areas of the South. Submitted to the Department of Agriculture and the FERA by the Special Committee on Negroes and Economic Reconstruction," January, 1934 [1935], CIC; "Draft Program for a New System of Land Tenure," n.d. [January, 1935], FT.

As landlords' incomes declined, so had their sense of responsibility for their dependents, and the old practice of furnishing had fallen off. Into this situation came federal policies. The presence of relief, for example, encouraged the decline of furnishing since many landlords saw FERA as a substitute for their own commissaries. The AAA had furthered this change by providing a "specific monetary incentive" to landowners to reduce the number of tenants or convert them to wage laborers. This trend to day labor, Tannenbaum noted, was well underway and progressing rapidly in some places. Moreover, AAA encouraged mechanization which promised to displace tenants and wage hands alike.

The meaning of all this, Tannenbaum thought, was that the South could expect the dispossessed portion of its population to increase. As he considered the "peculiar character of the South, its persistent race feeling, and the temper which governs friction when it comes to a head," he reasoned that "the social consequences of large groups of homeless and propertyless migrants, both white and colored, constitute the elements of a serious problem," which "may prove beyond easy remedy in the not distant future."[16]

If the government acted promptly, Tannenbaum thought, a remedy was possible. But the solution assuredly did not lie in revision of existing parity policies. Tannenbaum told Appleby that "the difficulties just described cannot be obviated by a change in the crop control contracts."[17] A parity price for staple-producing landowners was distinctly different

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[16]Tannenbaum to Appleby, December 26, 1934, FT and CIC.

[17]Ibid.

from an effort to reduce poverty. The real key to the problem was a comprehensive land settlement program, indeed, a new land tenure system for the South. As the committee memorandum expressed it, "It is now apparent that . . . some fundamental change in the relationship of tenants to the soil" is necessary, the only alternative being indefinite emergency relief.[18]

Having examined an immense and complex situation and prescribed land distribution as a general remedy, Tannenbaum made two recommendations about where the government should concentrate its resources. In his memorandum relating to a draft of legislation he proposed to direct government assistance to tenants, young farmers needing help in getting established, and some of the most capable and stable wage laborers. The government should strive to create a better tenure for these people without moving them. In encouraging small ownership, it should give preference to those still located on the land as tenants or croppers, and secondary attention to those already "set adrift." This policy was expected to prevent further displacement of people, but not necessarily reverse the trend already in motion.[19]

In the memorandum drafted for circulation within the Agriculture Department and the FERA, Tannenbaum envisioned a distinctly broader program than that in the bill-draft memorandum. In this document the committee traced its hopes for the ultimate scope of its program--hopes

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[18]Conference of Alexander, Embree, Johnson, Tannenbaum and Simon, January 6, 1935, FT and CIC.

[19]"Draft Program for a New System of Land Tenure," FT.

too broad to be written into a bill. The committee declared that the end should be "to establish in farm ownership a huge number of families now entirely cut off from ownership and even from tenancy or crop sharing arrangements."[20] Here was a suggestion that the government concern itself with people already "adrift," a more inclusive aim than that of concentrating on "present tenants" who still had access to land on some terms.

To implement the program, Tannenbaum proposed that a special federal agency be empowered to purchase lands held by banks, insurance companies and federal land banks. Such lands were extensive, according to his information. He expected these corporate landholders to welcome a chance to sell and convert their assets into more liquid form. Acreage could also be purchased from individuals.[21]

Secondly, without passing administrative costs on to tenant purchasers, the projected government agency should retire any submarginal lands which it acquired, selling only fertile acreages to tenants. The land would be broken up into family sized farms, varying according to the region, but probably 40 acre plots in cotton country. The land then would be sold to tenants, croppers and laborers, with preference to those already working it, and with low interest charges and liberal amortization terms. The bill draft memorandum suggested three types of small holdings: full time non-commercial subsistence acreages, part time subsistence holdings for farm laborers, and full time commercial farms for those

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[20]"A Proposed Program for the Improvement of the Condition of the Tenant Farmer . . . ," CIC.

[21]"Draft Program for a New System of Land Tenure," FT.

capable of managing them.[22]

Tannenbaum and the committee recognized that mere extension of credit to inexperienced and impoverished tenants would accomplish little. Therefore they proposed that the agency supervise borrowers through regional offices. The committee envisioned direction of the tenant purchasers' crop selection (in conformance with the AAA program) and general operations for perhaps as long as ten years. Similarly, supervisors could advise clients in marketing their produce and organizing cooperative associations. Moreover, the federal agency might extend additional loans for such necessary capital as buildings and livestock, and at least initially, provide some production credit. The committee believed, however, that care should be taken to avoid overburdening tenant purchasers with debts. Extension of credit should be minimized in favor of the guidance which the committee regarded as most essential. Significantly, these supervisory features were contained in the memorandum for the department and the FERA, but not in the legislative draft memorandum or the Bankhead tenancy bill when it was introduced.[23]

Even as early as 1935, cooperative farm projects organized by the FERA and the Subsistence Homesteads Division of the Interior Department were highly controversial. Therefore, Tannenbaum stated flatly in his memorandum on legislation that he contemplated no new communities. On the other hand, the memorandum sent to the Agriculture Department and the FERA recommended, along with the major proposal of widespread land

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[22]*Ibid.*

[23]Tannenbaum to Appleby, December 26, 1934, FT and CIC; "A Proposed Program for the Improvement of the Condition of the Tenant Farmer . . . ," CIC.

distribution, experimentation with "carefully directed cooperative communities." These would be of three types: cooperative farm colonies, cooperatives with centralized community facilities, and European style villages with outlying fields.[24]

The committee, far from ignoring the possibilities of cooperative agriculture, had endorsed it as a useful experiment. These backers of what would develop into the Bankhead-Jones tenancy bill did this as early as January, 1935, long before the Southern Tenant Farmers Union formally suggested cooperative farming as a panacea in 1936. However, knowing that Congress would be antagonistic to collectivist experiments, the committee undoubtedly considered it politically unwise to ask for specific authorization for such communities. The Bankhead tenancy legislation, when introduced, was silent on this point. Nevertheless, the memorandum which advocated community projects was circulated within FERA, suggesting that the committee intended at least to encourage the experiments the relief administration had underway.

Finally, Tannenbaum considered ways of financing the program. The simplest method would be a Congressional appropriation for the proposed land buying agency. An alternate method would be to establish the agency as a government corporation authorized to sell federally guaranteed bonds, using the proceeds to buy land and resell it to tenants on credit. The bonds, of course, would be secured by mortgages on the land. Tannenbaum saw disadvantages in the latter plan. He thought it would be

[24]"Draft Program for a New System of Land Tenure," FT; "A Proposed Program for the Improvement of the Condition of the Tenant Farmer . . . ," CIC.

administratively complicated. More importantly, he feared that because of the necessity to safeguard the value of its bonds, the corporation might lend only to relatively good risks, thus subordinating social purposes to financial considerations in its credit policies. But even though direct appropriation was preferable, Tannenbaum thought Congressional and public opinion might support the creation of a bond-issuing corporation. As always, expense would be a major factor in Congressional thinking. A land program large enough to be effective would cost, in the committee's estimation, several billion dollars during the next few years. Congress would probably balk at such direct expenditures, whereas it might approve a mortgage bond program.[25]

The memoranda considered here at some length were important landmarks in the formation of tenancy legislation. When brought together, these documents reveal a broad concept of credit for land purchase, acquisition of implements and livestock, as well as money for production needs and even subsistence. Moreover, the credit would be combined with supervision of borrowers. Here can be detected the outline of a sweeping program of rehabilitation by means of promoting landownership, which the committee hoped could follow the passage of proper legislation.

During the first six weeks of 1935 the committee made numerous contacts with New Deal officials. On January 9 Embree met with AAA legal section chief Jerome Frank, Undersecretary of Agriculture M. L. Wilson and Calvin Hoover. Then Embree and Alexander met with Wallace. The Secretary seemed uninterested in their findings, but shortly

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[25]"Draft Program for a New System of Land Tenure," FT.

afterwards put them in touch with Rexford G. Tugwell and L. C. Gray, the Department's land use expert.[26]

Meanwhile, Tannenbaum achieved a close working relationship with the departmental establishment. He conferred with Wilson and discovered that he and the undersecretary "talk[ed] ultimately the same language on basic issues." Wilson, after hearing Tannenbaum's proposal, volunteered to sound out William I. Myers, Governor of the Farm Credit Administration, about the possibility of purchasing foreclosed land from the FCA. Paul Appleby showed special interest in the memoranda Tannenbaum submitted to him and suggested that he take a desk in the Agriculture Department "to work at the problem from the inside." Tannenbaum accepted, and by February was working closely with Wilson and Gray to develop a bill.[27]

Also in January, 1935, the committee attempted to approach the President with its findings and plans. Alexander's contact with the White House was George Foster Peabody, an 83-year-old philanthropist and long-time acquaintance of Roosevelt's. Alexander knew Peabody mainly through the Interracial Commission's dealings with educational foundations; the Peabody Fund had been instrumental for years in uplifting public instruction for both races in the South. Peabody was sympathetic to efforts to deal with tenancy and agreed to broach the subject to Roosevelt.[28]

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[26]Embree to Alexander, January 8, 1935, CIC; COHC-Alexander, 381-84.

[27]Tannenbaum to Alexander, December 26, 1934, and to Alexander, Embree and Johnson, February 2, 1935, FT; Tannenbaum to Alexander, Embree and Johnson, January 11, 1935, FT and CIC.

[28]COHC-Alexander, 274. Peabody had introduced FDR to Warm Springs, Georgia, as a vacation and therapeutic center.

Alexander suggested that Peabody persuade the President to call a conference of the New Deal's highest administrators to consider the tenancy problem. Peabody considered this idea not "fitting" but offered to try to arrange an appointment with Roosevelt for Alexander and Embree. On January 10 Peabody sent an emphatic telegram to Marvin McIntyre, stating that Alexander and Embree had reliable new data on the breakdown of tenancy, as well as a policy proposal consistent with Roosevelt's general ideas as Peabody understood them from previous conversations. Peabody urged Roosevelt to see them.[29] For the moment the President was uninterested. He told McIntyre to suggest that the committee discuss the matter with Hopkins.[30] Thus the original effort to gain Presidential support for tenancy legislation failed.

With Tannenbaum's draft memorandum as a basis, and with guidance from Tannenbaum and Gray, a department lawyer, drafted a bill.[31] It was broadly drawn, to provide great latitude in dealing with tenancy. Senator Josiah Bailey of North Carolina, one of its enemies, later

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[29]Telegram, Alexander to Embree and Tannenbaum, January 10, 1935, CIC; telegram, Peabody to McIntyre, January 10, 1935, FDRL OF 1650 and CIC. The CIC copy indicates that the telegram was charged to Alexander and a copy sent to Peabody, suggesting that Alexander wrote it. The text of the telegram indicates that Peabody had discussed tenancy problems and Alexander's interest in them as early as November, 1934.

[30]White House memo attached to Peabody to McIntyre, January 10, 1935, FDRL OF 1650. Also attached is Hopkins to McIntyre, January 17, 1935, which indicates Hopkins met with Embree January 18. All available evidence indicates that Alexander did not have a private appointment with FDR to discuss tenancy until December, 1935, after he had become Assistant Administrator of the Resettlement Administration. See Alexander to Embree, December 5, 1935, CIC.

[31]COHC-Alexander, 390; Tannenbaum to Alexander, Embree and Johnson, February 2, 1935, FT; M. L. Wilson to A. R. Mann, April 12, 1935, NA RG 16.

complained that it was "as wide open at both ends as a barrel with both heads knocked out."[32] It provided for a government corporation authorized to issue $1 billion worth of federally guaranteed bonds. With the money it raised, the corporation could purchase and resell land to tenants on long repayment terms. Borrowers would pay an unspecified interest rate, intended to be as low as possible, depending on what the corporation had to pay to market bonds. The new agency could buy and resell farm equipment in the same manner. Eligible purchasers would be limited to tenants, croppers and laborers. The bill made no mention of the supervision of clients described in the committee's memoranda, nor did it even contain a clause preventing purchasers from alienating their land to speculators.[33] But the drafters had provided that the corporation would keep formal title until the tenant's debt was completely amortized. This feature would prevent alienation and give the corporation leverage for supervision to protect its loan.[34]

The bill had been written by February 3, but needed a sponsor. Tannenbaum originally thought of calling on Senator Theodore G. Bilbo of Mississippi but discarded the idea.[35] As early as mid-January, M. L. Wilson

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[32]Congressional Record, 74 Cong., 1st sess., April 22, 1935, p. 6121.

[33]The text of the bill appears in pp. 1-5 of U.S., Senate, Committee on Agriculture and Forestry, To Create the Farm Tenant Homes Corporation, Hearings before a Subcommittee of the Committee on Agriculture and Forestry, on S. 1800, 74 Cong., 1st sess., March 5, 1935. Hereafter cited as Senate Hearings.

[34]Tannenbaum to Alexander, Embree and Johnson, February 2, 1935, FT.

[35]COHC-Alexander, 378; informal report by Alexander to the board of the Interracial Commission, April 16, 1936, CIC; Birmingham News, February 3, 1935.

had begun to sound out Senator John Hollis Bankhead of Alabama, who was then asked to introduce the bill. Bankhead had played no part in conceiving the measure, but agreed to present it.[36]

The bill's supporters knew that Bankhead's name was an important asset to its prospects of enactment. The Senator was an influential member of the Agriculture and Forestry Committee. Since the chairman of that committee, Ellison D. "Cotton Ed" Smith of South Carolina, was an ardent foe of the New Deal, the administration was accustomed to working with Bankhead on Southern agricultural matters. Bankhead was intimately connected with price parity policies. He had, of course, sponsored the Cotton Control Act of 1934, which increased the effectiveness of the AAA cotton program by adding to it an element of compulsion. With Roosevelt's authorization in 1933 he had also introduced the legislation which established the Subsistence Homestead Division in the Interior Department.[37]

Although the Senator was fundamentally conservative (Will Alexander once referred to him as a "bourbon"), he was committed to most New Deal policies. He had a reputation as an effective legislator when properly motivated. Alexander, who got along well with him, thought he was

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[36]Tannenbaum to Alexander, Embree and Johnson, January 11, 1935, FT and CIC; Alexander to Bruce Bliven, March 9, 1935, CIC. The first public disclosure that Bankhead would sponsor a bill was his conversation with the Washington correspondent of the Birmingham News. See the News, February 3, 1935.

[37]Bankhead to Harold Ickes, March 8, 1933, in the 1914-1939 file of the History Branch, Economic and Statistical Analysis Division, Economic Research Service, U.S. Department of Agriculture. Hereafter cited as USDA History Branch. See also Sidney Baldwin, Poverty and Politics, The Rise and Decline of the Farm Security Administration (Chapel Hill: University of North Carolina Press, 1968), 132-33.

pompous and vain. He later recalled that in his efforts to promote the bill he worked closely with the Alabamian. In this capacity, Alexander said, one of his contributions was that he flattered Bankhead and "massaged his ego" to encourage his efforts. At any rate, the bill met Bankhead's approval and when he introduced it on February 11, it "had become his idea."[38]

As he introduced the bill Bankhead had it referred to the Agriculture and Forestry Committee, and from there directly to a subcommittee headed by himself.[39] On February 15 he delivered a radio speech from Washington, outlining the bill and stating that its intention was to check the increase of tenancy, open home ownership opportunities to tenants, and lessen the waste of soil resources by retirement of submarginal lands. He added that establishment of farm communities was not contemplated.[40]

The proponents of the bill were optimistic about its chances. Tannenbaum informed Charles S. Johnson that, while the bill lacked certain desirable features, it was "satisfactory" and "a good start." In the Agriculture Department M. L. Wilson, still the main contact with Bankhead, assumed the position of coordinator of efforts in the bill's

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[38]COHC-Alexander, 585, 597-98; informal report by Alexander to the board of the Interracial Commission, April 16, 1936, CIC. Baldwin, Poverty and Politics, 132, has a good description of Bankhead as "one of that breed of southern politicians in the 1930's who helped bridge the gap between the conservative agrarian ideals . . . of an age that was dying, and the new needs of a changing South . . ." and who could "balance his allegiance to a conservative southern constituency . . . [with] the liberal goals of the New Deal."

[39]Congressional Record, 74 Cong., 1st sess., February 11, 1935, p. 1782.

[40]Typescript of radio speech by Bankhead, February 15, 1935, CIC.

behalf. L. C. Gray began arranging favorable testimony for Congressional hearings, expected within a few weeks.[41]

During February, 1935, there were two incongruous developments within the Agriculture Department. On February 5 Jerome Frank and other liberals in the AAA legal section were fired in the dispute over sharecropper policy. But at the same time a tenancy bill had been prepared within the department and was about to be introduced in Congress by Bankhead. Thus while the AAA tried to rid itself of the tenancy issue and succeeded only in arousing more controversy, others in the department were developing legislation which they expected to contribute to the elimination of tenancy and poverty.

The Bankhead bill was not an administration measure at first. It was written and introduced without Roosevelt's direct knowledge, indeed he had avoided Peabody's and Alexander's attempt to familiarize him with their general program. At a press conference two days after the bill's introduction the President was asked to comment on it. He declined, saying that he had only read about it in the newspapers.[42] Roosevelt's interest had been aroused, however. By February 15 he had received copies of the bill, and on that date he directed a memorandum to Hopkins and William I. Myers of the Farm Credit Administration, asking their opinions of it.[43]

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[41]Tannenbaum to Johnson, February 26, 1934 [1935], Johnson papers; Gray to Carl C. Taylor, March 2, 1935, NA RG 145.

[42]FDR Press Conferences, V, 106. Press conference 183 (White House, February 13, 1935).

[43]FDR to Hopkins and Myers, February 15, 1935, FDRL OF 444.

Myers' reply to the President, written after consultation with Hopkins, was unfavorable. His argument was intended to forestall any new rural credit agency. He contended that the proposed corporation would duplicate credit facilities of both the FCA and FERA rural rehabilitation, especially since Congress was considering liberalization of FCA loan procedures. Myers also asserted that since most good lands in the South were already being worked by tenants, little acreage was available, and the only hope of relocating the landless was to divide some present farms into subsistence homesteads in proximity, if possible, to local industries. Finally, he thought the proposed corporation was "too narrow," presumably because the bill did not mention supervision of borrowers.[44]

Myers, probably with Hopkins' concurrence, proposed an alternate plan. He recommended that funds from the pending Emergency Relief Bill of 1935 be used to develop a coordinated program in which rural rehabilitation would provide credit and supervision for a greatly increased number of clients, while the newly liberalized FCA financed the most able and risk-worthy tenants in farm ownership.[45]

Just after the bill's introduction, its most active supporters in the Agriculture Department optimistically began considering what administrative procedures could be developed under the legislation. Wilson asked Gray to outline the major possibilities. Gray replied that he saw two alternatives. The first was a simple credit policy in which tenants would receive loans and perhaps some expert advice on land

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[44]Myers to FDR, March 1, 1935, FDRL OF 503. [45]*Ibid.*

selection. Gray said that this approach had been carefully considered and discarded because it "would not add much to the solution of the tenant problem." He noted that the FCA already sought legislation to permit it to lend up to 75 per cent of the value of real estate at low interest on an amortization plan. But a program no more liberal than that would help few Southern tenants. On the other hand, a more favorable extension of credit could be justified only by the inclusion of such "paternalistic" elements as supervision of borrowers to protect the loan. This was especially true because a large proportion of Southern tenants had not reached the necessary level of competence to select, buy and manage small farms without considerable guidance.[46]

Gray's second alternative required more "intensive administration" than the first, and was a good example of the bill's architects' intention to stretch its general language into as broad a program as suggested in Tannenbaum's memoranda. The federal government should not merely lend money, but should acquire land, make basic farm improvements, and resell it through long term contracts which prohibited its alienation by the purchaser. The credit agency should safeguard its loan by supervising the borrower and requiring proper use of the land. Because the program was meant to promote the social and economic progress of the poor, Gray stressed that it should not be administered by customary banking methods which sanctioned loans only to good risks. Interest charges should be as low as possible. Care should be taken to avoid overloading clients with credit and debt; Gray thought the value of land and

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[46] Memo, Gray to Wilson, February 18, 1935, FT and USDA History Branch.

improvements sold to purchasers in the South should not exceed $2,500.[47]

Events would reveal that Gray and Wilson were overoptimistic in making administrative plans only one week after the bill's introduction. But their early thinking was significant, nevertheless. For example, they firmly rejected simple loan procedures such as Myers advocated to Roosevelt. They favored instead that combination of credit and guidance which was later basic to the Farm Security Administration tenant purchase program. Furthermore, as major contributors to the shaping of the bill, they saw in its general provisions enough flexibility to effect that combination.[48]

Wilson and Gray also anticipated some later problems of the FSA tenant purchase operations. They recognized that in the agency's efforts to reach the destitute and dependent political expediencies would probably compel the extension of aid to some farmers who were relatively well off and capable of self direction. Gray also saw that cost considerations would be politically important and therefore recommended a gradual expansion of the program, from total loans of about $15 million in the first year to some $250 million in the third.[49]

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[47] Ibid.

[48] Tannenbaum seems to have been even more optimistic about passage. Writing to Alexander, Embree and Johnson on February 2, 1935 (FT), before the bill's introduction, he declared that the next big objective must be to gain a hand in developing detailed administrative rules for the program. Johnson replied (February 7, 1935, FT) that although Tannenbaum was "refreshingly optimistic," he would settle for getting the bill through.

[49] Memo, Gray to Wilson, February 18, 1935, FT and USDA History Branch. To hold down costs, Gray proposed to lease some land from landlords with a government guarantee of rent and supervision of the tenant.

Throughout early 1935 the committee tried to generate support for the bill. Alexander, whose interracial work had given him access to liberal, business and philanthropic circles in the South, began by contacting influential acquaintances. He secured the support of his friend Edgar Stern, a wealthy New Orleans cotton broker and son-in-law of Julius Rosenwald. Stern then wrote to W. L. Clayton of Houston, head of one of the nation's largest cotton exporting firms, to encourage his interest. Alexander, meanwhile, talked with Peter Molyneaux, editor of an important farm journal, the Texas Weekly, and critic of crop restriction, who agreed to promote the bill among his readers.[50]

Whether by design or not, Alexander was drawing upon a major stream of opposition to the AAA in seeking support for the bill. Cotton brokers and allied editors like Molyneaux were interested in handling a large volume of cotton in international trade and had little personal concern for its price per pound. Therefore they opposed crop restriction. These men might have been disposed to support the Bankhead bill since it added further criticism of the AAA, which they disliked. Perhaps they reasoned that if the government promoted small ownership, and resolved the tenancy crisis, large planters could end sharecropping altogether and mechanize their operations. The government could then lift crop restrictions and the planters, free from furnishing responsibilities and fully mechanized, could plant unlimited acreages and still profit, even if prices dropped

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[50] Alexander to Tannenbaum, February 15 and 18, 1935, FT; Alexander to Johnson, February 18, 1935, Stern to Alexander, March 21, 1935, and Stern to Clayton, same date, CIC. See also Tannenbaum to Johnson, February 26, 1935, Johnson papers.

to 1932 levels. Meanwhile, the brokers and exporters could, by handling larger amounts of cotton, recapture world markets, lost since American cotton prices had risen under the AAA.[51]

Among others approached was Professor Herman Clarence Nixon of Tulane University; social scientist, student of Southern rural life, and one of the "Nashville Agrarians" of 1930. Nixon later became a significant advocate of the Bankhead legislation. The committee also contacted Clarence Poe of Raleigh, North Carolina, editor of the Progressive Farmer, probably the most influential farm paper in the South. Jonathan Daniels, editor of the Raleigh News and Observer, was sought out and found already favorable.[52] He had editorialized that because the new general "prosperity of agriculture makes an ugly irony of the tenant farmer on relief," North Carolina desperately needed the bill which, if it could succeed in "ending the procession toward peasantry in American agriculture . . . [would] be a bargain at a billion dollars . . ." and a major New Deal achievement.[53]

In seeking support for the measure the committee immediately determined that race should not be discussed unnecessarily. Johnson's research had shown that although large numbers of Southern blacks were

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[51]For a later argument that the Bankhead small ownership plan must be coordinated with revival of American exports, see Peter Molyneaux, "Displaced Tenants and World Trade," The Texas Weekly, October 12, 1935.

[52]Alexander to Tannenbaum, February 15 and 18, 1935, FT; Alexander to Johnson, February 18, 1935, CIC; Jonathan Daniels to R. B. Eleazer, March 22, 1935, and to George F. Peabody, April 16, 1935, Jonathan Daniels papers, Southern Historical Collection, University of North Carolina.

[53]Raleigh News and Observer, March 10, 1935.

desperately poor, tenancy was not exclusively or even predominantly a Negro problem. There were in the cotton belt, over 1 million white tenant families as compared to slightly less than 700,000 Negro tenants.[54] The committee had long since expanded its interest to include all the landless. Any public suggestion that the bill's chief purpose was to benefit Negroes could have repelled important supporters. Consequently, the committee resolved to stress landlessness as a serious economic problem and minimize race.

With this approach in mind, Tannenbaum suggested to Johnson that he ask the National Association for the Advancement of Colored People to contact influential northern friends in the measure's behalf. But he warned that this should be done discreetly or not at all. When the executive director of the Federal Council of Churches criticized the bill because it failed to include a specific ban on discrimination, Tannenbaum cautioned against direct mention of race. He considered nondiscrimination requirements ineffective anyway, he said, and thought it more realistic to rely on sympathetic administration of the program once the legislation was enacted. Tannenbaum also had little patience with open criticisms of the bill by prominent blacks. He privately complained that recent comments by John P. Davis of the National Negro Congress, concerning lack of a nondiscrimination clause, were "uninformed if not in bad taste."[55]

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[54]Charles S. Johnson, Edwin Embree, and Will Alexander, The Collapse of Cotton Tenancy (Chapel Hill: University of North Carolina Press, 1935), 4.

[55]Tannenbaum to Johnson, March 6, 1935, Johnson papers; George E. Haynes to Tannenbaum, March 15, 1935, and Tannenbaum to Haynes, March 18, 1935, FT.

In addition to influencing individuals, the supporters obtained endorsements for the bill from religious organizations. The Federal Council of Churches publicly favored it, but otherwise gave little support. Tannenbaum, through acquaintances in the Church hierarchy, secured more vigorous aid from the National Catholic Welfare Conference. Not surprisingly, the Interracial Commission also officially urged passage of the measure.[56]

Alexander likewise hoped to receive the backing of organized labor. To George Googe, Southeastern representative of the American Federation of Labor, and A. Steve Nance of the Atlanta Federation of Trades, he asserted that tenancy legislation would benefit industrial workers by alleviating poverty and reducing the great reservoir of cheap rural labor which continually dragged down Southern wage standards.[57] This reasoning also persuaded the AFL national leadership and on April 15 William Green announced that the federation was in "hearty accord" with the bill. The endorsement was unprecedented since the AFL had never taken a position on a measure not immediately affecting labor.[58]

Fully as valuable for the bill's future as all of the endorsements, however, was the neutrality of the American Farm Bureau Federation.

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[56]COHC-Alexander, 388; informal report by Alexander to the board of the Interracial Commission, April 16, 1936, and commission press release, April 26, 1935, CIC; Tannenbaum to Alexander and Embree, March 23, 1935, FT; Congressional Record, 74 Cong., 1st sess., April 16, 1935, p. 5755.

[57]Alexander to Embree, March 12, 1935, CIC; Alexander to Tannenbaum, March 12, 1935, FT.

[58]Tannenbaum to Alexander, April 13, 1935 and Charlton Ogburn to Bankhead, April 9, 1935, FT; New York Times, April 15, 1935, 6-L.

Alexander, then a novice in agricultural politics, quickly learned of the federation's power and of the apprehension in the Agriculture Department that it might oppose the bill. But in late March a relieved Tannenbaum reported that AFBF officials had agreed not to impede it. Alexander later recalled that the Farm Bureau could have blocked the legislation had it so desired.[59]

The supporters adopted the common lobbying tactic of forming a front organization to endorse their aims. During March and April they organized the National Committee on Small Farm Ownership. Its membership drew upon the bill's clerical support, Southern educators and journalists, Negro leaders, organized labor, and national farm organizations. Some of the participants were the Reverend John A. Ryan of the National Catholic Welfare Conference, Dr. Ivan Lee Holt of the Federal Council of Churches, Edgar Stern, Howard Odum, W. E. B. DuBois, President Robert R. Moton of Tuskeegee Institute, publisher Clark Howell of the Atlanta Constitution, farm editors Clarence Poe and B. Kirk Rankin, William Green and counsel Charlton Ogburn of the AFL, Birmingham industrialist Donald Comer, M. W. Thatcher of the Farmers' Union and the Grange's Louis Taber. Peabody accepted the nominal chairmanship. On April 19 the small ownership committee met in Washington, heard a speech by Bankhead and endorsed the bill. It also published a pamphlet outlining the measure.[60]

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[59]Alexander to Embree, March 12, 1935, CIC; Tannenbaum to Alexander and Embree, March 23, 1935, FT; COHC-Alexander, 585.

[60]Alexander to Johnson, April 10, 1935, Johnson papers; Alexander to Tannenbaum, April 9, 1935, and statement and membership list of the conference, April 19, 1935, FT; pamphlet, "Farm Tenancy--the Remedy. Twenty Questions Asked and Answered," n.d., copy in CIC.

While the bill was being developed, the Committee on Minority Groups in the Economic Recovery had not lost sight of the need for a report on the AAA's effects on tenants. Tannenbaum, who was supposed to produce it, lost interest in writing as he became confident of the bill's passage. Charles S. Johnson then assumed the task. In the meantime Embree arranged publicity for the forthcoming report. On March 21 the preliminary findings were released with much press coverage.

By mid-April Johnson finished a draft of the whole report. Alexander and Embree edited it and the result was a thin volume, The Collapse of Cotton Tenancy. This concise summary of the field studies of 1934 and other investigations of Southern rural life was factual and moderate in tone but firmly indicted the AAA. In the fall of 1935 it was published by the University of North Carolina press and is still recognized as the best brief survey of the tenancy crisis of the 1930's.[61]

Senator Bankhead wasted no time in starting the bill toward the Senate floor. He scheduled hearings for March 5, sooner than expected, catching Tannenbaum and Wilson by surprise. There was no time to call favorable witnesses from throughout the South, as Tannenbaum and Alexander had originally intended. The bill, not having been openly acknowledged by the President, could not be considered an administration measure. But Wilson and Gray had taken part in writing it and in the hearings the Secretary of Agriculture warmly endorsed it. This meant that the

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[61]Tannenbaum to Johnson, February 26, 1934 [1935], Johnson papers; Embree to William P. Beazell, February 4 and 15, 1935, Beazell to Embree, February 12, 1935, and press release, "Forward and Conclusion of a Study of Agricultural, Economic and Social Conditions in the South," March 21, 1935, CIC; COHC-Alexander, 391-92.

legislation had at least a measure of New Deal approval.[62]

In the hearings Wallace and Gray spoke for the Agriculture Department.[63] They took similar positions in favor of the bill. Both observed that tenancy was a problem of staggering magnitude and was becoming more widespread. Gray offered his opinion that the bill would be effective nevertheless, because it was aimed primarily at those regions where tenancy was most severe--a clear indication of its Southern orientation.

Both Wallace and Gray presented the same analysis of the causes of poverty in the rural South. They stated that it resulted from the deterioration of the tenancy and credit system since the World War. This decline had had multiple causes. For one thing, cotton production was steadily becoming mechanized as more tractors were introduced into the Southwest and the alluvial plains. Meanwhile, the Southeast had special problems. It suffered from the competition of fertile trans-Mississippi areas which grew cotton at minimum cost. Soil exhaustion, erosion and depletion of timber resources were additional hardships in the eastern cotton belt. In addition, Wallace emphasized that the unfavorable price situation since World War I had impaired the ability of landowners and supply merchants to continue furnishing tenants. Moreover, some Southern rural laborers had been attracted to industrial centers before 1929, only to come streaming back to the country as unemployment increased, adding themselves to the rural labor surplus.

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[62]Tannenbaum to Johnson, March 6, 1935, Johnson papers.

[63]Unless otherwise cited, the following discussion is taken from Senate Hearings. Wallace's testimony appears in pp. 5-14, and Gray's in pp. 14-28.

All these conditions, the officials stressed, meant that displacement of tenants was already a severe problem when the New Deal began. Both Gray and the Secretary admitted that crop controls had made the situation worse. But they maintained that the presence of federal relief had also undermined furnishing by encouraging landlords to dump their workers on the public rolls during slack seasons. Gray went so far as to assert that relief had regrettably become an integral part of the cotton belt's labor system. But even though crop restriction and relief aggravated the general situation, neither the AAA nor any relief program, in their opinion, could come to grips with the breakdown of tenancy. Indeed, Gray noted, despite attempted safeguards, the more favorably drawn the cotton contract was for tenants, the more inducement there was for landlords to displace them and avoid dividing benefit payments.

Similarly, the FCA could not deal adequately with the situation because its credit policies were insufficiently liberal. Gray emphatically declared, as he had earlier to Wilson, that no effective tenancy program could be conducted by the banking standard of lending only to proven good risks.

The solution, then, was the policy of the Bankhead bill, which Wallace expected to reverse the unfavorable trends and start large numbers of farmers toward ownership. For maximum effectiveness, he thought, the program should include guidance in land selection and management advice for clients. Special care should be taken to insure that the tenants' new farms would be sufficient to provide them with adequate cash incomes.

A careful reading of Wallace's and Gray's testimony suggests the reasons they considered the Bankhead bill judicious public policy. Wallace, obviously referring to the Southern Tenant Farmers' Union, remarked that current conditions in the South provided a fertile field for "socialist and communist agitation" which he deplored. However, the remedy for this was not suppression of radicalism, but making possible ownership opportunities for the dispossessed.

Secondly, the legislation was based to a certain extent on observations of successful foreign land reforms. The original bill's statement of purpose referred to creating a "democratic system of land tenure" in "accordance with the example of many other civilized countries." Tannenbaum was thoroughly familiar with these examples and used his knowledge of Mexican land redistribution in shaping the bill. More importantly, the authors of the bill had been interested in the small land ownership programs of Europe, especially those of Ireland and Denmark. Those countries, since the late nineteenth century, had virtually eliminated tenancy by aiding farmers to purchase land. The architects of the Bankhead bill considered those precedents significant and Peabody's National Committee on Small Farm Ownership also stressed them.[64]

In the hearings, Wallace, Gray and other witnesses quoted at length from European policies. The Secretary traced his knowledge and approval of these foreign programs to 1912, when he had been part of a Congressionally-sponsored delegation which traveled to Europe to study systems of land tenure, rural credit and cooperative enterprise. Other American farm leaders, including Clarence Poe, had also been members of the delegation. That tour left a significant impression upon those who were part of it, and upon that generation of agriculturalists generally. Many of

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[64]M. L. Wilson to A. R. Mann, April 12, 1935, NA RG 16; "Farm Tenancy--the Remedy . . . ," n.d., CIC.

them, like Wallace and Poe, approved the Bankhead bill partly because they saw in it an American version of those European programs they admired. They also regarded it as an extension to poorer farmers of benefits like those of the most significant outgrowth of the European journey, the Rural Credits Act of 1916, which had established the federal land bank system, but which had aided mainly the more affluent producers.[65]

If the bill drew upon foreign precedents, it was even more consistent with the American family farm tradition. Wallace praised the wisdom of the nineteenth century homestead policy, but regretted that it had lacked safeguards to preserve the farmers' hold on his land and prevent the rise of tenancy. He thought the Bankhead bill would restore this sound traditional policy of family farming, but with the necessary protections. As a midwesterner, Wallace tended to see tenancy resulting from the loss of farms by small owners, rather than in Southern terms as a dependent condition in which masses of poor people had always found themselves. Gray observed that other nations had dealt with tenancy by one of three methods: accepting it and working for maximum security for tenants, reducing or eliminating it by promoting small ownership, or state tenancy as in the Soviet Union. He noted approvingly that the Bankhead bill was clearly an example of the second alternative, the one most in accord with American ideals.

Probably the most important reason that Wallace and Gray found to support the bill was that it was not contrary to their main agricultural policy. Among its stated aims was that of "contributing to agricultural

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[65]Senate Hearings, 73-75.

adjustment."[66] Wallace declared that the legislation would start an evolutionary trend toward ownership, and at the same time complement the AAA and aid national recovery. In other words, the bill promised an ultimate solution to intolerable rural poverty which the AAA had admittedly aggravated, but would necessitate no changes in the parity policies to which the whole administration was committed. Its great virtue was that it offered a plausible plan for the relief of poverty without directly implying criticism of the New Deal or the Department. For this reason it was not coincidental that some of the most ardent advocates of the bill, notably Bankhead himself, were also staunch supporters of general administration farm policy.

Finally, Gray suggested that prompt action on the bill was desirable because the time was ripe for it. The year 1935 was an opportune moment for poor men to buy farm homes because, he said, land prices were still at low depression levels, whereas crop prices, upon which the earning power of the land was based, were increasing.

Bankhead's subcommittee heard more favorable testimony from Lawrence Westbrook, editor B. Kirk Rankin of the Southern Agriculturalist of Nashville, rural sociologist C. Horace Hamilton, Carl C. Taylor, southeastern director of the AAA Land Policy Section, and Hugh MacRae, the North Carolina promoter of farm colony schemes and crop diversification. Clarence Poe endorsed the bill by letter. The subcommittee received this evidence and then adjourned, having met for only one day.[67] Later,

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[66] Senate Hearings, 1. Text of the bill.

[67] Ibid., testimony of Westbrook (41-48), Rankin (33-37), Hamilton (37-41), MacRae (48-67), Taylor (67-71) and letter from Poe (73-75).

March 13-17 and April 16, the House Agriculture Committee conducted brief hearings on a companion bill sponsored by its chairman, Marvin Jones of Texas.[68]

Shortly after the hearings the President's influence was felt for the first time in these matters. Sometime just before March 22, Bankhead, Jones and Hopkins met with Roosevelt to discuss differences between the Senate and House versions of the bill and the relief administrator's views on tenancy policy.[69] There may have been considerable contention in the meeting. Hopkins' presence along with certain later developments, suggests that one topic of discussion may have been which agency should administer a new tenancy program. Possibly Hopkins pointed out that the pending relief bill specifically authorized farm purchase loans. He may have argued that the credit should be extended through the FERA rural rehabilitation program.

Whatever the dissensions, Roosevelt was noncommittal. He merely requested the three to meet privately and compose their differences. As a result of this suggestion a compromise was reached and Bankhead rewrote the bill.[70] On March 26 he introduced his revised measure (S. 2367).[71]

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[68]The House committee published no proceedings. Excerpts from the testimony are found in the appendix of Farm Tenancy, Hearings before the Committee on Agriculture, House of Representatives, 75 Cong., 1st sess., January and February, 1937. Hereafter cited as House Hearings, appendix.

[69]Charles B. Crow (Bankhead's secretary) to Hugh MacRae, March 28, 1935, papers of H. C. Nixon, in the possession of the Nixon family, Nashville. This letter and the one cited in note 74 suggest that others attended but that Tannenbaum, Wilson and Tugwell were not included.

[70]Ibid.; Tannenbaum to Alexander and Embree, March 23, 1935, FT.

[71]Congressional Record, 74 Cong., 1st sess., March 26, 1935, p. 4418.

There had been two substantive revisions. In the original bill the Secretary of Agriculture could appoint and remove the directors of the land buying corporation and conduct all its operations. In the new version it would be completely independent of the Agriculture Department and would be run by a board of three Presidential appointees, with the Secretary of Agriculture and Governor of the FCA serving ex officio. The other change was in the corporation's initial financing, necessary before it could begin to issue bonds. The old bill provided for a capital stock of up to $100 million drawn from the funds of the Reconstruction Finance Corporation. The new bill allowed the President, at his discretion, to transfer $50 million from the 1935 relief appropriation to vitalize the corporation.[72]

These changes caused apprehension among the bill's advocates. Tannenbaum thought them unsatisfactory and Tugwell and M. L. Wilson agreed. They decided, however, to continue pushing the bill and to work for restoration of its old form later. Their greatest concern was the possibility that the revised measure would give control of the tenancy program to the FERA, which they already considered inadequate for fundamental land redistribution. Tannenbaum wrote Alexander that due to the recent changes "Colonel Westbrook might steal the show."[73] Indeed, the compromise among Bankhead, Jones and Hopkins, by removing the corporation from Agriculture

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[72]The text of S. 2367 as passed is in Congressional Record, 74 Cong., 1st sess., June 24, 1935, pp. 9958-60. Bankhead's analysis of the changes is in ibid., April 16, 1935, pp. 5748-59.

[73]Tannenbaum to Alexander and Embree, March 23, 1935, and to Alexander, March 30, 1935, FT.

Department control and making its initial financing dependent upon Roosevelt's discretionary use of relief funds, left the door ajar for possible administration of tenancy matters by the FERA. These concerns were further increased by the fact that in early 1935 federal relief policies were being completely renovated.

In January, 1935, Roosevelt had proposed the Emergency Work Relief Bill and asked Congress for nearly $5 billion, the largest peacetime appropriation in American history to that time. The pending measure would give the President broad discretion to allot and spend the money. Under these circumstances it was not surprising that all agencies concerned in any way with relief or economic recovery developed claims on the anticipated revenues and sought to prevail upon Roosevelt to channel money to their programs. The best example of this was the rivalry between Hopkins and Harold Ickes of PWA for the lion's share of the appropriation.[74]

This unprecedented spending bill was actually part of Hopkins' plan for general reorganization of federal relief. He proposed to return to the states responsibility for care of unemployables--those who needed public assistance even in normal times--while the federal government enrolled those who were jobless because of the depression in a new national work relief program. The third element in Hopkins' plan was rural rehabilitation, which many in the FERA thought should help clients acquire land. If no changes were made that program would continue as

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[74]William E. Leuchtenburg, Franklin D. Roosevelt and the New Deal (New York: Harper and Row, 1963), 124-25.

part of FERA or a successor agency and receive an allocation from the relief appropriation.[75]

In February, 1935, during debate on the relief bill, there were specific suggestions that part of the money could be used to extend loans to tenants and croppers for purchase of land and farm equipment. On February 18 the Senate approved an amendment by Senator Richard Russell of Georgia,[76] which stated that,

> Funds made available by this joint resolution may be used, in the discretion of the President, for the purpose of making loans to finance . . . the purchase of farm lands and necessary equipment by farmers, farm tenants, croppers, or farm laborers. Such loans shall be made on such terms as the President shall prescribe and shall be repaid . . . as the President may determine.[77]

In support of his amendment Russell said that its intent was to promote home ownership for the landless and to reach those not then eligible for FCA credit.[78]

The debate on the Russell amendment indicated that the President could determine how much, if any, relief money should be used in this manner and could also designate which agency should spend it.[79] This was recognized in subsequent debate on the Bankhead bill which, as revised, permitted the President to transfer $50 million from relief funds, consistent with the Russell amendment, to the proposed Farm Tenant Homes Corporation to initiate its program. But, as Bankhead admitted, the President would not be compelled to make the transfer and vitalize the corporation. Thus, Roosevelt would have complete flexibility under both

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[75]Hopkins press conference, December 27, 1934, FDRL OF 444.

[76]Congressional Record, 74 Cong., 1st sess., February 6, 1935, p. 2104.

[77]Ibid., 2099. [78]Ibid. [79]Ibid., 2099-2101.

the relief act and the Bankhead bill, to use part of the $4.8 billion appropriation for tenant purchase loans by assigning the money to the FCA or the Farm Tenant Homes Corporation, or by leaving it with the FERA.[80]

How seriously Westbrook tried to "steal the show" cannot be easily determined. On April 16 he appeared before the House Agriculture Committee in support of the House companion to the Bankhead measure. He stated that there was a great opportunity to harmonize the bill with the recently passed relief act. He noted that FERA had bought land on an experimental basis and had leased about 1 million acres with an option to buy. Passage of the Bankhead bill would provide funds for settlement of that land by tenants. At the very least Westbrook thought that any tenant purchase loan plan should be coordinated with his FERA program.[81]

Not only was the federal relief system being reordered in the spring of 1935, but a new administration related to agriculture was also being formed. In part this development was due to Tugwell's dissatisfaction with the Agriculture Department and his dwindling influence within it. The AAA purge was a turning point for him. By February 21 he was reported to be considering the alternatives of remaining with the department, resigning from government service altogether, or seeking to form an agency of his own. He became increasingly interested in the latter course.[82]

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[80] Ibid., April 16, 1935, pp. 5750-51.

[81] House Hearings, appendix, 323-339.

[82] Bernard Sternsher, Rexford Tugwell and the New Deal (New Brunswick: Rutgers University Press, 1964), 264.

Tugwell's general complaint against the Department was that it did too little about poor land and needy people, which he regarded as two aspects of the same problem. Alexander recalled that Tugwell perceived the basic American agricultural problem as haphazard and unscientific use of land. He was convinced that most of the rural poor were in their deplorable condition because they were located on marginal lands, trying to scratch livings from acreages never suited to farming in the first place. Later he stressed to Roosevelt that "It is poor land which makes poor people, usually. . . ." Tugwell had accepted production control as an emergency measure to reduce surpluses. But the permanent answer to farm problems was better land use under government planning and relocation of those on submarginal acres.[83]

As early as August, 1934, Roosevelt and Tugwell had discussed these matters and the President had mentioned the possibility of establishing by executive order an agency for coordinated land planning and retirement of submarginal land from agriculture. By late March, 1935, after the crisis in the AAA, Tugwell had apparently persuaded Roosevelt to establish such a new administration by consolidating several existing activities into two general programs of suburban resettlement and land utilization.[84]

These two programs were those Tugwell was most eager to direct. He had no compelling interest in community projects, rural rehabilitation as conducted by the FERA, or tenant purchase loans. Of all the components which would soon make up his Resettlement Administration he wanted

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[83]Sternsher, Tugwell, 262; COHC-Alexander, 266, 432. The quotation is from Tugwell to FDR, n.d. [November, 1936], FDRL PSF, Agriculture: Tugwell.

[84]Sternsher, Tugwell, 264-65.

experimental communities least.[85] Likewise he considered rehabilitation not of fundamental value because it was not centered around improvement of land use. As for the policy of small ownership loans, Alexander remembered that, regarding his and Tannenbaum's efforts for the Bankhead bill, Tugwell "thought we were a lot of amateurs who would pretty well mix things up anyway. . . . He never thought much of what we were doing."[86]

Rural rehabilitation, the FERA communities, and the small ownership ideas of the Bankhead bill were, however, unavoidably related to the very core of Tugwell's concerns. Coordination of all these programs would be necessary. Removal of submarginal land from cultivation, for instance, raised the problem of resettling, either in new communities or on more fertile individual small farms, the people who had resided on the poor acres. Federal encouragement of scientific land use obviously could not progress far in the South's soil-mining, land-ruining tenancy system. And if Tugwell believed that poor land produced poor people, some rehabilitative process seemed an appropriate part of land use planning. At the same time, massive programs of rural rehabilitation or sale of farms to tenants could, if not coordinated with the new agency, actually interfere with federal guidance of land use.

Tugwell concluded that the new administration would have to be more inclusive than he originally planned. Rural rehabilitation (and its funds under the relief act) and tenant purchase loan activities might have to be attached to the new agency. As Alexander remembered it,

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[85] Ibid. [86] COHC-Alexander, 387, 653.

the Undersecretary began to see the Bankhead bill as another approach to what he wanted to do. Accordingly, Alexander thought, Tugwell determined to "take us into camp" in order to get "everything under one tent."[87] On March 26 the New York _Times_ reported that Tugwell would head a new program which could be expected to include rehabilitation.[88]

Nevertheless, Tugwell was still reluctant to assume responsibility for rehabilitation or land purchase loans unless he could find a subordinate to take charge of those functions. At this point he turned to Alexander. In late March he telephoned Alexander in Atlanta and broached the subject. Alexander was taken by surprise but agreed "at Tugwell's earnest request" to come to Washington to discuss the matter. In Washington Tugwell asked him to oversee tenancy and related affairs for the projected agency, but not even the Undersecretary was precisely sure what would be included in the program.[89]

It seems clear that they discussed rehabilitation. Alexander was, by that time, becoming known as an advocate of the rehabilitation concept. This had not always been his position. As late as January, 1935, he had criticized the FERA program because it cared only for those on relief, while ignoring dispossessed tenants not on the public rolls. He also thought the relief administration was "temporizing" because it usually arranged for its clients to rent land, whereas an effective policy would aim for small ownership. The FERA was also guilty of approaching tenancy

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[87] _Ibid._, 396-98. [88] New York _Times_, March 26, 1935, 1.

[89] Alexander to Embree, April 1, 1935, CIC; personal interview with Arthur Raper, Oakton, Virginia, December 27, 1969. Raper was in Alexander's office when Tugwell called.

problems with a "relief psychology."[90] Moreover, Alexander had long thought that the practical procedures of relief were shot through with racial discrimination. Because of these shortcomings he had dismissed FERA's efforts as inadequate.[91]

But Alexander had recently been converted to the rehabilitation idea. In February he informed Tannenbaum that he had become a member of the board of directors of the Georgia rural rehabilitation corporation. He had become actively involved in the board's work, had observed the program, and concluded that while it was imperfect, much could be accomplished through its methods.[92] Significantly, Alexander was beginning to see rural rehabilitation and promotion of small ownership as complementary policies.

Tugwell and Alexander also discussed the possibilities of financing tenant purchase loans with relief funds. Tugwell was aware that the Russell amendment to the relief act would permit the transfer of money for that purpose to his new administration as easily as to any other, provided he could persuade Roosevelt to order the change. After lengthy discussion, however, Alexander concluded that such prospects were too problematical to warrant his final commitment to Tugwell. But he agreed to discuss the Undersecretary's proposal later, preferably after the presently expected passage of the Bankhead bill. Alexander then returned

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[90]Alexander to Embree, January 8, 1935, CIC.

[91]For examples of Alexander's criticism of racial discrimination in relief, see his letters to James H. Dillard, May 18, 1933, and Clark Foreman, January 16, 1934, CIC.

[92]Alexander to Tannenbaum, February 18, 1935, FT; COHC-Alexander, 400, 653.

to Atlanta.[93]

Tugwell agreed in principle with the tenant purchase idea, but wanted to insure its co-ordination with the policies of his new agency. He wanted it under his direction only if Alexander administered it, but was otherwise uninterested. For this reason Tugwell may not have been pushing the Bankhead bill with full vigor. Aware that relief funds might be channeled to his program, he had assured Tannenbaum that even if the Bankhead bill did not pass, a considerable amount of tenant purchase loan work could still be accomplished under his auspices.[94] Later in 1935, after the Resettlement Administration had been established, Tugwell reportedly gave only qualified support to the Bankhead bill, preferring that it not pass unless it could be administered by the RA.[95]

Having failed initially to persuade Alexander, Tugwell sought to reach him through Tannenbaum. He told Tannenbaum he wanted Alexander to conduct a tenancy program under him and that, while Tugwell would "be the boss," Alexander would have policy making power to the extent that he could influence his superior. Tannenbaum wrote to Alexander that, although the decision was his, "that you must not forego an opportunity to influence the tenancy program through a direct inside pressure seems

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[93]Alexander to Embree, April 1, 1935, CIC.

[94]Tannenbaum to Alexander, April 4, 1934, FT. Tugwell probably stretched this point. Any tenant purchase program he conducted in the RA would be limited by the amount of money he could obtain from the relief appropriation--and there were already many claims on those funds. On the other hand a program under the Bankhead bill would undoubtedly be larger in the long run because of the billion dollar bond authorization.

[95]Francis P. Miller to H. C. Nixon, November 30, 1935, National Policy Committee papers, Library of Congress. Hereafter cited as NPCP.

to me perfectly clear." Furthermore, Tannenbaum advised, "working with Tugwell you would probably find yourself having influence on a great many things that are close to your heart, and I should certainly want to see you give it a try, as occasions of this sort to influence major national policy directly don't come everyday to people like you, who have fought for the under dog most of their lives."[96] Alexander, soon to make his decision, was undoubtedly moved by such encouragement.

Thus in March and April, 1935, there was considerable confusion about the location of responsibility for programs affecting the South's rural poor. Uncertainty revolved about rural rehabilitation and the funds expended for it. That program could remain under Westbrook in the FERA, perhaps with expanded financing from the massive relief appropriation of 1935. Or, as Tugwell concluded, it could be transferred to the contemplated RA.

There was also some thought that rehabilitation could somehow be attached to the Bankhead measure. This notion may have arisen in part from the fact that the revised bill's title mentioned rehabilitation as one of its purposes. Tannenbaum and other supporters seem for a time to have been seriously concerned that the bill's emphasis would be diverted from the encouragement of small ownership. Tannenbaum even commended one Senator who declared that he would oppose the bill unless rehabilitation was ruled out of it. Bankhead, however, made clear that he did not think that the bill contemplated FERA-style rehabilitation, but merely sought

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[96]Tannenbaum to Alexander, April 4, 1935, FT.

an appropriation from those funds in the relief act.[97]

There was similar uncertainty about the administration of loans to tenant purchasers. The Bankhead bill proposed a corporation but left the initiation of its efforts to the President, who could decide whether to assign relief funds to it. By another choice Roosevelt could allow Westbrook to extend the loans. And Tugwell, as mentioned, may have wanted to tap the relief appropriation to carry out a loan program under RA, rather than enact the Bankhead bill. All this uncertainty prevailed as the Emergency Relief Act was passed on April 6 and as the Senate began debate on the Bankhead measure on April 16.

On April 24, 1935, Roosevelt announced that several existing programs would be consolidated into a Resettlement Administration headed by Tugwell. The autonomous RA would relocate individual families and larger groups affected by retirement of submarginal lands from agriculture, and would have charge of several types of rural and suburban planned communities, as well as the land planning undertakings which had been Tugwell's original concern. But the President stated that no decision had been reached as to whether rural rehabilitation would be included or remain with the FERA. However, Roosevelt regarded that problem as a "very small thing" which could be adjusted later.[98]

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[97]Tannenbaum to Alexander, April 5, 1935, and Charlton Ogburn to Bankhead, April 9, 1935, FT.

[98]FDR Press Conferences, V, 235-36. Press conference 198 (White House, April 24, 1935). The consolidated agencies included the USDA Land Planning Division, AAA Land Policy Section, all land planning functions of the National Resources Board, the Interior Department's Subsistence Homesteads, and the FCA's farm debt adjustment program.

Since the full dimensions of the RA were still undefined, Tugwell redoubled his efforts to persuade Alexander to administer a tenancy program under his auspices. On the day after the President's announcement, Tannenbaum wrote to Alexander of his latest discussion with the Undersecretary:

> I have just talked to Tugwell, and I said to him, "Tugwell, are you going to get all rural rehabilitation or just [FERA] communities? For mercy's sake don't take the communities alone." To which he replied, "If I took the whole thing, will Alexander come up and help? That is one thing that is bothering me." I said, "Yes, if you take the whole thing Alexander will have to come up and help . . . ." He said, "Well, I am glad to know that. I will let you know."[99]

Thus Alexander's commitment would help determine the scope of the RA. He later said that he became Assistant Administrator because it seemed the best way to "get Rex interested in the rehabilitation program. . . . I thought it was awfully sound. . . . I wanted to help save that if I could. . . ."[100]

The decision on rural rehabilitation was made almost immediately after Roosevelt's press conference and Tugwell's conversation with Tannenbaum. On April 25 the New York Times reported the President's announcement of the formation of the RA, and stated that it would definitely include rehabilitation.[101] On the following day Tannenbaum heard from a reliable source close to Westbrook that the program was being moved to the RA.[102] On April 27 Roosevelt created by executive order, the Works

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[99]Tannenbaum to Alexander, April 25, 1935, FT.

[100]COHC-Alexander, 653.

[101]New York Times, April 25, 1935, 1.

[102]Tannenbaum to Alexander, April 26, 1935, FT.

Progress Administration, the work relief agency which replaced the FERA.[103] Four days later, on May 1, he established the RA by another proclamation. The new organization included all of rural rehabilitation except for a few FERA communities transferred to the WPA.[104]

Before the middle of May Alexander was in Washington, committed to working with the RA. For several weeks he did not officially take any office, but devoted half his time to running rural rehabilitation under the RA and the rest to lobbying for the Bankhead bill. There was still great uncertainty in his mind, and Tugwell's, about what could be done to buy land and resell it to tenants through the RA, using relief money. At the end of May they were still awaiting a ruling on that point from the Comptroller General.[105]

Under these circumstances Tugwell and Alexander not only contemplated land purchase and tenant loan activities within the RA but also continued to work for passage of the Bankhead bill. Just after his arrival in Washington Alexander reported to Embree and Johnson that despite setbacks in the Senate, he and Tugwell thought chances for enactment were good, and besides, the President was understood to be sympathetic.[106] Tugwell seemed satisfied, for the time being, with the inclusiveness of the RA and therefore supported passage of the bill. At the time the RA was established, Tannenbaum had told Alexander that "we can count on

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[103]New York Times, April 27, 1935, 1.

[104]Ibid., May 2, 1935, 1.

[105]Alexander to Embree and Johnson, May 27, 1935, and Alexander's report to the board of the Interracial Commission, April 16, 1936, CIC.

[106]Alexander to Embree and Johnson, May 6 and 27, 1935, CIC.

Tugwell's straight support for this measure after this."[107] Actually, Tugwell's attitude was probably that which he expressed later in the year: that the bill should pass but only after being changed in the House to eliminate the independent corporation and place administration of tenant loans under the RA.[108] Roosevelt's views in the spring of 1935 were reputed to be similar, except that he preferred to have the program conducted by the Agriculture Department.[109]

Of more importance than these administrative problems, however, was the emergence of a concept within the RA; namely that the functions of that agency, including rural rehabilitation, could be combined with the small ownership aims of the Bankhead bill to produce a concerted attack on rural poverty. At the time of the formation of the RA, Tannenbaum had remarked to Tugwell that if in addition "we get the bill through . . . we will have a swell instrument," and Tugwell had agreed.[110] And as Alexander began working in Washington he considered that his purpose was to help manage the new administration in such a way as to "lay foundations for the program contemplated under the Bankhead bill."[111]

When the RA acquired rural rehabilitation from the FERA it moved directly and deeply into the problem of rural poverty. This is at least evident in retrospect since rehabilitation became the RA's largest

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[107] Tannenbaum to Alexander, April 26, 1935, FT.

[108] Francis P. Miller to H. C. Nixon, November 30, 1935, NPCP.

[109] Alexander to Embree and Johnson, May 6, 1935, CIC.

[110] Tannenbaum to Alexander, April 25, 1935, FT.

[111] Alexander to Embree and Johnson, May 27, 1935, and report by Alexander to the board of the Interracial Commission, April 16, 1936, CIC.

single operation. At the same time, as Tugwell secured the services of Alexander, a major architect of the Bankhead legislation, it is not too much to say that there occurred a coalescence of the small ownership objective and the rehabilitation idea. The close association of those two policies would be perfected during the summer and fall of 1935 and from that juncture would emerge the basis of the Farm Security Administration of 1937. Thus the general outlines of the FSA were present in the minds of the RA's administrators in the spring of 1935.

However, the obvious missing step which had yet to be taken was enactment of the Bankhead legislation. And in the meantime that bill had encountered heavy attack in the Senate.

CHAPTER VI

THE BANKHEAD BILL IN THE SENATE, 1935

The Bankhead tenancy bill was introduced in the Senate on February 11, 1935, and brief hearings were held on March 5. Then, because of differing opinions as to which agency should administer a tenant purchase loan program, the measure was redrafted, with the encouragement but not the supervision of the President. The new version was introduced on March 26 and referred to the Agriculture and Forestry committee, which reported it favorably on April 11. On April 16 the majority leader, Joseph T. Robinson of Arkansas, brought the bill to the floor for debate.

The revised legislation provided for an independent Farmers' Home Corporation with an executive board of three presidential appointees, and the Secretary of Agriculture and the Governor of the Farm Credit Administration as *ex officio* members. The President could, at his discretion, vitalize the agency by providing from the 1935 relief appropriation $50 million of initial capital. Once in operation, the corporation could issue $1 billion worth of federally-guaranteed bonds and use the proceeds to buy land, farm equipment and livestock for resale to tenants, sharecroppers and laborers on liberal credit terms.

The debate which began April 16 lasted only until the twenty-fourth, when the bill was temporarily returned to committee. Discussion did not resume until June 21, but the Senate passed the legislation three days later. During the three months of intermittent debate Bankhead and Robinson were the chief advocates of the bill, with substantial help at times from Senators Robert LaFollette of Wisconsin, George Norris of Nebraska and Hugo Black of Alabama. They explained the measure, urged its passage and fended off most of the assaults of its enemies. Their interpretations of the legislation, scattered through the Congressional Record, reveal their perception of poverty and their ideas of what should be done about it.

Bankhead and Robinson, partly because of their own inclinations, but also in an effort to win support from conservative colleagues, stressed the moderate nature of the proposal. Bankhead emphasized that it did not propose directly to spend $1 billion, but would establish a self-liquidating credit program in which nearly all of the money loaned would be recoverable. Furthermore, the extension of aid would be selective. LaFollette observed that the bill not only provided for present tenants, but also for those who had lost their places on the land and were unable to make even sharecropping arrangements. Bankhead agreed, but reiterated that priority would be assigned to those who were, or recently had been, tenants, croppers or laborers, and that preferred applicants would have to have families, "good character" and farming experience. The intention was to aid those "who have had that sort of experience which would lead us to believe they are more likely to be able to retain ownership." In other words, credit was meant for those who were relatively good risks.[1]

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[1]Congressional Record, 74 Cong., 1st Sess., April 16, 1935, 5751, 5754.

Early in the debate Bankhead underscored the assumption that encouragement of small ownership was an adequate remedy for much of the nation's poverty. When one critic envisioned the corporation accumulating property and creating a "vast federal overlordship" of land resources, Bankhead assured him that the goal was widespread private land holding. "What we need is more individual home ownership," he declared. "We have 6,500,000 farmers in the United States, nearly half of them drifting from year to year, hunting a place to roost . . . at the end of the year. Farm ownership is what we need. . . . That is my philosophy. . . . I have looked upon this . . . as a program in favor of the under dog in agriculture." To Bankhead and those of like mind, credit for purchase of land and equipment was the major means of rehabilitating the poor.[2]

The original language permitted the corporation to "sell or lease" properties it acquired. So strong was the emphasis on private ownership, however, that Bankhead, at Robinson's urging, agreed that the word "lease" should be deleted. The majority leader apprehended that the bill might "put the government into the landlord business," and that some "wild-eyed person who might get on the board . . . [would] influence the corporation to embark upon a practice of leasing out lands to tenants and sharecroppers," all of which he thought inconsistent with the aim of ending tenancy through promoting small ownership. With the concurrence of Bankhead, Robinson and Norris, the measure was later amended to restrict leasing of land.[3]

The proponents moved quickly to quash any notion that they

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[2] Ibid., 5754.

[3] Ibid., 5758-9, 5762.

contemplated land redistribution through confiscation. When Senator William E. Borah of Idaho inquired whether the corporation would acquire property through eminent domain, Bankhead stressed that land would be obtained only through voluntary sale and invited Borah to submit an amendment to clarify the point.[4] Similarly, Bankhead and Robinson, in order to distinguish the bill from the Resettlement Administration program then being established, stated that there was no thought of a "general shifting of populations" in the process of settling tenants on new land of their own. Wherever possible the corporation would sell to those already working as tenants.[5]

Finally, the two advocates reassured those who supported price parity policies that the proposed program would comport with the AAA. Without mentioning any contemplated supervision of tenant purchasers, they indicated that the corporation would prevent its clients from expanding the production of those commodities which the AAA sought to control.[6]

Perhaps Robinson best expressed the bill's fundamental conservatism in a remark on June 22, just before its passage by the Senate. Responding to the apprehensiveness of Senator Thomas P. Gore of Oklahoma that the measure threatened the destruction of the South's existing land tenure system, the Majority Leader stated that he hoped that the measure would indeed destroy some of the features of Southern tenancy. But he added,

> I do not expect revolutionary results from this bill. . . . I think there are some who have an erroneous opinion as to what

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[4]*Ibid.*, 5751-2. [5]*Ibid.*, 5752. [6]*Ibid.*

> may be expected . . . who think it is contemplated that all persons who are not owners of homes shall be afforded an opportunity to acquire farm homes. Manifestly, that is . . . impracticable . . . . The object . . . is to afford a process of selection under which those who are believed to possess the capacity . . . to build and maintain homes may have an opportunity of doing so. . . .[7]

Although providing landownership opportunities for a large number of the most able tenants was a limited goal, the bill was, within the bounds of that purpose, broadly drawn. At the same time that the measure's advocates stressed its moderation, they also called attention to the potential breadth and flexibility of its coverage. They maintained that their tenancy program would be national in scope. Early in the debate Senator Vandenburg attempted to describe the bill as primarily useful for the South. Bankhead replied that while there was unquestionably great need in the South, the bill was by no means a proposal for the Cotton Belt alone. He claimed that it would be applicable in the West, the North Central states and the Plains region.[8] When another critic, Huey Long, questioned the efficacy of the legislation in reaching significant numbers of the poor, Bankhead estimated that, although the program would develop gradually, it could ultimately aid approximately 500,000 families with average loans of $2,000.[9]

In answer to suggestions that currently operating programs could meet the credit needs of landless farmers, the proponents pointed out

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[7] Ibid., June 22, 1935, 9917.

[8] Ibid., April 16, 1935, 5752. Despite statements of this type, there was a sort of underlying assumption that the bill's orientation was toward the South. Most of the examples which proponents and opponents gave in their discussions of how the program would work were taken from the Southern tenancy system.

[9] Ibid., April 22, 1935, 6135.

that the new corporation's lending policies were intended to be broader, and in fact fundamentally different, from those of the Farm Credit Administration, the most liberal of existing agencies. Robinson stressed that the FCA loaned only to those who had title to farms, thus excluding tenants from its benefits. It was also legally limited at that time to lending 50 per cent of the value of the land offered as collateral. But the new corporation would advance funds for the purchase of homesteads, lending, if necessary, 100 per cent of the land's price, and furnishing still more money for livestock and equipment. Robinson declared that arbitrary credit limits should be avoided because the "purpose of this act is to get genuine assistance to a class that has no resources, that can offer no security. . . ."[10]

Another example of the measure's adaptability was that it purposely placed no restrictions on the size or value of farms which the corporation could sell to clients. The advocates regarded this as essential to assure applicability of the program throughout the United States, since both land values and the definition of an adequate family-sized farm differed in each section, and since the corporation would have to be free to lend the full amount necessary in any area of the country.[11] Not surprisingly, this broad provision provoked criticism. Some saw a danger of extravagant extensions of credit. Senator O'Mahoney of Wyoming suggested that the corporation might consider that the "sky is

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[10] Ibid., April 16, 1935, 5751, 5757, 5761. See also April 22, 1935, 6129.

[11] Ibid., April 16, 1935, 5757, 5760-1. This lack of specific limitation had precedent in the practices of the federal land banks.

the limit" in its lending. Bankhead, underlining the bill's flexibility, replied "I think so . . . the sky and the cellar, both."[12]

The proposed agency was also expected to have broad enough power to protect clients in their new ownership. LaFollette stated that he understood that tenant purchasers would not be permitted to mortgage or alienate their lands. Bankhead agreed that such a policy was "fundamental." Later he explained that the corporation could prevent liens from being taken against the land by formally holding title until the purchaser had completely amortized his debt, which in many cases could be as long as sixty years.[13]

During the course of debate several amendments broadened the bill. One specifically safeguarded the purchasers' possession of their farms by stating that their land would be exempt, up to a value of $2,500, from encumbrances by liens, mortgages, or other debt obligations. Thus the prevention of alienation of land was made statutory, rather than an administrative procedure. Another change required that individual farms sold by the corporation be of a size and fertility and sufficiently stocked and equipped to enable purchasers to meet their obligations and maintain a "decent standard of living." A third important liberalization, introduced by LaFollette, provided for assistance by the agency to its clients in establishing cooperative associations.[14]

Throughout the debate, Bankhead and Robinson construed the bill narrowly and soft-pedalled its more innovative features, such as

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[12] Ibid., April 16, 1935, 5758. [13] Ibid., 5754-5.

[14] Ibid., April 23, 1935, 6194-5, 6207.

government initiative in purchase and resale of land, and loans for equipment and livestock. They said nothing about the supervision of borrowers which Tannenbaum and Gray had stressed in their memoranda. They presented the bill as a standard credit plan, modified to extend better terms to tenants who had no assets to offer as collateral. Even while they estimated that it would help large numbers, they admitted that it could not provide for all the landless. However, both Senators affirmed on several occasions the necessity of aiding a poorer class of farmers than the government then reached. Both probably recognized that the flexible provisions of the bill and its ample bond issue would permit considerable distribution of its benefits, especially in the hands of sympathetic administrators.[15] In fact, the measure was about as broadly conceived as a land purchase credit program could be. But its opponents made clear that it was also about as much as the Senate could be expected to approve.

The Bankhead bill was attacked in the Senate from three sides. One part of the opposition was made up of old guard Republicans such as Arthur Vandenburg of Michigan, L. J. Dickenson of Iowa and William E. Borah of Idaho, as well as conservative Democrats William H. King of Utah and Alva Adams of Colorado. A closely associated group included several Southerners who had already emerged as consistent anti-New Dealers: Josiah Bailey of North Carolina, "Cotton Ed" Smith of South Carolina, Virginians Harry Byrd and Carter Glass, and Thomas P. Gore of

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[15]For Bankhead's remarks on the need for sympathetic administration see *ibid.*, April 16, 1935, 5757, and for Robinson's observations see 5761.

Oklahoma. The third part of the opposition consisted of only one Senator, Huey Long of Louisiana, who was then challenging the administration from the left and whose emphasis differed from that of other opponents. Like the proponents of the bill, these critics revealed in their statements examples of current thinking on the causes of poverty and remedies for it.

Several Senators argued that tenancy was not a serious enough problem to warrant government action. Dickenson quoted with approval a South Carolina newsman who branded as a "false assumption" the proposition that tenant farming was an evil. According to this source, many farmers found it profitable to avoid ownership with its heavy payments for taxes, upkeep, insurance and the like. Josiah Bailey thought that landlords provided necessary security for sharecroppers and identified farm debt and lagging income as the major rural problems. "If we can find some way whereby we can get the farm income . . . above the present [level] . . . we shall not have a tenant problem, for they will be buying land," Bailey declared. Cotton Ed Smith informed his colleagues that because of overhead expenses the landlord was no better off than his tenants, and besides, "no thrifty, saving, provident individual has ever lacked the opportunity of owning his own farm. . . ."[16]

A second assertion was that lending money to tenants would create debt. Bankhead had maintained that sharecroppers buying land from the corporation would acquire equity while making annual payments no larger

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[16]*Ibid.*, April 22, 1935, 6128. Dickenson quoted an article by Stanley Morse from the Washington *Post*, April 21, 1935. Bailey's remarks appear April 18, 1935, 5942, and Smith's, April 22, 1935, 6126.

than the customary interest charges on goods advanced to them. But Bailey diagnosed the farm problem as one of excessive indebtedness and doubted that tenants could improve themselves by contracting obligations to a government agency. According to Vandenburg, the government was moving "too haphazardly" in extending credit. He equated the proposed program with those of the FCA, federal land banks, Commodity Credit Corporation, and emergency crop and seed loans as ways to get farmers into debt.[17]

Since the bill's proposed bond issue was very large, expense was another ground for criticism. Vandenburg, who had opposed the huge 1935 relief appropriation, complained that a small portion of that money, transferred to the corporation, would be used as a "springboard" for a supplementary billion-dollar program. He insisted that federally guaranteed bonds constituted a liability against the public credit. Others saw the bill as a continuation of an unwelcome trend of big expenditures. Bailey called the measure "the culmination of a process . . . of taking up to the Treasury one group after another of the American people," which had begun with the Reconstruction Finance Corporation's aid to business. Predicting that the government's credit would be ruined, he lamented that "we are victims of our own precedent . . . [of] 1932." Still others regarded the bill as an opening wedge for more spending as demand grew for expansion of its benefits. Byrd described it as "simply the beginning of many appropriations which must be made for the same purpose."[18]

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[17] Ibid., April 18, 1935, 5937, 5942.

[18] Ibid., 5937, 5942, 5947.

At times proponents replied vigorously to the expense argument. When Bailey maintained that the corporation, before providing loans, should determine the solvency of its borrowers, Hugo Black declared that in 1932 he had opposed the RFC bill for the very reason that it had proposed to lend millions to banks and businesses generally known to be insolvent. But, he indignantly observed, when legislation was suggested that would lend money to "the forgotten tenant farmers and sharecroppers, those little men, few of whom vote . . . who live upon the fringe and the border line of subsistence," cost considerations were raised.[19]

Several Senators wanted limitations placed on the amount loaned and the acreage acquired for individuals. Senator Gore thought the traditional 160 acre homestead should be the maximum unit. He sarcastically suggested that if purchasers could not be satisfied with that acreage, "then let Congress make provision for the imperial estates on which such tenants may be content." Gore also noted the lack of a statutory limit on the size of loans "to help poor tenant farmers, who in the vicissitudes of life have not been able to own one acre . . . where they could lay their heads and call it home. . . ." Because he thought these borrowers would be poor risks, he concluded that "it is difficult to take such a measure seriously." Accordingly, Gore and others made a strong effort to set definite figures ($5,000 and $15,000 were suggested) on the value of farms sold. Bankhead, Black and LaFollette managed to modify the critics' amendment so that the individual's credit could not exceed the value of an average-sized farm in his locality, as determined by the

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[19] Ibid., April 22, 1935, 6129-31.

1930 census.[20]

Very few constitutional arguments were advanced against the bill. However, Carter Glass contended that it was unconstitutional for a federal agency to acquire property within any state without the consent of its legislature. Only Bailey agreed with his interpretation. Senator Dickinson saw impropriety in the government "going into the land business" because he thought its loans would compete with those of private individuals or concerns in real estate, banking and farm-related enterprises. Moreover, he claimed, what the government could not do directly, it could not do by means of a corporation, which was in his opinion a New Deal device of doubtful constitutionality. Finally, Alva Adams of Colorado maintained that any legislation providing loans for private purchases violated the fundamental principle that public money should be spent only for public purposes.[21]

Inevitably there were charges that the measure was socialistic or otherwise foreign-inspired. Dickenson quoted one source which attributed it to Tannenbaum and other "social planners in the AAA and the FERA" and claimed that they contemplated the destruction of large landholdings as in the agrarian programs of "Russia, Mexico and Spain." Bailey repeatedly referred to the bill as "federal socialism." At one point, Harry Byrd warned his colleagues that by purchasing and leasing land the corporation would accomplish "the same thing that is now being done in Russia, to carry out the idea of collective ownership or operation

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[20] Ibid., April 16, 1935, 5763, and April 23, 1935, 6197-6204.

[21] Ibid., April 19, 1935, 6003; April 22, 1935, 6128; April 23, 1935, 6190, 6208.

which Dr. Tugwell has advocated in his speeches."[22]

Some detractors claimed that the program would reach too few tenants because of inadequate funding, and moreover, would benefit chiefly corporations and planters who had excess land to sell. Although few conservatives made this charge, Dickinson recalled Robinson's earlier remarks that the measure would stimulate the market for farm property and declared that its effect would be to "relieve of his landownership the man who now has more land than he can profitably operate."[23] But Huey Long, a critic from left of the New Deal, used this argument vigorously. He questioned whether the proposed amount of money could reach more than 5 or 10 per cent of the nation's landless farmers. Furthermore, in his opinion the bill was "designedly drawn" to aid those who wanted to dispose of land. The Kingfish asserted:

> This is what the owners of those plantations are going to do: they want to sell out to the government, and those who . . . manipulate, will take a poor colored man and a poor white man and sell him part of the plantation on which he is working . . . So they will call in poor old colored "Mose", or an old white man . . . who is worn out and broken down and has about three more years to live, and he will sign a 60-year mortgage and move on the farm and that will be the last to be heard of him. The landowners will sell the land to the government, the present tenants will be relieved of the pillage of landlordism, but their condition will be worse instead of better.
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> What do you mean when your tears are streaming because of the pity you have for the [tenant] farmer? . . . I can almost

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[22]Ibid., April 19, 1935, 6008; April 22, 1935, 6128; April 23, 1935, 6185. Byrd was unaware that the bill had already been amended to prevent almost all leasing of land by the corporation.

[23]Ibid., April 19, 1935, 6003-04. Dickenson also recalled the testimony to the same effect of B. Kirk Rankin from To Create the Farm Tenant Homes Corporation, Hearing before a Subcommittee of the Committee on Agriculture and Forestry, U.S. Senate, 74 Cong., 1st Sess., on S. 1800, March 5, 1935, 37.

> see the tears of the landlords down on Red River . . . as they weep over the condition of the tenants, and about their going to make a sale of some of their mortgaged lands, upon which they cannot make any profit in this day and time.[24]

Long's remarks were later echoed by the Southern Tenant Farmers' Union and the Socialist Party in their attacks on the bill.

Hugo Black countered this general line of criticism by admitting that the bill did indeed give landowners a favorable chance to sell property. But, he demanded, "How else can a [tenant] farmer get land? We have [private] ownership of land in this country and unless we . . . socialize all the land, there is no earthly chance for a tenant to get land except by buying it . . . from those who own it . . . ." And that, he declared, would necessitate government assistance.[25]

A final important feature of the debate was that it illustrated the relationship between both the supporters and enemies of the tenancy bill and the administration's price parity goals. Alexander, Embree, Tannenbaum and others originally promoted the legislation because they disapproved of the AAA's effects on the rural poor. During this time their criticism was rather explicit. They were, for example, preparing their forthright critique of the situation, The Collapse of Cotton Tenancy. However, those within the Department of Agriculture who favored the Bankhead measure and the Congressional friends of the bill were also supporters of price parity policies. They ignored the anti-AAA inclinations of the Alexander-Tannenbaum group and viewed the Bankhead proposal

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[24] Congressional Record, 74 Cong., 1st Sess., April 24, 1935, 6279-80.

[25] Ibid., April 22, 1935, 6131.

and crop control as complementary. The tenancy bill suggested a way to alleviate rural poverty, which all admitted the AAA had exacerbated, but without changing the parity concept to which they were committed. On the other hand, opponents of the bill were, for the most part, critics of the AAA. They used the debate as an occasion to attack the administration's broader agricultural program. In doing so they used two arguments: that the Bankhead proposal and the AAA were contradictory, and that the tenancy bill was a misguided attempt to repair some of the social damage done by New Deal crop control programs.

Of these arguments, the first was probably the weaker. The contention was that at the very time that the government attempted to curtail cotton growing, the bill would furnish land and equipment to set up tenants in cotton production, thus defeating the main policy. As Long put it,

> . . . one day here we vote an appropriation of several . . . billion dollars . . . in order to take land out of cultivation, and the next day we vote a few billion dollars to get it back in cultivation. One day we vote a few billion to kill all the hogs, and then the next day we vote a few billion dollars to raise hogs. A bill is brought in here . . . [to give credit to tenant purchasers]. We have two agencies of farm relief, one to hire a man not to raise, and the other to . . . [enable] him to buy land on which to raise. Where in the hell are we going?[26]

Cotton Ed Smith agreed that "On the one hand we are restricting, curtailing, licensing, regimenting, and on the other hand we are throwing the door wide open with a billion to increase the number of farmers."[27]

These attacks were answered with little difficulty. Bankhead merely pointed out that his bill would not increase the number of

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[26] Ibid., 6136-7. [27] Ibid., April 24, 1935, 6272-3.

tenants, the acreage they already farmed, or overall cotton production. It merely proposed to improve their relation to the land and enable them to produce for themselves rather than for landlords. Clarence Poe, editor of the Progressive Farmer of Raleigh, North Carolina, later made these same points forcefully in letters to Bailey and Smith.[28]

The second line of criticism, that the legislation was an attempt to compensate for the AAA's bad effects on tenants, was less easily answered, since it involved the bill's friends in a defense of the administration's cotton program. Long stated that crop restriction had put many Louisiana tenants off the land and on relief, but the bill would, according to his calculations, benefit only about one-fourth of 1 per cent of them. Furthermore, because of crop restrictions, those who were aided would not be allowed to produce enough on their small acreages "to support themselves in anything like respectable poverty."[29] Likewise, Bailey claimed that the measure would offer little, except better credit, to the average tenant. Because of the 1934 Cotton Control Act, the clients would be unable to produce more than two bales of tax-free cotton and therefore could not hope to pay debts or buy land. One-third of Southern farmers, he noted, were in the two-bale category.[30]

Bankhead, the father of the control act, retorted that those farmers had never produced more than that amount anyway, and therefore the

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[28]Ibid., April 24, 1935, 6276; Clarence Poe to E. D. Smith, May 1, 1935, and Poe to Josiah Bailey, May 1, 1935, Frank Tannenbaum papers, Columbia University. Hereafter cited as Tannenbaum papers.

[29]Congressional Record, 74 Cong., 1st Sess., June 24, 1935, 9939-42.

[30]Ibid., April 18, 1935, 5947; June 24, 1935, 9942.

two-bale tax exemption was not a limitation for them. Besides, he said, no one expected tenant purchasers to depend completely on cotton for their incomes.[31]

At times the supporters were hard pressed to defend the AAA. They avoided discussion of its effects on the poor by simply asserting that administration policies had resulted in increased farm prosperity. Gore, for example, branded the tenancy bill as an attempt to correct the mistakes of crop restriction policies and said that it was well known that landlords had discharged tenants and replaced them with day labor. Hugo Black replied, not precisely to the point, that he had recently observed conditions in Alabama and could speak from "absolute knowledge of the way those farmers live and what has happened to them" and could "deny that . . . they have been sent to the relief rolls on 12-cent cotton when they were rolling in luxury in the good old days of 5-cent cotton."[32]

Although the Bankhead bill's billion dollar bond feature disturbed fiscal conservatives, it was otherwise a moderate proposal. Its ultimate aim, the promotion of small farm ownership, was hardly revolutionary. Those who conceived the bill and those who pushed it in Congress were not radicals. Moreover, they never really claimed that it was a full answer to rural poverty. Both Bankhead and Robinson described it as a selective program to aid worthy and capable tenants, croppers and laborers. But moderate as the bill was, it encountered formidable opposition from influential Republicans, a small group of powerful anti-administration

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[31] _Ibid._, April 18, 1935, 5947.

[32] _Ibid._, June 24, 1935, 9938.

Southern Democrats, and Huey Long, who was then using his considerable talents to make trouble for the New Deal. This strong opposition succeeded in preventing the bill's full passage in 1935. These facts should be taken into account before hasty judgments are made that the Bankhead proposal of 1935 (or of 1937 for that matter) failed adequately to attack the roots of rural poverty or make sweeping reforms in the Southern land system. Alexander once suggested that the bill was probably as much as Congress would accept at that time.[33] The course of the measure in the spring and summer of 1935 tends to support his opinion.

The opposition made repeated attempts to emasculate or sidetrack the bill. On April 22 Harry Byrd moved to send it to the Banking and Currency committee on the grounds that the corporation, since it extended credit, had most of the attributes of a bank. Byrd withdrew his motion at Borah's suggestion and substituted one to recommit the measure to the Agriculture and Forestry committee for more hearings. The effort was defeated. On the same day Bailey proposed to eliminate the bond-issuing powers of the corporation. This was a clear attempt to kill the program by reducing the corporation's financial resources to the $50 million which Roosevelt could transfer from relief funds for its initial operations. That attempt was also unsuccessful. On the twenty-fourth a similar motion by Bailey to cut the authorization for bonds to $100

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[33]Memoir of Will Alexander, Columbia Oral History Collection, Columbia University, 414-415. Hereafter cited as COHC-Alexander. Alexander remarked that belief in the desirability of landownership is so deep in the United States that one cannot maintain a contrary policy, especially in Congress. "Congress was ready to go that far [i.e., accept the Bankhead bill] and I was always convinced that they were not ready to go any farther. I know now they weren't."

million failed.[34]

The tactic which finally succeeded in delaying Senate action was that of returning the bill temporarily to the Agriculture and Forestry committee. On April 23 the Senate rejected Vandenburg's proposal to send the measure back to the committee with instructions to report it by the end of the Congressional session.[35] But on April 24 Senator Royal S. Copeland of New York and Borah cooperated to move for recommitment, ostensibly for restudy, coordination of amendments and consultation of expert opinion. The committee would be instructed to report the bill by May 12. The Senate agreed to this motion.[36] Although the recommitment was temporary, it was a serious blow to the bill's chances of enactment. Bankhead judged that it would be difficult to bring the measure back to the Senate floor because the calendar was already so crowded with major bills that the legislative logjam would prevent action on it.[37] This did not happen in the Senate, but because of the delay, occurred in the House in the summer of 1935.

Supporters were dismayed by this unwelcome development. Some expressed resentment against those Senators who had engineered the recommitment. George Foster Peabody said privately that the whole thing merely confirmed his long-held opinion that Borah was "without the

[34] Congressional Record, 74 Cong., 1st Sess., April 22, 1935, 6121, 6126, 6132, 6194; April 24, 1935, 6272.

[35] Ibid., April 23, 1935, 6193.

[36] Ibid., April 24, 1935, 6278-6290.

[37] Ibid., April 22, 1935, 6126. Bankhead was speaking of the first attempt to recommit, but his remarks were applicable to all recommitment motions. For the same assessment by Tannenbaum see Tannenbaum to Donald Comer, May 2, 1935, Tannenbaum papers.

essentials of character respecting public welfare."[38] But Tannenbaum placed the responsibility on several "liberals" who had been expected to support the measure but had been "misled by some of our extreme leftist friends."[39] As he unburdened himself to Alexander, he indicated who these "leftists" were. He complained bitterly that "in part Roger Baldwin's crowd in Washington was responsible for the recommitment of the bill, for reasons that God only knows . . . [because of their] complete political irresponsibility, and for [the reason that they were] messing in things they know nothing about." Identifying still more critics, he remarked that "I don't see why . . . [we should] leave it to Walter White and Gardner Jackson and Ben Marsh to mislead and misinform a group of people who by every instinct and tradition would be for us."[40]

As Tannenbaum suggested, there had been objections to the bill from liberal and radical critics of the New Deal. On May 5, for example, Norman Thomas wrote to the editor of the New York Times to deplore the

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[38]George F. Peabody to Tannenbaum, April 25, 1935, Tannenbaum papers.

[39]Tannenbaum to Alexander, April 24, 1935, Tannenbaum papers. The "liberal" Senators were not identified, but Tannenbaum probably had reference to several who had aided the bill on several key votes and then switched to vote for its recommitment. Probably included were Senators Bronson Cutting of New Mexico, Thomas D. Schall and Henrik Shipstead of Minnesota, Lewis Schwellenbach of Washington and Harry Truman of Missouri.

[40]Tannenbaum to Alexander, April 26, 1935, Tannenbaum papers. Tannenbaum referred to Roger Baldwin, chairman of the American Civil Liberties Union; Walter White, head of the National Association for the Advancement of Colored People; Gardner Jackson, former AAA consumers' counsel, recently fired in the AAA "purge" and then organizing the National Committee on Rural Social Planning, which later became the Washington publicity outlet for the Southern Tenant Farmers' Union; and Ben Marsh, executive secretary of the People's Lobby, which under the presidency of John Dewey, criticized the relief and recovery efforts of both the Hoover and Roosevelt administrations.

condition of Arkansas sharecroppers. The Socialist leader described administration tenancy policy as ranging from "swivel chair liberalism" at best to the "hypocrisy" of section 7 of the AAA cotton contract. He rejected the Bankhead bill as a solution for tenancy because successful cotton farming could not be carried on by the "subsidized peasants" which he claimed the measure would create. This would be especially true, he thought, because recent progress in the development of a cotton picking machine promised to make large mechanized operations imperative for profitable farming. Like Huey Long, Thomas also claimed that the bill would "bail out" land poor planters and holders of foreclosed property. He concluded that even if amended, the legislation would not substitute, as a means of improving the sharecroppers' condition, for their right to organize a union.[41]

Another attack came from Ben Marsh, head of the People's Lobby, who, in a letter to the editor of the New Republic, repeated the charge that the bill would aid those who wanted to sell land, among whom he thought were "land-speculating and 'deserving' Democrats." Probably unaware that its architects anticipated supervision of purchasers by the proposed corporation, he further declared that it was "folly to assume that most tenant farmers and sharecroppers can run their own show. Many of them can work only under direction . . . ." Because he thought mere credit for land purchase was an inadequate policy, he summarized the Bankhead measure as an "effort to have the government evade its responsibility to find a real solution for the agricultural problem." Although he did not reveal what should be done, he did hint that confiscatory

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[41]New York Times, May 5, 1935, IV, 9.

taxation was preferable to a bond program as a method of acquiring and redistributing land.[42]

Although the Southern Tenant Farmers' Union was later a severe critic of nearly all New Deal attempts to deal with tenancy, it was not, in the spring of 1935, very outspoken in its opposition to the Bankhead bill. At that time the STFU was struggling to organize, and indeed fighting for its life, in eastern Arkansas. It was then more concerned with the relatively narrow issue of securing equitable treatment for the sharecropper under the AAA cotton contract, and with stopping the suppression of its members' and sympathizers' civil liberties, than with broad pronouncements on pending legislation.[43]

Finally, it should be noted that opponents of differing political persuasions used many of the same arguments against the bill. The attacks of detractors such as Thomas and Marsh had much in common with those of Huey Long. More surprising than this, however, was the similarity of their arguments to those of some conservatives. For example, Stanly Morse, a South Carolina editor, wrote that the Southern land tenure system was among the world's best and considered the Bankhead measure as a "revolutionary" attack upon it and an example of federal interference in the South's affairs. But having made this assessment, he charged,

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[42]"Dangers in the Bankhead Plan," New Republic, LXXXII (April 10, 1935), According to its president, John Dewey, the People's Lobby (founded in 1920) was a "people's organization to work at the national capital for measures in the interest of the people generally." See New York Times, October 14, 1929, 2. This vague purpose, in practice, resulted in much criticism of New Deal depression recovery policies.

[43]See generally David E. Conrad, The Forgotten Farmers, the Story of Sharecroppers in the New Deal (Urbana: University of Illinois Press, 1965), 83-104.

like the critics of the left, that the bill attempted to offset AAA's effects on tenants, and would establish a "subsidized peasantry" on inefficient small farms which could not produce major commodities economically. He questioned whether most tenants could operate their own farms and maintained that the bill would benefit those looking for a chance to "unload" land on the government.[44] The latter charge was also made by the Liberty League.[45] Of course previously mentioned Republican and Southern Senators made many of these same contentions in Congressional debate.

Thus by the spring of 1935 the following situation had developed. The New Deal had reorganized its relief efforts, created the Resettlement Administration and determined that rural rehabilitation activities, formerly part of the old FERA, would be attached to the new agency. The Bankhead tenancy legislation had been introduced and the idea was emerging within the RA that its rehabilitation program and the bill were complementary and ought to be coordinated in some way. Alexander, about to become Assistant Administrator of the RA, was working vigorously for the measure. There was general optimism that it would be enacted. On April 17 the New York Times reported that Senate passage was "certain" on the next day.[46] But on April 24 the bill was sidetracked and all efforts turned to getting it out of committee and before the Senate again.

Concurrently with the progress of tenancy legislation, a small group

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[44] Washington Post, April 21, 1935.

[45] New York Times, May 20, 1935, 36.

[46] Ibid., April 17, 1935, 1.

of Southerners developed the Southern Policy Committee movement, which by the spring of 1935, evolved into an active force for reform of the region's rural life in behalf of the poor. The movement was conceived by a Virginian, Francis Pickens Miller, executive secretary of the Foreign Policy Association, a pro-League of Nations and low-tariff organization. In November, 1934, Miller suggested to Frank P. Graham, president of the University of North Carolina, the formation of a network of local study groups of leading citizens which would recommend policies to deal with national and regional problems. Miller thought the South was an appropriate place to experiment with the idea. Graham referred Miller to Jonathan Daniels, who agreed to host a meeting of prominent North Carolinians in his home to discuss the proposal.[47]

Most of those attending the meeting, held December 17, were journalists or members of the Chapel Hill academic community. After Miller explained his plan, they organized a local "public policy committee" with the purpose of analyzing federal policies and advocating new ones which would promote "sound economic and political development in the South." This purpose was rather vague, but Miller later suggested to the committee that agricultural problems, such as the deleterious effect of crop controls on foreign trade (particularly cotton exporting), would be good topics for specific consideration. That problem was already of

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[47]Jonathan Daniels to Frank Graham, November 12, 1934, Daniels to Graham, November 19, 1934, memorandum "Purposes and Procedure of Southern Policy Groups," November 16, 1934, all in the Frank P. Graham papers, Southern Historical Collection, University of North Carolina. Hereafter cited as Graham papers.

interest to the Foreign Policy Association.[48]

The policy committee movement spread rapidly, surprising Miller with its vitality. By April, 1935, local groups had been established, with his encouragement, in Atlanta, Dallas, Nashville, New Orleans, Raleigh, Louisville and Lynchburg, Virginia; as well as in several non-Southern cities.[49] Many of the committees were interested in Southern rural problems. An active group in Atlanta, for example, co-sponsored an address on April 13 by Henry Wallace, who used the occasion to defend New Deal cotton policy and commend the Bankhead bill.[50] In New Orleans H. C. Nixon organized a committee of academicians and cotton exporters which resolved to study all aspects of the current cotton situation.[51] With such progress Miller considered that the movement was widespread enough to justify establishment of a Southern association of local

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[48]Memorandum "Purposes and Procedure of Southern Policy Groups," November 16, 1934, Graham papers; Francis P. Miller to Howard Odum, n.d. (after December 17, 1934), Jonathan Daniels papers, Southern Historical Collection, University of North Carolina. Hereafter cited as Daniels papers.

[49]Miller to Graham, February 12, 1935, Graham papers. Committees had been established in Denver, Cleveland, Chicago, St. Louis and Kansas City, and plans were being made for a National Policy Committee. See also Memorandum I, Atlanta Policy Conference Agenda, n.d. (before April 25, 1935), copy in Daniels papers.

[50]Miller to Graham, February 12, 1935, Graham papers; New York *Times*, April 14, 1935, 4. For Wallace's remarks see "The Cotton Program Carries On," speech at Atlanta, April 13, 1935, NA RG 16, secretary's speech file, 1935. Wallace characterized the accusations that the AAA drove sharecroppers off the land as "so extreme as to be ridiculous, showing on their face that they originated with people who know nothing about the South . . . ." The solution to the tenancy problem, he declared, was "not to be found in discarding a [parity] program which has meant substantially larger cotton income to divide among farmers, but rather . . . in such measures as the pending Bankhead bill."

[51]H. C. Nixon to Charles S. Johnson, March 30, 1935, papers of the Commission on Interracial Cooperation, Atlanta University. Hereafter cited as CIC.

committess. By January 12 he had arranged a regional policy conference for April 26-29 in Atlanta.[52]

Miller thought the value of the meeting would depend upon the issues discussed. To Jonathan Daniels he suggested a list of important problems which hinted at his own view of New Deal programs. His first topic, the social effects of crop control and the impact upon the South of declining cotton exports, revealed his sympathy with two groups of AAA critics; those who condemned its inequities for the landless and those who wanted crop restrictions eased in an effort to expand production and recapture world markets. A second proposal, for consideration of the social and economic consequences of Southern industrialization, was indicative of an agrarian, anti-industrial bias later evident among some in the policy movement. In addition, Miller expressed concern about the "trend toward political dictatorship" in certain states, an obvious anti-Long reference.[53] Finally, he made clear that he regarded the Atlanta conference as a gathering of activist citizens who should not merely discuss these matters but also make specific recommendations for Congressional action concerning them.[54]

By March 11 Miller had become convinced of the worth of the Bankhead bill and thought local policy committees should consider it seriously.

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[52]Miller to Graham, January 2, 1935, Miller to Daniels, January 12, 1935, Graham papers. The Atlanta conference was subsidized by the Foreign Policy Association.

[53]Miller to Daniels, January 12, 1935, Graham papers. Nixon and other Louisianians associated with the SPC were anti-Long.

[54]Miller to Daniels, January 12, 1935, Miller to Graham, February 12, 1935, Graham papers.

He also concluded that the forthcoming conference should have as one of its major purposes support of the bill. "I am sure that as far as agrarian reform is concerned," he wrote Daniels, "the Bankhead Bill is the right line to take. . . . The problem then becomes one of organizing instruments for the formation of public opinion favorable to such legislation. This is one of the reasons why I attach importance to our Atlanta conference."[55]

If Miller was interested in the bill, the promoters of the legislation were also aware of the policy movement and worked to attract its support. Both Peabody and Robert B. Eleazer, a member of Alexander's Interracial Commission staff, sent copies of the bill to Miller and Daniels.[56] Alexander discussed the measure with H. C. Nixon, then forming the New Orleans policy committee. Nixon received an early copy of the preliminary release of The Collapse of Cotton Tenancy, and Bankhead wrote to him about the bill's progress. By April Nixon was convinced that it was a "practical plan to restore millions to independence."[57]

The policy movement, likewise, attracted interest from officials in the Agriculture Department. Paul A. Porter, Chester Davis' executive

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[55]Miller to Daniels, March 11, 1935, Graham papers; Miller to Daniels, March 25, 1935, Daniels papers.

[56]Miller to Robert B. Eleazer, March 28, 1935, CIC.

[57]H. C. Nixon to Charles S. Johnson, March 30, 1935, CIC; Alexander to Tannenbaum, February 15, 1935, Tannenbaum papers; "Forward and Conclusion of a Study of Agriculture, Economic and Social Conditions in the South" press release for The Collapse of Cotton Tenancy, March 21, 1935, copy in the papers of H. C. Nixon, in the possession of the Nixon family in Nashville (hereafter cited as Nixon papers); J. H. Bankhead to H. C. Nixon, April 12, 1935, and "Notes on Farm Tenancy and the Bankhead Bill," n.d. (before March 28, 1935), Nixon papers.

assistant in the AAA, told Brooks Hays about the Atlanta conference and urged him to attend. Although his agency was under general attack for its social and economic inequities, Porter was confident that this meeting would analyze rural problems objectively. He told Hays that it would not be the "usual type of 'conflab' of social-minded people . . . [but] a real effort by practical, capable persons to scrutinize this [cotton] program . . . ," and Hays could contribute by providing the conference an informed estimate of the tenancy situation in Arkansas.[58] Hays, who shortly became a leading figure in the Southern Policy Committee, agreed to attend.

The conference met April 25-28 and formed a permanent organization, the Southern Policy Committee. An executive board was chosen, which included H. C. Nixon and Brooks Hays as chairman and vice chairman, respectively, and Francis P. Miller as executive secretary.[59] The committee declared that its purpose was to make Southerners articulate on national and regional problems by encouraging local groups to exchange information and advocate programs beneficial to the South.[60]

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[58]Paul A. Porter to Brooks Hays, April 12, 1935, NA RG 145. Porter referred to surveys (probably conducted by the AAA) then in progress in several counties in eastern Arkansas. Porter planned to attend the Atlanta conference himself, probably intending to use the results of the surveys to present as favorable a view as possible of AAA effects on sharecroppers. See also Porter to Hays, April 17, 1935, in the same place. Hays, at the time, was Democratic National Committeeman from Arkansas.

[59]"Southern Policy," report of the Southern Policy Conference in Atlanta, April 25-28, 1935, National Policy Committee papers, Library of Congress (hereafter cited as NPCP); "Minutes of the Southern Policy Committee--Atlanta, Georgia, April 28, 1935," Daniels papers.

[60]"Minutes of the Southern Policy Committee . . . , April 28, 1935, Daniels papers.

The proceedings were notable for their agrarian tone. Four of the twelve "Nashville Agrarians," whose anti-industrial Southern ruralist manifesto, I'll Take My Stand, had appeared in 1930, were present. Frank Owsley and Donald Davidson addressed the conference.[61] More importantly, the only Agrarian to have written in 1930 on the South's economic situation and to have been consistently concerned with it since, was the newly-chosen chairman, H. C. Nixon. Because he remained a major leader in the Southern Policy Committee until 1938, he contributed more than anyone else to the organization's continuing small farm outlook.

Among several resolutions adopted was a "statement of agrarian policy" which stressed the need for a revitalized rural life centered on small farm ownership. It affirmed the necessity of replacing tenancy with small landholding and therefore unreservedly endorsed the Bankhead measure. Aware that the legislation had just been recommitted, the committee further recommended that in case of failure of enactment the program should be effected insofar as possible through other means. This reflected the conference's agrarian predilections and probably also showed the influence of Will Alexander, who attended as head of the Interracial Commission and must have pressed the case for the bill. In addition, the conference commended FERA's rural rehabilitation (not yet transferred to the RA) and favored its expansion "on a more liberal basis."[62]

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[61]Copies of DAvidson's and Owsley's speeches are in NPCP. The other two Nashville Agrarians present were H. C. Nixon and Lyle Lanier. For the views of the Agrarians in 1930, see Twelve Southerners, I'll Take My Stand, the South and the Agrarian Tradition (New York: Harper and Row, Torchbook edition, 1962).

[62]"Report of the Southern Policy Committee in Atlanta, April 25-28, 1935," 16. Copy in NPCP.

Shortly after the Atlanta meeting a statement by the executive committee, suggesting issues for consideration by local affiliates, indicated disagreement with administration farm policy on two grounds. It deplored the decline of cotton exports, which it saw as a threat to the South's well-being. At this point the committee was implicitly critical of the AAA's inducement of higher prices. Secondly, the statement reaffirmed:

> The [Southern Policy] Committee's purpose is to support legislation which will give relief to the farm tenant class which has suffered so keenly. These people must be made landowners on self-sustaining farms. They must be taught a system of agriculture not dependent on the cotton market; but until this can be done the cotton market must be protected by intelligent [crop] curtailment and by tariff adjustment. . . .[63]

The statement exemplified faith in small farm ownership as a remedy for rural poverty. But it also hinted at the exporters' dislike of crop restrictions and their desire to improve the efficiency of cotton growing by removing tenants from it, thereby possibly allowing increases in production resulting in more foreign trade. Thus the policy movement momentarily united those concerned with land reform and alleviation of poverty with those who wanted increased exports.

Some of those at the conference contacted Senators in behalf of the Bankhead bill. From Atlanta, North Carolinians Clarence Poe, Hugh MacRae and W. T. Couch wired Josiah Bailey that by hindering the measure he had "struck a serious blow to our economic structure . . . and [jeopardized the] greatest opportunity for revitalizing the South's rural life, its greatest interest."[64] Ten days after the conference the

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[63]"Objectives of the Southern Policy Committee," n.d. (c. May, 1935), Daniels papers.

[64]Clarence Poe, B. F. Crown, W. T. Couch and Hugh MacRae to Josiah Bailey, April 27, 1935, Tannenbaum papers.

Nashville policy group, including Agrarians Frank Owsley, Donald Davidson and Lyle Lanier, notified Cotton Ed Smith that they were "shocked" by his negativism toward the bill, which they called "the most constructive measure yet proposed for the benefit of the South," without which the region faced "increasing poverty."[65]

Since early March Miller had encouraged local policy groups to support tenancy legislation, and in April the regional conference in Atlanta endorsed the Bankhead bill. But Miller, H. C. Nixon and Brooks Hays, the most important members of the executive board, intended to go further by using the policy movement to mobilize opinion and exert pressure for the measure. Miller explained to Daniels that the conference itself developed such "unanimity" for the bill that he was confident no one attending would object to action in its behalf.[66] Brooks Hays regarded as "highly significant that the Atlanta conference developed some differences of opinion upon every subject except the Bankhead-Jones Bill," and added that "the complete unanimity with which this bill was received leads me to believe that the South has a real stake in it."[67] Miller also thought the conference should "declare itself on some concrete issue" in order to attain "a cohesion which would not have existed otherwise."[68] Therefore, support of the bill would not only promote a federal policy which

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[65]Donald Davidson, Frank Owsley, Lyle Lanier, Robert Worke, Eugene Woodruff, Brainerd Cheney and James Waller to Ellison D. Smith, May 7, 1935, Tannenbaum papers.

[66]Daniels to Miller, May 18, 1935, Miller to Daniels, May 20, 1935, Daniels papers.

[67]Brooks Hays to Francis P. Miller, August 9, 1935, NPCP.

[68]Miller to Daniels, May 20, 1935, Daniels papers.

the conference favored, but might also give focus and purpose to a diverse and nebulous movement. Thus the leadership of the Southern Policy Committee became supporters of the bill in time to contribute to the drive to return it to the Senate floor.

Immediately after the recommitment, a concerted effort to bring the bill back for quick passage began. Tannenbaum was convinced that "the bill was really returned to the Committee by a group of liberals rather than reactionaries" and most of them had been misled by the hostility of "some of our extreme leftist friends." But he thought the votes of these Senators could be won back because, as he told Alexander, "most of them are friends of Tugwell's and Tugwell definitely told me that he could take care of them."[69] He may have had reference to, among others, Senators Bronson Cutting of New Mexico, Thomas D. Schall and Henrik Shipstead of Minnesota, Lewis Schwellenbach of Washington and Harry Truman of Missouri, all of whom had previously supported the bill or at least voted to prevent its emasculation. In addition, Tannenbaum and Alexander sought ways to change the minds of the six members of the Agriculture and Forestry committee who had voted for the recommitment.[70] Assessing the bill's chances, Tannenbaum was sure that with the change of a half dozen votes it could be reported and passed easily.[71]

Alexander made some plans to influence recalcitrant Senators through intermediaries. For example, Negro college presidents and

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[69]Tannenbaum to Alexander, April 25, 1935, Tannenbaum papers.

[70]Tannenbaum to Alexander, April 24, 1935, *ibid*.

[71]Tannenbaum to Clarence Poe, April 24, 1935, *ibid*.

"friends of Negroes in New England" would be asked to contact Senators from that region; Senator Gore would be approached through President William B. Bizzell of the University of Oklahoma, and Peabody would try to persuade Bernard Baruch to use his great influence in South Carolina to pressure Cotton Ed Smith.[72] Along with these efforts, Tannenbaum tried to quiet some of the criticism from outside Congress. He wrote that he planned to go to New York "to see Roger Baldwin . . . and see if he can't pull his dogs off the bill here in Washington . . ." since in his opinion Baldwin and the American Civil Liberties Union were "as much responsible for recommitting the bill as any one . . . group."[73]

As Tannenbaum and Alexander analyzed the situation they concluded that the two Southerners most responsible for the legislation's lack of progress were Josiah Bailey and Cotton Ed Smith. Tannenbaum doubted that Smith could be influenced. But realistic plans were made to "build a fire under Bailey," since he had led the attack against the bill on the Senate floor.[74] The approach to Bailey was made through influential North Carolinians. Tannenbaum was acquainted with Josephus Daniels (then Ambassador to Mexico) and planned to contact him during his scheduled return visit to the United States. He hoped the elder

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[72]Alexander to Embree and Johnson, May 6, 1935, CIC.

[73]Tannenbaum to Alexander, April 25, 1935, Tannenbaum papers.

[74]Tannenbaum to Alexander, April 24, 1935, Tannenbaum papers; Alexander to Embree and Johnson, May 6, 1935, CIC. Baldwin, Poverty and Politics, 154, describes Tannenbaum and Alexander as amateur lobbyists who, although they lent some citizen support to the bill, were basically ineffective. Unquestionably they were inexperienced in influencing Congress, but their methods of silencing the opposition of Bailey were far from ineffective. Bailey was one Senator who was susceptible to the influence which they could mobilize.

Daniels could be persuaded to use his Raleigh News and Observer to pressure Bailey.[75] However, on the same day that the recommitment occurred, Jonathan Daniels had already editorially attacked the Senator's position. The editor suggested that "unless he [Bailey] has a plan which will serve as well [as the Bankhead bill] to cut the growing numbers of the landless and . . . hopeless on the land . . . he ought to move carefully in striking at a bill which thoughtful men . . . have designed to give every American on the land an American chance."[76]

Bailey was not immediately convinced. In reply to Daniels he restated his position from the Senate debate. He also justified his actions by asserting that since Roosevelt had not uttered a single public word in the bill's behalf, it could not be considered an administration measure. Moreover, he pointed out that the Secretary of the Treasury had recently issued a general warning against increasing government obligations, as Bailey contended the billion dollar bond issue would.[77]

At Tannenbaum's request, another powerful North Carolinian, Clarence Poe, imparted to Bailey a conservative agriculturalist's view of the solution to tenancy problems. Poe stressed that the bond issue would not be mere spending, but a recoverable investment to help the landless. He also commended the bill because he understood that it would benefit deserving tenants who were good credit risks, and was therefore superior

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[75]Tannenbaum to Alexander, April 25, 1935 and Tannenbaum to Clarence Poe, April 24, 1935, Tannenbaum papers.

[76]Raleigh News and Observer, April 24, 1935.

[77]Bailey to Jonathan Daniels, April 25, 1935, Daniels papers.

to FERA rehabilitation with its aid to farm relief cases. He further declared that all the agricultural leaders that he knew preferred a credit policy like that of the Bankhead measure. Finally, he emphasized to Bailey that while the new program would raise the status of tenants, it would not increase the number of farmers or their production of major commodities.[78]

Bailey may have been swayed by Poe, but the decisive persuasion must have come from Josephus Daniels. On May 25 Alexander reported that the Ambassador had seen Bailey in Washington and had extracted from him a promise to vote for the measure's final passage.[79] Bailey not only kept his word but also remained completely silent in debate after the bill came back to the floor, in contrast to his earlier open attacks. Thus the hostility of one leading opponent was neutralized.

During the first week in May, Alexander arrived in Washington to assume his duties with the RA. Dividing his time between that work and lobbying for the bill, he found the measure's supporters optimistic. Tugwell told him that there was a "fair chance" of passage.[80] It should be recalled, however, that Tugwell intended to secure modifications in the bill in the House in order to eliminate the proposed independent corporation, with the probable result that the tenant purchase program

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[78]Telegram, Poe to Bailey, May 1, 1935, and Poe to E. D. Smith, May 1, 1935, Tannenbaum papers.

[79]Alexander to Embree and Johnson, May 27, 1935 (dictated May 25, 1935), CIC.

[80]Alexander to Embree and Johnson, May 6, 1935, CIC.

would be administered by the RA.[81] Bankhead reported to Alexander that Senator Robinson was strongly in favor of the legislation because he saw it as a possible political credit for himself in case his enemy, Huey Long, attacked him in Arkansas. Accordingly, Robinson would assure the bill, once returned from committee, a place on the crowded Senate calendar.[82] Since the committee was required to report by May 12, Robinson's efforts would almost insure passage. But because the Senate had several large measures pending (including Social Security, utility holding company legislation, and the 1935 banking and tax proposals), the major question was whether the bill, having been delayed, could be sent to the House promptly enough for its action.[83]

Finally, Alexander heard indirectly and confidentially, but reliably

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[81]There is scattered evidence of Tugwell's views and intentions. COHC-Alexander, 396-98; Alexander to Embree, April 1, 1935, CIC; Tannenbaum to Alexander, April 4, 1935, Tannenbaum papers, all indicate that he preferred to have the tenant purchase program attached to the RA. For FDR's reported views see Alexander to Embree and Johnson, May 6, 1935, CIC, which indicates that FDR wanted the bill changed in the House to eliminate the corporation, although he also wanted the program administered by the USDA. However, Tugwell was working to convince FDR that tenant loan operations should be attached to the RA: see Tugwell to FDR, November 21, 1935, FDRL OF 1568, which says FDR told Tugwell before that date (probably in the summer of 1935) that the RA would administer the program. See also Alexander to Embree and Johnson, December 5, 1935, CIC.

[82]Alexander to Embree and Johnson, May 6, 1935, CIC. Robinson's fears that Long might campaign against him may have been justified, because Long had threatened in the Senate to do just that. See Washington Post, March 6, 1935.

[83]New York Times, April 17, 1935, 1. Democratic Congressional leadership saw social security, utility holding company, banking and tax bills as "must" legislation. The Wagner labor bill was also pending. With such items on the agenda, the potential for a legislative logjam was great, even before the administration launched its drive for a "Second Hundred Days" in the summer of 1935.

he thought, that the President was sympathetic and would use his influence for favorable action in the House. However, Roosevelt was understood to prefer changes in the bill to place the tenancy program under the Department of Agriculture, as in the earliest versions of the measure, rather than under a special corporation.[84] But he did seem to favor the broad approach of the Bankhead proposal, if one can judge from his criticism of another current tenancy bill as being unduly limited.[85]

On May 5, 1935, the Agriculture and Forestry committee returned the bill. The only substantive change was a limitation on the rate of issuance of the $1 billion of bonds to not more than $300 million in the first three years. Bankhead said that this restriction had been accepted in order to win the support of several Senators who wanted the corporation to move in its first years with "deliberation and care" under the oversight of Congress.[86] Due to the crowded legislative calendar, debate did not resume until June 21. The discussion was characterized by repetition of old arguments, the silence of Josiah Bailey and the vociferous attacks of Huey Long.

A few changes were made during the debate. One broadening amendment by LaFollette allowed the corporation to enter contracts to lease

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[84]Alexander to Embree and Johnson, May 6, 1935, CIC.

[85]The other tenancy bill was by Democratic Congressman R. T. Wood of Missouri. It proposed loans of up to $5,000 for purchase of not more than 80 acres and equipment, but only for those who had lost farms through foreclosure during the preceding four years. In a letter drafted by Tugwell, FDR told Wood his plan was too limited. See Wood to FDR, April 25, 1935, and FDR to Wood, May 7, 1935, FDRL OF 503. For Henry Wallace's adverse comments on the Wood bill see Wallace to Marvin Jones, April 16, 1935, NA RG 145.

[86]Congressional Record, 74 Cong., 1st Sess., June 21, 1935, 9846.

land to tenants for as long as five years before they began purchasing it. This was expected to permit supervision and technical assistance for impoverished tenants who lacked the experience and managerial ability to purchase and operate a small farm.[87] A more restrictive amendment by Senator Carl Hatch of New Mexico removed the corporation's authority to make emergency subsistence grants to needy clients;[88] however, the RA already had such authority. Robinson, Bankhead and Norris also turned back an attempt by opponents of the bill to permit clients to mortgage their newly-acquired land to give them access to an "essential source of credit."[89]

On June 24 the Senate passed the bill by a vote of 45 to 32. Among the Southerners only Byrd, Glass, Gore, Smith, Walter F. George of Georgia and Long voted "nay."[90] The Senate had approved a broad and flexible land purchase plan which, if administered as its original framers intended, could have provided its clients, through the corporation's contractual procedures, adequate supervision as well as credit. While the program was not expected to reach every tenant, and probably would have excluded the poorest ones, it did propose to lend $1 billion over several years and its efforts conceivably could have had a significant impact upon rural poverty. Moreover, the program was complementary

[87] Ibid., June 24, 1935, 9934.

[88] Ibid., 9945.

[89] Ibid., 9943-5.

[90] Ibid., 9960. Senate Republicans, except for Norris, Schall and Lynn Frazier of North Dakota, were solidly opposed. According to COHC-Alexander, 594, Bankhead was "amazed" that George voted "nay." George reportedly was reluctant to see landlords lose good tenants they had worked some time to get.

to the RA, and if Tugwell had his way, would be attached to it, thus creating in 1935 an agency similar to the Farm Security Administration of 1937. Indeed, the 1935 bill was superior insofar as it would have permitted the government to take the initiative in buying, dividing and selling land to tenants, rather than merely extending credit to them as provided in the 1937 Bankhead-Jones Act.

The Senate's passage of tenancy legislation was not received with great enthusiasm in the South. A New York Times correspondent reported from Memphis that there were few endorsements or condemnations of the bill, in fact there was little concern on the part of those who would normally be interested. Not even landowners, whom the reporter thought would be willing to sell surplus land for an adequate price, were aroused. The general opinion seemed to be that existing credit facilities were adequate for energetic tenants wanting to buy land, and nothing further was required. The Times' observer characterized the reaction in the Delta region as one of "marked indifference."[91]

[91] New York Times, June 30, 1935, 6-E. After the bill's passage the Times editorialized (June 26, 1935, 20) that the measure was unnecessary because of the adequacy of existing credit agencies. For one example of favorable Southern editorial comment, see Birmingham News, June 26, 1935.

CHAPTER VII

THE REHABILITATIVE PROGRAM IN DIFFICULTY, 1935-1936

The Senate passed the Bankhead bill, the legislative expression of the rehabilitative approach to poverty, on June 24, 1935, and sent it to the House. There, on June 26, it was assigned to the Agriculture committee, chaired by Marvin Jones of Amarillo, Texas. It never came to the House floor, but languished in committee until Congress adjourned on August 26.[1]

The summar of 1935 has been known as the "Second Hundred Days," the period of the New Deal's most intensive legislative drive since the crisis-packed weeks of early 1933. During the first half of 1935 Congress maintained a slow pace, passing only one major act, the relief appropriation. By early June adjournment was expected, but Roosevelt, angered by the Supreme Court's Schechter decision of May 27, suddenly insisted upon a new legislative program. The administration's "must" list included the Wagner labor proposal, social security, the 1935 "soak the rich" tax bill, a major banking measure and legislation to break up public utility holding companies.[2] Since passage of these

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[1]Sidney Baldwin, Poverty and Politics, the Rise and Decline of the Farm Security Administration (Chapel Hill: University of North Carolina Press, 1968), 150-153.

[2]William E. Leuchtenburg, Franklin D. Roosevelt and the New Deal (New York: Harper and Row, 1963), 150.

would require maximum legislative effort, it is not surprising that the tenancy bill, never formally identified with the administration, did not attain a high priority in the House. The opponents who delayed Senate passage had effectively killed it, because the House agenda during the Second Hundred Days did not permit action before adjournment, especially since open White House support was lacking.

The measure had still other disadvantages, one of which was lack of favorable publicity in the House. Francis P. Miller thought the difficulty was that "while adequate education was going on among the Senators, little or nothing was done among Congressmen. The result was that even the best Congressmen know very little about the bill and are unprepared to give it their enthusiastic support."[3] Similarly, Alexander later recalled that many Southern Representatives were indifferent to legislation which would benefit only the uninfluential and non-voting poor among their constituents.[4] Moreover, Brooks Hays found little concern among the eight Southerners on the Agriculture committee and sought ways to influence them through their districts.[5] Finally, the chairman, Marvin Jones, did not work energetically for the bill. A possible explanation for his lack of ardor is that he doubted that his committee could approach unanimity in support of the proposal. Since he usually regarded broad committee backing as necessary before reporting any

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[3]Francis P. Miller to H. C. Nixon, July 19, 1935, National Policy Committee Papers, Library of Congress. Hereafter cited as NPCP.

[4]Memoir of Will Alexander, Columbia Oral History Collection, Columbia University, 594-595. Hereafter cited as COHC-Alexander.

[5]Brooks Hays to Dale Miller, August 9, 1935, NPCP.

controversial proposal with hope of passage, he may have considered the cause already lost for 1935.[6]

While the committee held the bill, supporters tried to generate public support for it. Brooks Hays, vice chairman of the Southern Policy Committee and special assistant to Tugwell in the Resettlement Administration, was among the most active. In August, 1935, he spoke in Anniston, Alabama, to a civic meeting held under SPC auspices. His speech exemplified the idea of rehabilitation of the poor through land reform.

Hays defined the South's economic problem as widespread poverty, which, although not an immediate threat to those in the "upper strata," constituted "a form of insecurity for all of us." However, in the American society of the 1930's, which was capable of mastering the physical surroundings of people and the problem of scarcity as well, such poverty was "anomolous." Thus the real problem, he thought, was "'poverty in the midst of plenty.'"

Referring specifically to the rural South, he asserted that, "there will be no economic salvation for the South unless agriculture prospers," which meant primarily that the well-being of cotton farmers had to be advanced. Because of this the AAA met a real need by lifting prices toward parity. As a Southerner, however, Hays saw a need to "put our own house in order" by recognizing that, "if the cotton

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[6]This interpretation of Jones' motives is from Baldwin, Poverty and Politics, 153. One might also argue that Jones could not have lost anything by trying to push the bill to the House floor with whatever committee majority he could muster, particularly since there are some indications (discussed below) that FDR was willing to lend his support (though perhaps not publicly) to House passage.

producers as a whole are to be given a better break, the income they . . . enjoy in the aggregate must be equitably distributed . . . [and that] if the cotton South is to be treated fairly, those who control the cotton South must treat the . . . [landless] producers fairly."

This brought Hays to tenancy, which he declared had to be checked, even though it could not be abolished in one generation. Drawing a distinction between the promotion of home ownership and the current appeal to the dispossessed by Huey Long, he stated that "friends of the farm tenants are demanding not so much the sharing of wealth in terms of cash income, as . . . a new division of the opportunities that are associated with the land." But he affirmed that any program of land redistribution should be conducted only by government purchase from willing sellers, and disavowed any new opportunities for tenants achieved "at the expense of injustices to present owners."

Turning to solutions, Hays expressed confidence that tenancy "can be legislated out of existence" and that the means were at hand in the principles of the Bankhead bill. That measure, he thought, combined with state tax policies that discouraged absentee landlordism, would reorganize land tenure to help "make a prosperous people." Cognizant of criticisms of the adequacy of the legislation's home ownership aims, he considered the question of whether a tenant purchaser of 40 acres could profit, and concluded that he could. The reason for this was that the change from an exploitive tenancy system to small holdings would give the worker a "stake in the land" and thereby stimulate initiative and conserve the "human values upon which all real wealth depends." Finally, Hays admitted that the Bankhead program could not provide immediate opportunity for all tenants, but suggested that it would be complemented by extensive RA aid to rehabilitation clients.[7]

On August 26 Congress adjourned with the bill still unreported. Even though it had failed in 1935, it would maintain its current status when the new session began in January, 1936. The situation prompted Jones to comment that whereas the New Deal had performed great service by its price parity programs and through the FCA, it still needed to meet the worsening tenancy problem. But, hinting that he had not regarded the Bankhead proposal as an adequate remedy, he hoped that "on the basis of this bill a practical measure may be enacted during the next session . . . ."[8] Jones also reassured Alexander that action would be taken after Congress reconvened.[9] Meanwhile the Southern Policy Committee remained interested. With some hope for the legislation's revival, Miller and Nixon arranged an SPC conference for October 27 in New Orleans and included on the agenda planning for "further work on the Bankhead-Jones bill," as well as for nonlegislative efforts to meet the tenancy

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[7]Typescript of speech, "An Economic Policy for the South," n.d., H. C. Nixon papers, in possession of the Nixon family, Nashville. Hereafter cited as Nixon papers. Internal evidence dates this speech at about late August or early September, 1935. It was delivered by Hays, although no name is attached. Charles W. Edwards (ed.), "Bulletin of the Alabama Policy Committee: Papers and Addresses Delivered at the Organizational Conference, Auburn, Alabama, August 19, 1936," copy in NPCP, includes a later speech by Hays with the same title and much identical language. A reference in H. C. Nixon to Francis P. Miller, September 10, 1935, NPCP, indicates that Hays delivered the 1935 speech in Anniston.

[8]New York Times, September 1, 1935, II, 7.

[9]Alexander to Dr. M. C. Holmes, September 18, 1935, papers of the Commission on Interracial Cooperation, Atlanta University. Hereafter cited as CIC.

crisis.[10]

Among Will Alexander's reasons for disappointment over the lack of progress was that by this time he was fully convinced that the RA and the Bankhead program should be closely related, if not administered together. He wrote that the RA's task was the "rehabilitation of one million one hundred thousand farm families who are now on relief." This program, derived from the FERA, provided supervision and credit to promote the self-sufficiency of poor families. The agency was already helping to rehabilitate 350,000 families and was increasing its coverage as rapidly as possible. "Part of the plan," Alexander continued, "is that ultimately a great many of these people may be assisted toward the ownership of their land." He envisioned that "the work of the Resettlement Administration may become the foundation on which to build a long-time program of rehabilitation for the landless rural population of this country." But to make that possible Congress would have to enact the Bankhead bill or a similar measure.[11] Anticipating a well-co-ordinated rehabilitative program combining the features of the RA and the Bankhead principles, Alexander was frustrated by the inactivity in the House. He observed that it still remained to be seen how far Congress would go in supporting tenancy legislation, and concluded that much depended upon

[10]Francis P. Miller to SPC members, October 15, 1935, NPCP.

[11]Alexander to Holmes, September 18, 1935, CIC. For a later expression of the same views and a suggestion that FDR had the same general idea, see typescript of stenographer's notes of informal report by Alexander to the board of the Interracial Commission, Atlanta, April 16, 1936, CIC.

the country's general mood when the next session began.[12]

Southern Policy Committee leadership also became increasingly pessimistic in the fall of 1935. Francis P. Miller informed H. C. Nixon that reliable Washington opinion held that Roosevelt wanted the 1936 session of Congress to be short and would not favor new programs with large expenditures. Furthermore, since the South (due to the assassination of Huey Long) was considered safe for the New Deal in the coming election, there was no pressure to extend "additional sops" to the region. Miller's confidential information was that these circumstances made the chance for passage of the Bankhead measure "very small indeed." Moreover, that likelihood was further reduced "by the fact that Tugwell does not like the present bill because it sets up an independent corporation. He would prefer to have the [tenant purchase] plan [made] . . . an integral part of his resettlement program." Miller had heard that Tugwell "would rather see the bill fail than have it go through in its present form." He concluded that "in view of Tugwell's influence with the President it is more than likely that the latter's attitude toward the bill will be reserved, to say the least." The main hope for tenancy legislation, Miller thought, was for the SPC to organize a sustained effort, like that which Midwesterners had developed for the parity legislation of 1933. He anticipated a two or three year campaign to enact the Bankhead proposal.[13]

Tugwell was in fact greatly concerned about how the tenant purchase

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[12]Alexander to Holmes, September 18, 1935, CIC.

[13]Francis P. Miller to H. C. Nixon, November 30, 1935, NPCP.

loan program would be established and administered. On November 21, having heard that Roosevelt had asked Wallace, William I. Myers and Treasury Secretary Henry Morganthau to suggest effective tenancy policies, and apprehending that the credit program might not be co-ordinated in any way with the RA, Tugwell wrote to the President:

> I had supposed that you were aware that all that [rehabilitative] work was being done by the Resettlement Administration. We are taking care of about 200,000 tenant families now . . . and I have been working actively with members of Congress on the Bankhead-Jones bill. I haven't talked with you about this lately but I had supposed you knew what we were doing. You told me some time ago to begin tenant resettlement this year on a small scale and said that during this [1936 Congressional] session you would help with permanent legislation. You told both Bankhead and Jones that you expected me to administer it. I only write this to find out whether things have changed. . . . I am deep in the tenant business by now and if I am to pull out I should like to make it as easy as possible.[14]

Roosevelt replied that he was quite aware of the RA's work, and while not specifically mentioning RA administration of the Bankhead program, he did indicate that he had asked Wallace, Myers and Morganthau to confer with Tugwell on the problem. Preparing to depart for Warm Springs, he saw no urgent need to revise the tenancy legislation "as we have until the first of the year to work out something with Bankhead and Jones."[15]

Actually, in the fall of 1935, Roosevelt was neither so "reserved" about the Bankhead bill as Miller pessimistically supposed, nor as unaware of antipoverty work as Tugwell thought. On the contrary, he had finally determined to throw his full weight behind the tenancy measure, although he wanted it significantly modified. Among other

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[14]Tugwell to FDR, November 21, 1935, FDRL OF 1568.

[15]FDR to Tugwell, November 25, 1935, ibid.

things, he agreed with Tugwell at least to the extent that he did not want an independent corporation to administer the new program. On December 4, at Warm Springs, the President indicated publicly for the first time his support for the legislation. A delegation of Georgia farmers, Roosevelt's "neighbors," saw him at the Little White House and then informed reporters, undoubtedly at his suggestion, that he favored the measure.[16] H. C. Nixon, then visiting George Foster Peabody at Warm Springs, also heard indirectly of Roosevelt's opinions.[17]

At this time Roosevelt also discussed the bill with Peabody, who immediately wired Alexander in Atlanta and urged him to come to Warm Springs. Alexander arrived on the fifth and, after a hint to Roosevelt from Peabody, was invited to lunch with the President. In an unhurried private discussion Alexander "found him thoroughly committed to a program in line with the Bankhead Bill and determined to put the thing through in the coming session," although with "certain very definite amendments" by the House. After the conference Alexander was optimistic:

> I had never before been quite certain of the President's attitude. I now have no doubt as to his whole-hearted support, and I firmly believe that we will get a bill which will enable us to begin on the big program which is contemplated by the Bankhead Bill. It is the hope of the President that the beginning may be somewhat less conspicuous than had been anticipated, but once we get a start, although it may not be on as grand a scale as we had contemplated, I shall feel that we have attained our major goal.[18]

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[16]New York Times, December 5, 1935, 1.

[17]H. C. Nixon to Francis P. Miller, December 6, 1935, NPCP.

[18]Alexander to E. R. Embree, December 5 or 6, 1935, CIC. The first page of the letter is dated December 5 and the second December 6. Dates mentioned in this paragraph are based on the assumption that December 6

On the sixth Alexander left Warm Springs for Alabama to confer with Bankhead about the modifications Roosevelt wanted.

Although Roosevelt was strongly interested in tenancy legislation, his commitment was qualified. He told another visitor, Chattanooga newspaper editor George Fort Milton, that he wanted the measure revised. Milton found him "thoroughly reluctant to establish a new Federal unit." The President said that "'the bill will have to be switched around'" to eliminate the independent corporation. Influenced by Tugwell and William I. Myers, he thought the tenant purchase loan program should be conducted by either the FCA or the RA. Concerning spending, Roosevelt "didn't think that too big a bite could be taken in the matter right off the jump." Milton reported that the President estimated that 2 million tenants needed aid in acquiring land, but not more than 75 per cent of them could be economically cared for. Therefore he envisioned a ten year program in which the government would buy and resell 150,000 farms per year, ultimately serving 1.5 million cases. Milton concluded that Roosevelt, while not opposed to the Bankhead program, was "rather definitely uninterested in it unless both form and tempo . . . were changed" as he suggested.[19] Thus the President wanted to narrow the

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is correct. At this meeting Alexander gave FDR a copy of the just-published Collapse of Cotton Tenancy. FDR remarked that he had heard of the book and appreciated the work behind it, which, he thought, had increased general awareness of the tenancy problem and had given him the necessary public support to enable him to support the Bankhead measure. All available evidence indicates that this conference was the first private meeting between FDR and Alexander, despite the fact that other secondary works (e.g., Baldwin, Poverty and Politics, 131) place the initial meeting almost one year earlier.

[19]George Fort Milton to H. C. Nixon, December 6, 1935, Nixon papers.

legislation's coverage by slowing its implementation and reducing its spending.

As 1936 began and Congress convened, the President pressed vigorously for his version of the legislation. On January 4, the day after his State of the Union address, he met with Alexander and others to review the desired changes in the bill. Then on January 6 a larger group, including Alexander, Bankhead, Jones, Wallace, Myers and Morganthau conferred with Roosevelt at the White House. According to Alexander, "the President laid down the law to them in no uncertain terms and asked for amendments to which all agreed . . . ." The changes, to which Bankhead probably consented with reluctance, included elimination of the independent corporation, administration of the program by an agency of the Department of Agriculture, and replacement of the $1 billion bond issue with gradual financing of government land purchases by direct appropriations. Concerning actual passage, "Jones agreed to proceed at once to put it through the House, the President insisting that he didn't want it left to the end of the session."[20]

Unfortunately, these promising efforts for passage were abruptly terminated. As the White House conference broke up, the Supreme Court

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[20]Alexander to E. R. Embree, January 13, 1936, Rosenwald Fund papers, Fisk University. Hereafter cited as Rosenwald Fund papers. See also Bankhead's reference to the conference in Bankhead to L. C. Gray, December 14, 1936, NA RG 16. Tugwell seems not to have been present on January 6, although he may have been on the fourth. Harold Cooley to Jonathan Daniels, May 1, 1936, Daniels papers, Southern Historical Collection, University of North Carolina (hereafter cited as Daniels papers), notes that the revised bill allowed the transfer of RA property to a corporation within the USDA, indicating that coordination of the tenant purchase program and RA activities was still contemplated.

was announcing its decision in U.S. v. Butler,[21] which declared the AAA processing tax unconstitutional and overthrew the principal New Deal farm program. Because of the judgment, it was clear that the Bankhead bill could not progress until the Agriculture Department and administration forces in Congress could write and enact a substitute for the AAA. Alexander wrote Embree that, "you can imagine the confusion which we have been in since that time [the announcement of the decision] but I still hope that we can salvage the bill from the wreck."[22] But Alexander still retained his optimism. He told Tannenbaum that Roosevelt had asserted that as soon as general farm legislation was enacted the tenancy measure "must be put through next," and that Wallace and Tugwell had lawyers preparing it for House passage "when the first opening appears." Moreover, Jones had again promised to obtain House action, and Brooks Hays and H. C. Nixon were lobbying vigorously.[23]

Other friends of the bill were more discouraged. M. L. Wilson informed one North Carolina supporter that there was much "uncertainty" about the measure's future, and even if it were enacted its appropriations would be "on a rather modest scale" because, he thought, current administration policy was to "hold fast to the going things, and not initiate anything new . . . which would involve additional

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[21]U.S. v. Butler, 297 U.S. 1 (1936).

[22]Alexander to Embree, January 13, 1936, Rosenwald Fund papers.

[23]Alexander to Tannenbaum, n.d. (c. February, 1936) and Alexander to Tannenbaum, February 27, 1936, Frank Tannenbaum papers, Columbia University. Hereafter cited as Tannenbaum papers. Tannenbaum was then in New York on the Columbia University faculty and had not worked actively for the bill since May, 1935.

expenditures . . . ."[24]

Even Bankhead seemed apathetic about his namesake's progress. Hearing of this, Tannenbaum told Alexander that he intended to write the Senator to encourage a renewal of his efforts. Tannenbaum was particularly disturbed that the New Deal had as yet done nothing for tenants and feared that fact, along with failure to enact the Bankhead program, would expose the administration to attack in the 1936 election for having hurt rather than helped the poor.[25]

Tannenbaum wrote Bankhead, in clear Jeffersonian terms, that "American democracy cannot survive the conversion of our farm population into a property-less and homeless race of migrants," a likely outcome unless the spread of tenancy could be halted. Expressing confidence that Bankhead would not allow legislation so closely associated with his name to die, he told the Senator that, "passage of this bill makes you the great statesman of our day in helping preserve the stability of our rural life, upon which our entire institutional system depends." Moreover, he advised Bankhead not to be unduly concerned about recent alterations in the measure, since the most important thing was to enact it, establish the principle of opposition to tenancy and begin working to reduce landlessness. The letter was flattering in tone, but conveyed Tannenbaum's feeling that the bill would fail unless someone took decisive action.[26]

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[24]Hugh MacRae to M. L. Wilson, January 25, 1936; Wilson to MacRae, January 29, 1936 and February 12, 1936, NA RG 16.

[25]COHC-Alexander, 597; Tannenbaum to Alexander, February 24, 1936 and Tannenbaum to Peabody, February 24, 1936, Tannenbaum papers.

[26]Tannenbaum to Bankhead, February 28, 1936, Tannenbaum papers.

The White House maintained its interest. During February Alexander received repeated assurances that the President wanted the tenancy bill taken up by the House as soon as a new general farm program was enacted. On February 28 Congress passed the Soil Conservation and Domestic Allotment Act, clearing the way for other legislation. By spring Roosevelt began to press the House Agriculture committee to report the Bankhead measure.[27]

One factor which may have added a degree of urgency to the administration's desire for legislation was an outbreak of violence against the Southern Tenant Farmers' Union in eastern Arkansas in the early months of 1936. The occasion for this was the union's plan for a strike of cotton "choppers" and other day laborers in the spring. Since the strike vote was taken three months before the peak of the farm labor season, planters and their local allies had time to try to forestall the action with anti-union violence and evictions of STFU members from the land.[28] Roosevelt received considerable pressure to intervene in this situation. Both Garder Jackson and Norman Thomas pressed him to order federal investigation of the disorders, and he was sufficiently influenced by these critics to have Tugwell quietly look into the matter.[29] Then on

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[27]Alexander to Tannenbaum, February 27, 1936 and April 22, 1936, Tannenbaum papers; informal report by Alexander to the board of the Interracial Commission, Atlanta, April 16, 1936, CIC.

[28]Donald H. Grubbs, "The Southern Tenant Farmers' Union and the New Deal" (unpublished Ph.D. dissertation, University of Florida, 1963), 350-354.

[29]Jackson to FDR, January 21, 1936 and Jackson to Marvin McIntyre, March 20, 1936, FDRL OF 4207; Thomas to FDR, February 28, 1936, and FDR memo to Tugwell, March 2, 1936, FDRL OF 1650.

March 6 the President introduced the subject in a Cabinet meeting. Perhaps to avoid possible embarrassment of Senator Robinson, he rejected a suggestion by Labor Secretary Frances Perkins that federal strike mediators be sent to Arkansas. But he did direct Tugwell to see the Majority Leader and suggest that he persuade Arkansas Governor Junius Marion Futrell to take stronger measures to discourage violence and appoint a state tenancy commission to recommend ways to improve the sharecroppers' condition. On March 10 Tugwell reported that Robinson had accepted the idea and had begun to pressure Futrell.[30] A state commission was subsequently appointed. This cautious attempt to ease the turmoil suggests that the administration found the tenancy problem extremely troublesome, yet impossible to ignore.[31] This predicament must have added to the desire to produce some tangible legislative benefits for the landless.

On April 16, 1936, Alexander delivered an informal report to the board of the Interracial Commission. He informed them that the bill was still in committee because "Mr. Jones is a very hard man to reach. He is one of the most powerful men in Congress--and as politicians go he wants something for whatever he does . . . . Unfortunately we haven't found anything we can swap with Mr. Jones." This assessment contrasted to Jones' continual assurances to Alexander and Roosevelt since the previous January that he would bring the legislation to the floor, and

[30]Tugwell memo to FDR, March 10, 1936, FDRL OF 1650. See also Grubbs, "The Southern Tenant Farmers' Union and the New Deal," 372.

[31]A generally accepted interpretation is that the STFU was an embarrassment to the administration because of the New Deal's need to keep on good terms with powerful cotton belt Senators such as Robinson. See for example, Grubbs, "The Southern Tenant Farmers' Union and the New Deal," 202, 372.

indicated that for Alexander, at least, Jones' promises were wearing thin. Another reason for the lack of progress was the recalcitrance of several other Southern committee members, including E. M. Owen of Georgia and Richard M. Kleberg of Texas. Nevertheless, Alexander still saw a chance for passage because the measure had Roosevelt's "whole support."[32]

The President's influence and the patient work of Alexander and other supporters nearly brought success in April, 1936. On the twenty-second Alexander informed Tannenbaum that "we have finally worn down the members of the Committee," and after the "most realistic check," he predicted that all Democratic members, an Independent and one or two Republicans would vote to report the bill on the next day. The anticipated action, he said, was "due in large measure to pressure from the President." Since Roosevelt was strongly committed and the committee vote would be nearly unanimous, he expected the bill to develop a powerful momentum toward passage.[33]

On April 23, to Alexander's dismay, something went wrong and "the Committee decided to take a little more time." To Embree he confided "the delay drives one almost to despair."[34] Francis P. Miller, who had watched the committee closely, determined that favorable action had been prevented by a North Carolinian, Harold Cooley, and three other Democrats.

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[32]Typescript of stenographer's notes of informal report by Alexander to the board of the Interracial Commission, Atlanta, April 16, 1936, CIC.

[33]Alexander to Tannenbaum, April 22, 1936, Tannenbaum papers.

[34]Alexander to Embree, April 28, 1936, Rosenwald Fund papers.

Accordingly he asked Jonathan Daniels to try to "educate" Cooley.[35] Daniels wrote to the Congressman, but was informed that "it does not appear . . . that legislation will be enacted at this session of Congress."[36]

At about this time Roosevelt reached an identical conclusion. In a memorandum to Bankhead and Robinson, written sometime after May 8, he assumed that the session would produce no tenancy bill, although he expressed hope for action in the next Congress.[37] Despite the fact that Congress took more than a month after May 8 to adjourn, Roosevelt was not giving up the measure prematurely. After failure on April 23 to obtain committee action, time was indeed limited. Both national political conventions were scheduled for June and by May 2 Congressional leaders were planning for quick adjournment.[38] Congress recessed June 9 through 15 for the Republican convention, and upon returning adjourned on June 21, just before the Democrats met. Therefore the session was virtually finished at the time Roosevelt abandoned hope for the bill.

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[35]Miller to Daniels, April 29, 1936, Daniels papers.

[36]Cooley to Daniels, May 1, 1936, <u>ibid</u>.

[37]FDR memo to Bankhead and Robinson, n.d. (after May 8, 1936), FDRL OF 1650. As evidence of FDR's growing concern with destitution in the South, the memo refers to a report written for FDR by newsman Edward G. Lowry on tenancy and poverty conditions in Georgia. FDR considered the report valuable and sent it to Bankhead and Robinson to read. FDR to Lowry, June 8, 1936, FDRL PPF 3593, also praises the report and states that FDR expected to have a major report prepared in August or September, 1936, for use as a basis for tenancy legislation in 1937. Lowry's report cannot be located in the Roosevelt Library, but some general information about it was obtained from Edward G. Lowry, Jr. to author, July 20, 1969.

[38]New York <u>Times</u>, May 2, 1936, 1.

Even had the House passed the legislation, it would have differed substantially from that approved by the Senate in June, 1935, and the necessary conference probably would have been lengthy. With conventions nearing and the session ending, Roosevelt reluctantly decided to defer the Bankhead bill again, until 1937.

With the approach of the Democratic convention, there were some attempts to secure a strong platform resolution on tenancy. Representative Lister Hill of Alabama, chairman of an informal committee of House supporters of the Bankhead legislation, organized one effort with the encouragement of Brooks Hays and the Southern Policy Committee.[39] Before the convention Hill sent National Chairman James A. Farley a proposed plank which stressed the necessity of making owners of tenants. Hill maintained that if the party, in view of Congressional inaction on the bill, failed to adopt a forceful platform statement, it would expose itself to charges that it was unconcerned about tenancy.[40] Another approach was by Gardner Jackson, who had discussed the problems of the landless with Senator Robinson during the Congressional session. At the convention, Jackson and STFU executive secretary H. L. Mitchell secured an appointment with Robinson and Assistant Secretary of Labor Edward McGrady, both members of the platform committee. Jackson pressed for a plank favoring extension of the principles of the Wagner Act to agricultural labor. Robinson was reportedly prepared to support this, but was dissuaded by McGrady, who feared its misinterpretation as a

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[39]Hays to Friends of the SPC, July 16, 1936, NPCP.

[40]Hill to Farley, June 4, 1936, NA RG 16.

threat to landowners.[41] When the platform was finally adopted its longest section was that on agriculture, but the only reference to landless farmers was an innocuous statement that "we recognize the gravity of the evils of farm tenancy. . . ." One other paragraph commended the retirement and submarginal land and rural rehabilitation efforts. The rest of the farm plank stressed New Deal accomplishments in raising commodity prices toward parity, reducing farm indebtedness and other programs of benefit to landowners.[42]

During the 1936 campaign Roosevelt mentioned tenancy infrequently, although he talked much of dustbowl conditions and extolled the administration's price parity policies. But on September 21 he introduced the issue by releasing to the press letters to Bankhead and Jones, requesting them to confer, outline new legislation and meet with him in December to perfect a proposal for presentation to Congress.[43] Except for his indirect hint from Warm Springs in December, 1935, that he favored the Bankhead measure, this was the President's first public acknowledgement of his support for it. Bankhead replied enthusiastically that he would renew his efforts in 1937 and was confident of success.[44] Roosevelt referred to tenancy in the campaign on one other occasion, at Omaha on October 10. Discussing general farm policy, he pledged that legislation

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[41]Grubbs, "The Southern Tenant Farmers' Union and the New Deal," 513.

[42]New York Times, June 26, 1936, 1, 13. Baldwin, Poverty and Politics, 165, attributes the tenancy statement to Marvin Jones.

[43]FDR to Jones and Bankhead, September 21, 1936, FDRL OF 1650. See also the same letters, dated September 17, 1936, in NA RG 16.

[44]Bankhead to FDR, September 25, 1936, FDRL OF 1650.

to promote small ownership would be proposed in January. "We cannot, as a nation," he declared, "be content until we have reached the ultimate objective of every farm family owning its own land."[45] At this point, although his remarks were too cursory to permit elaboration of any other ideas which he may have had, the President seemed fully committed to credit for farm purchases as the answer to landlessness and poverty.[46]

Meanwhile, the RA continued to develop a broad rehabilitative approach to rural poverty. When it was established in 1935, Tugwell, grasping the relationship between poor land and the impoverishment of people who worked it, advocated co-ordination of land classification, retirement of sub-standard acreages and relocation of residents to better farms. To this was added the FERA's rural rehabilitation functions, and by the spring of 1935 Tugwell was convinced that any tenant purchase loan program should also be attached to his agency. Accordingly, he engaged Alexander's services expressly to administer tenancy matters.[47] Furthermore, by the fall of 1935 he had secured Roosevelt's tentative agreement that the program resulting from the Bankhead legislation should be assigned to him.[48] Moreover, Alexander suggested on several occasions in 1935 that the RA should be regarded as a "foundation" to be capped by a homeownership plan.[49] This view also appeared in May, 1936, in a report on the

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[45]New York Times, October 11, 1936, 1.

[46]Grubbs, "The Southern Tenant Farmers' Union and the New Deal," 522; Baldwin, Poverty and Politics, 166.

[47]See above,

[48]Tugwell to FDR, November 21, 1935, FDRL OF 1568.

[49]Alexander to Dr. M. J. Holmes, September 18, 1935, and typescript of stenographer's notes of informal report by Alexander to the board of the Interracial Commission, Atlanta, April 16, 1936, CIC.

agency's objectives which Tugwell was required to make to the Senate.[50] Thus, since its establishment, the RA had evolved the idea of aid to the landless on all levels, including subsistence grants to destitute wage laborers, rural rehabilitation loans to raise the status of sharecroppers, and land purchase credit for the most able tenants. This policy envisioned the landless progressing, with credit and supervision, up an "agricultural ladder" which led to small ownership for the most capable.[51]

By November, 1936, Tugwell, concerned that this comprehensive rehabilitative program might be dismantled, wrote to the President. He deplored that in his conversations with Roosevelt and others he found a "disposition not to understand why the Resettlement Administration was put together as it was, and a certain easy assumption that it can be broken apart again. . . ." He emphasized to the President that all his agency's functions were interrelated and therefore "if the land [classification] program were . . . separated from the rehabilitation and resettlement work, we should lose all we gained in putting them together." Moreover, passage of the Bankhead program without tying it to the RA

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[50]U.S., Congress, Senate, Resettlement Administration Program, Letter from the Administrator of the Resettlement Administration in Response to Senate Resolution No. 295 a Report on the Objectives, Accomplishments and Effects of the Resettlement Administration Program, 74 Cong., 2d Sess., 1936, Senate Doc. 213, p. 11.

[51]Ibid. "It is the desire of the Resettlement Administration, through its rural rehabilitation program, to assist . . . successful clients toward land ownership." The report continued that if funds were made available, as many as 20,000 poor tenants could become owners in the coming year. For an example of the currency of the term "agricultural ladder," see FDR's use of it in his letter of February 16, 1937, transmitting the report of his Farm Tenancy Commission to Congress, in U.S., National Resources Committee, Farm Tenancy, Report of the President's Committee (Washington: U.S. Government Printing Office, 1937), 25.

would not better the condition of the poor because, standing by itself as written in 1935, it contemplated "simple ownership without the protection of real security . . . [or] the supervision which is essential." Furthermore, if the RA could not administer tenant purchase loans, it would be incomplete, left with its submarginal land and resettlement programs, "both of which should be joined together and to the tenant operations."[52]

The occasion for Tugwell's concerns was that in the fall of 1936 he desired to transfer his agency intact to the Department of Agriculture. The RA was then vulnerable to criticism for several reasons: the similarity to relief of its subsistence grants, the challenges which it presented to the rural South's status quo, the fact that its authority was derived only from executive order and not from federal law, its administrative expenses which many thought excessive, and the fact that Tugwell himself was a controversial braintruster.[53] In addition, the RA was financed by relief funds, an uncertain source, and Tugwell probably hoped that as part of the Department it would have better access to regular appropriations. Tugwell presented the idea to Roosevelt by suggesting that the Bankhead bill, which then contemplated creation of a land purchase credit corporation within the Department, be amended to allow the President to assign to that corporation the assets and functions of any agency, such as the RA, set up under the 1935 relief reorganization.[54]

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[52]Tugwell to FDR, n.d. (c. November, 1936), FDRL PSF, Agriculture: Tugwell, 1936.

[53]Baldwin, Poverty and Politics, 120-122.

[54]Tugwell to FDR, n.d. (c. November, 1936), FDRL PSF, Agriculture: Tugwell, 1936.

This procedure would assure that the RA and the Bankhead program would be combined within the Department. The President was reportedly sympathetic to the general idea of transfer.[55]

However, Wallace and other Agriculture officials were reluctant to accept the change. They may have feared that Tugwell, heading a vigorous program within their jurisdiction, might antagonize planter elements and revive the intra-departmental dissentions of 1935. To lessen the Secretary's resistence, RA officials persuaded him to tour agency projects from Arkansas to Florida. The trip, beginning November 17, made a great impression on Wallace, who began speaking frequently on the value of the rehabilitative process.[56]

Wallace had previously admitted to the press that he thought most of the RA belonged within the Department, but he wanted a free hand in choosing which functions should be taken over. (He particularly disliked Tugwell's suburban development projects.) The Secretary's attitude evidently accounted for the apprehension Tugwell expressed to Roosevelt that the RA might be broken up.[57]

On November 18, 1936, Tugwell resigned. This action may have been taken, in part, to facilitate the transfer. As he left the administration Tugwell was instrumental in the selection of his successor;[58]

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[55]New York *Times*, November 11, 1936, 3.

[56]*Ibid*.

[57]New York *Times*, January 13, 1937, 4; Tugwell to FDR, n.d. (c. November, 1936), *FDRL* PSF, Agriculture: Tugwell, 1936.

[58]Baldwin, *Poverty and Politics*, 122.

Alexander, who had genuine feeling for the South's poor but was not handicapped by controversiality, became Administrator. On January 1, 1937, Roosevelt, by executive order, made the entire RA part of the Department of Agriculture.

Another development of the latter part of 1936 was the emergence of a distinct radical antagonism to the Bankhead bill, incipient since its introduction. As early as November, 1935, some radicals began thinking of alternatives to the measure. One Socialist, Dr. William Amberson, a physiologist at the University of Tennessee medical college in Memphis and active sympathizer of the STFU, helped write for his party a preliminary draft of a substitute measure. Describing it to Socialist National Secretary Clarence Senior, Amberson envisioned a statute which would define all the nation's arable lands as public property and establish a National Land Authority to regulate them. Those who had owned 160 acres or less could continue farming on an individual basis. Holders of larger tracts could retain that same acreage for their personal operation. The Authority, through power of eminent domain, would appraise and purchase all holdings in excess of 160 acres, and divide and lease (but not sell) them to the landless. Farms of any size owned and operated by cooperative associations of working farmers would continue as units, while the new agency established other such cooperatives.[59] Amberson had a low opinion of the Bankhead measure, which he described to Gardner Jackson as "just another bit of administration hypocrisy," and hoped that

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[59]Amberson to Senior, November 15, 1935, and attached pages of suggested language for a bill, William Amberson papers, Southern Historical Collection, University of North Carolina. Hereafter cited as Amberson papers.

"various left wing groups interested in the agricultural problem could agree upon some radical alternative. . . ."[60] But he recognized that Congress would never seriously consider a Socialist bill unless its origins were concealed and its "radical implications" soft-pedalled. However, this created a dilemma for him. "I want to see the S. P. get publicity," he told Senior, and added that he foresaw and welcomed a "long-range effect of strengthening the Socialist sentiment if a recognized Socialist proposal is turned down by Congress." But on the other hand, having observed conditions in eastern Arkansas, he knew that the "pressing need of these people cries out for some immediate alleviation," and that might necessitate acceptance of some less sweeping legislation.[61] Amberson's proposal attracted some interest within the STFU and was also sent to Gardner Jackson for his consideration. But by February, 1936, Amberson reported that he had made little progress toward perfecting his bill. He seems to have dropped the project soon afterward.[62]

As early as February 21, 1936, representatives of the STFU had opposed the Bankhead bill in conferences with Tugwell, Alexander and Hays.[63] But the union's first broad counter-proposal came in the fall

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[60]Amberson to Gardner Jackson, December 31, 1935, ibid.

[61]Amberson to Senior, November 15, 1935, ibid.

[62]H. L. Mitchell to Gardner Jackson, December 26, 1935, Southern Tenant Farmers' Union papers, Southern Historical Collection, University of North Carolina (hereafter cited as STFU papers); Amberson to Jackson, December 31, 1935, and Amberson to Senior, February 20, 1936, Amberson papers.

[63]Howard Kester to H. L. Mitchell, February 21, 1936, STFU papers.

of 1936 as a response to the report of the Arkansas state tenancy commission. The state commission, it will be recalled, had been appointed by Governor Futrell, prompted by Senator Robinson, who in turn acted upon a White House suggestion conveyed by Tugwell. It consisted of businessmen, editors, planters, educators, lawyers, and, to avoid union picketing of its sessions, representatives of the STFU. These members met at Hot Springs on September 21 and issued a statement which stressed the value of individual farm ownership and favored a program essentially like the 1935 Bankhead bill. In addition to federal acquisition and resale of lands on liberal credit terms and guidance of the purchasers, the report called for government supervised production credit to replace the "furnish" system, as well as federal loans for family subsistence goods. Standardized written contracts between landlord and tenant and improved state health and educational programs for the landless were also suggested.[64]

Even before the state commission published its report, the STFU prepared its response. Anticipating that the Hot Springs conference would endorse the Bankhead bill, the union concentrated its criticism on that measure, which it called "nothing more than a flank attack on

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[64]"Farm Tenancy Commission of Arkansas, Findings and Recommendations" (Hot Springs, November 24, 1936), NA RG 16. According to Edward J. Meeman to M. L. Wilson, December 1, 1936, NA RG 16, this report was written by C. T. Carpenter, a lawyer from Marked Tree, Arkansas, who had once represented the STFU but was no longer connected with it. Carpenter was influenced by New Deal rehabilitative thinking. Before the state commission met he wrote to Wallace for suggestions. Answered by Appleby, he was referred to Wallace's remarks on farm ownership in the hearings on the 1935 Bankhead bill and to FDR's open advocacy of the measure in the fall of 1936. See Appleby to Carpenter, October 17, 1936, NA RG 16.

the problem of tenancy." The critics assumed that because of limited funds and other factors, the Bankhead program would be a "highly selective process" which would assist some tenants to landownership, but leave a "vast residium [sic]" of those unable to meet its standards of experience, education and skills, who really constituted the "heart of the problem." In short, the union believed nothing would be solved "by making a few men homeowners," rather, tenancy had to be abolished completely.[65]

The STFU questioned whether land redistribution as contemplated by the Bankhead measure would even benefit those who qualified for purchase of farms. Plantation interests which held the best lands in the Delta regions with which the union was most familiar were expected to be reluctant to part with them. Besides, the statement asserted, there was no real chance that family sized farms could compete in cotton production with large and increasingly mechanized plantations. Nor could small owners attain adequate living standards if limited to subsistence farming, growing only small amounts of cotton for incidental cash. The statement continued that there had been a half-century trend toward concentration of landownership. This was a natural development because "the large plantation has an economic justification which we neglect at our peril." Its advantages included efficiency of operation and greater productivity than small farms, features worth preserving. "The fundamental readjustment" which the STFU believed necessary was in the "character of ownership of the large farm." A new type of farm

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[65]STFU recommendations to the Governor's Commission on Farm Tenancy in Arkansas, n.d. (before November 24, 1936), Amberson papers. This statement was in addition to a more general one already presented at the commission's meeting.

organization was needed and it "<u>must perforce</u> be a communal or village farm economy. . . ."[66]

Specifically, the STFU recommended collective ownership of large acreages by tenants. Individuals would retain their own houses and garden plots, probably grouped in rural villages, but field crops would be grown cooperatively without division of land. This system could preserve the advantages of the large plantation by hiring experts to supervise crops, providing cooperative ownership of machinery, group marketing and purchasing (perhaps through cooperative stores) and efficient division of farm labor. Although critical of the Bankhead proposal to purchase land from private owners, and of the RA's land acquisitions for its community projects (particularly its Dyess Colony in eastern Arkansas), the statement made no suggestion about how land for collectively owned farms should be obtained.[67]

The National Committee on Rural Social Planning, the authorized Washington voice of the STFU, headed by Gardner Jackson, also issued a statement, on November 12, 1936. It fully endorsed the union's position and added other criticisms of the Bankhead measure. Because of the trend toward large mechanized holdings, the committee stated, a rigid policy of promoting small farms "would at best . . . anchor millions of our rural people to a subsistence or a near subsistence level" by providing them farms too small for economical operation.[68]

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[66] <u>Ibid</u>. Italics added. [67] <u>Ibid</u>.

[68] Unsigned letter to Tugwell and Wallace from the National Committee on Rural Social Planning, November 12, 1936, NA RG 16. The probable author was Gardner Jackson.

The committee acknowledged that the final version of the 1935 bill had offered several possibilities for the landless: credit for long term purchase, five-year leases of land from the proposed corporation and encouragement of cooperatives. But it regarded these alternatives as inadequate because the major emphasis of the legislation had been on ownership. Lease provisions were neither detailed nor renewable and might not protect tenant rights. Furthermore, the requirement that farms sold be capable of supporting a "decent standard of living" did nothing to define that standard. Having pointed out these flaws in the measure, (and ignored any possibility that they might have been substantially overcome by enlightened administration), the statement then leaped to a conclusion about its intent by declaring that "there can be no doubt that the main purpose of the act was to set up an American peasantry."[69]

Finally, the committee thought that if the Bankhead bill were enacted in 1937 it should be amended to assure that individual farms provide an adequate living, safeguard against alienation of land to speculators and specifically ban racial discrimination in the program. Moreover, banks, insurance companies and landlords should be prevented from dumping their least valuable acreages on a government agency which in turn would unload them on tenant purchasers.[70]

While it advocated group landownership, the committee admitted that a majority of tenants probably desired to possess their own land. Surveys of the STFU's membership also reached the same conclusion. The committee attributed this to a lack of comprehension among sharecroppers of the desirability of a cooperative system, a faulty understanding

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[69] Ibid. [70] Ibid.

which the administration had some responsibility to correct. "Until the government and other organizations undertake an educational campaign to dispel the romantic notions that still prevail concerning the advantages of rugged individualism on the farm, such desires will continue to prevail," the statement declared.[71]

These radical critics did hit the mark by showing that simple credit for buying farms was no panacea for tenancy, not to mention other poverty conditions. However, many of their criticisms had already been anticipated by the RA and the inner group of the Bankhead bill's supporters. It had long been recognized, for example, that a tenant purchase loan plan would necessarily be selective and leave most unaffected. Accordingly, Tugwell and Alexander, with their vision of a coordinated program for the landless, saw rehabilitation loans and subsistence grants as ways of reaching those without immediate prospects of ownership while assisting the most capable toward possession of homes. Likewise, the idea that credit for the poor had to be combined with supervision of their farming had been present since the FERA administered rural rehabilitation. Also recognized was the necessity of safeguarding tenant purchasers from land speculators by preventing alienation of their land until completion of a long amortization period.

As for the matter of obtaining adequate lands for clients, Tugwell favored a redistribution program only if carefully coordinated with RA's retirement of submarginal lands, assuring that tenants received only those acres suitable for cultivation. The 1935 bill also provided that

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[71] Ibid.

farms sold be of sufficient size and fertility and properly equipped to provide a "decent standard of living," although admittedly that would have to be defined by administrators. Moreover, the final version of the bill authorized five year leases of land prior to sale, a feature which could have been generally applied by the RA to provide a period of supervision for most prospective purchasers. Another section permitted government encouragement of cooperatives. Finally, concerning prohibition of racial discrimination, the architects of the legislation had determined in 1935 to rely on equitable administration (an enhanced possibility with Alexander heading the RA) rather than burden the measure with an explosive issue.

There was also an expectation that the Bankhead program, once enacted, could be improved in time. Paul Appleby wrote that deeper understanding of tenancy problems "would be brought out . . . in administrative operations growing out of enactment of the Bankhead-Jones Farm Tenant Bill," while at the same time there would occur an "actual improvement in the status of some tens of thousands of persons," and "the whole thing could be achieved without becoming necessarily a center of controversy."[72]

There still remained the essential question, raised by the critics on the left, of the adequacy of the small farm in a mechanized cotton belt. The pertinence of the issue is suggested by subsequent experience in the tenant purchase program of the Farm Security Administration, in which many farm units were provided which ultimately proved too small

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[72]Appleby to Lee R. Hays, February 24, 1936, NA RG 16.

for economical operation.[73]

Gardner Jackson and the STFU maintained that if small ownership was uneconomical the alternative "must perforce" be a village or communal system. However, a concept emerging within the administration by the end of 1936 was that small farmers could cooperate without resorting to collective land ownership. The permissive language of the 1935 Bankhead bill might have allowed government encouragement of cooperative buying, marketing or acquisition of machinery. That idea, apparently not frequently stated in 1936, did appear in the report of the President's Commission on Farm Tenancy of February, 1937, and in Secretary Wallace's testimony on February 18, 1937, before the House Agriculture Committee in support of the Bankhead measure.[74]

Moreover, the recognition that cooperative ventures were not precluded by a tenancy program which emphasized individual ownership as a goal grew in succeeding years and found a prominent place in the memoranda and speeches of FSA officials. In 1939, for example, T. J. Woofter, an FSA Economic Advisor, wrote,

> A middle ground between large-scale and family sized-farms lies in the development of family-sized units which will be bound together with cooperative devices. I do not mean to imply that it is desirable to collectivize our farms. Some large scale cooperatives might help to test the idea . . . . [Although] the pride of

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[73]Personal interview with James G. Maddox, Raleigh, North Carolina, July 10, 1970.

[74]U.S., National Resources Committee, Farm Tenancy, Report of the President's Committee (Washington: U.S. Government Printing Office, 1937), 13; Farm Tenancy, Hearings before the Committee on Agriculture, Hous- of Representatives, 75 Cong., 1st Sess., January and February, 1937, pp. 221-224. The 1937 tenancy report was drafted in December, 1936.

> ownership is deeply ingrained in American farmers, cooperative ownership of bulls and boars, heavy machinery, community facilities for first processing, purchasing and selling can bring to the family-sized farm many of the advantages of large scale operation without loss of individual initiative.[75]

This was virtually a restatement of Wallace's testimony of February, 1937.

Whatever the merit of these ideas, belief in small ownership as the goal of rehabilitative efforts was widespread in Congress and the administration. Alexander thought no other policy could be successfully promoted, indeed he wrote in the spring of 1937 that the favorable effect on public opinion was one justification for inclusion of land purchase credit in the RA's pattern of assistance for the landless.[76] Moreover, some of the advocacy of small ownership may not have been based on merely traditional values. In 1939 Woofter, referring to his tenancy research of 1936, considered the place of small scale "live at home" farming in the midst of commercial agriculture and rejected the assumption that it would lower living standards. His investigations revealed that, while the cash income of landlords grew proportionately with their acreage in

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[75]T. J. Woofter, "Rural Planning for More Workers," n.d. (1939). Typescript in the 1914-1939 file of the History Branch of the Economic and Statistical Analysis Division of the Economic Research Service, U.S. Department of Agriculture. Hereafter cited as USDA History Branch. In the same place see "How May the Conditions of Tenant Farmers and Share Croppers be Improved," typescript of speech by Paul V. Maris to the American Country Life Association at Lexington, Kentucky, November 4, 1938, and "Expanding Purchasing Power in the South," typescript of speech by Will Alexander to Virginia Institute of Public Affairs at Charlottesville, July 12, 1939. Personal interview with Robert W. Hudgens, Chapel Hill, North Carolina, July 8 and 9, 1970.

[76]COHC-Alexander, 414; memorandum to FDR, "Meeting the Needs of the Lowest Third [of] American Farm Families," April 27, 1937, FDRL OF 1650; memorandum of same title from Alexander to Wallace, n.d. (filing date May 3, 1937), NA RG 16.

staple crops, the real income and living standard of sharecroppers, so low to begin with, increased almost directly with their production for home use.[77] Presumably these findings could have applied to the impoverished tenant who became an owner.

If small ownership was an incomplete answer to rural poverty, neither was there any assurance that collective ownership would fulfill the expectations of Jackson and the STFU. The RA already conducted cooperative farm colonies, some of which were quite similar to the Delta Cooperative Farm, established near Hillhouse, Mississippi, by the writer Sherwood Eddy, which the STFU regarded as a model. These RA communities were ultimately "economic and, apparently, social failures."[78]

All these disputes concerning the merits of small holdings, collective ownership and the value of other rehabilitative programs erupted as 1936 ended. They would be fought out and resolved, insofar as federal policy was concerned, in the first half of 1937 as Congress passed the Bankhead-Jones Act.

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[77] Woofter, "Rural Planning for More Workers," n.d. (1939), USDA History Branch. The research referred to was probably in connection with Woofter's Landlord and Tenant on the Cotton Plantation (Washington: WPA Division of Social Research, Monograph V, 1936). See page 183 for Woofter's suggestion that the South might experience parallel development of both big commercial agriculture and small farming.

[78] Paul K. Conkin, Tomorrow a New World, the New Deal Community Program (Ithaca, New York: Cornell University Press, 1959), 210-211.

CHAPTER VIII

THE BANKHEAD PROGRAM BECOMES LAW

In order to encourage tenancy legislation for 1937, the administration created, in the fall of 1936, a presidential commission. It published a report, which was not only designed to promote action in Congress, but also outlined a comprehensive rural poverty program which became the administration position and the blueprint for the Farm Security Administration.[1]

During the last half of 1936 there was interest from several quarters in establishing a commission. As early as June, as it became apparent that the Bankhead bill would not pass that year, Roosevelt contemplated the issuance of a major government report as a basis for an act by the next Congress.[2] On October 13, during the campaign, Morris L. Cooke of the Rural Electrification Administration wrote the President suggesting preparation, by the time Congress met, of a "guiding report" which would keep the movement for tenancy legislation

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[1]Sidney Baldwin, Poverty and Politics, the Rise and Decline of the Farm Security Administration (Chapel Hill: University of North Carolina Press, 1968), 169-172, has a very able discussion of the commission and its report. The general understanding in this chapter has benefited from Baldwin's chapter, "The Bankhead-Jones Farm Tenant Act," pp. 157-192.

[2]FDR to Edward G. Lowry, June 8, 1936, FDRL PPF 3593.

consistent with administration thinking and prevent it from taking an "untoward turn." Cooke said he was not speaking merely for himself, but for others, whom he did not name, but probably including Tugwell.[3]

The President referred Cooke's letter to Wallace and Tugwell, who replied favoring a report summarizing existing data on tenancy and evaluating possible solutions for it, in anticipation of legislation. They also advised that its prestige could be enhanced if it were sponsored by a commission of prominent persons with "broad knowledge and sympathetic interest" concerning the landless. They then proposed a list of members and recommended L. C. Gray as director.[4] Roosevelt accepted this idea and approved, with some additions, the membership. On November 16 he appointed the commission and designated Wallace nominal chairman and Gray technical advisor. Directing them to report by February 1, the President specified that they should outline a land tenure system which would provide security and opportunity for "the great group of present and prospective farm tenants." This language suggests that Roosevelt realized that a land purchase program, necessarily limited to the ablest of the poor, would have to supplement other measures for the "prospective tenants" who would be landless for the foreseeable future. But the President also strongly endorsed as a goal

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[3]Cooke to FDR, October 13, 1936, NA RG 16; memoir of Will Alexander, Columbia Oral History Collection, Columbia University, 393-394, hereafter cited as COHC-Alexander; personal interview with James G. Maddox, Raleigh, North Carolina, July 10, 1970. This approach to FDR through Cooke was unusual since he had not previously been associated with the advocates of tenancy legislation.

[4]Wallace and Tugwell to FDR, November 5, 1936, NA RG 16.

"the traditional American ideal of owner-operated farms."[5] The commission met on December 16-17, 1936, and formed a technical committee to prepare the report. It consisted of Gray, Alexander, Charles S. Johnson, Bureau of Agricultural Economics chief A. G. Black, economist John D. Black, Lowry Nelson of the Extension Service, E. G. Nourse and M. W. Thatcher of the National Farmers' Union.[6]

In January, 1937, the Presidential Tenancy Commission conducted regional hearings. Those for the Southwest were held January 4 in Dallas, and for the Southeast in Montgomery, Alabama, on January 6. L. C. Gray, chairman of the technical committee, presided over both. The testimony revealed the clash of conservative, radical and agrarian liberal thinking on the condition of the landless.[7]

In Dallas Gray opened the hearings by observing that the Southwest, where land had been liberally distributed in relatively recent times, had become an area of excessive tenancy. He thought this indicated the inadequacy of a simple credit program with no provision against alienation or mortgage of farms. However, most of the 800 attending strongly favored Federal promotion of small ownership, and many apparently saw it as a panacea as they voted a resolution urging that course.[8] One member

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[5]FDR to Wallace and members-designate of the tenancy commission, November 16, 1936, FDRL OF 1650.

[6]Agenda for meeting of the tenancy commission, December 16-17, 1936, and Charles W. Eliot to Charles E. Merriam, December 11, 1936, NA RG 16.

[7]Other hearings were held in San Francisco, Indianapolis and Omaha.

[8]Dallas Morning News, January 4 and 5, 1937. Gray polled the audience and found 50 landlords, 35 tenants, 40 operating landowners (of whom only 20 were free of debt), 15 debt-free renters and 10 wanting an opportunity to become tenants.

of the commission, after hearing profuse endorsements of home ownership, indicated that he was "out of patience" with such indefinite recommendations and said he doubted they would be of any use in framing a proposal for action.[9]

The Southern Tenant Farmers' Union was represented in Dallas, however, and made several specific, although not completely consistent statements. Fred Mathews, a union official from Texas, summarized his study of six cotton counties in the western part of the state, which indicated that tenants and small owners alike were being rapidly displaced by consolidation of landholding (accomplished by both purchase and lease of large acreages) and introduction of tractors capable of pulling four row equipment. Many farm laborers were on relief, but conditions were intolerable even for those working. Wages ranged downward from 15 cents per hour, even for semi-skilled machinery operators. Numerous Mexicans and Negroes were hired to keep wages depressed. Some landlords reportedly furnished rent-free shacks on their land to laborers who remained available for part-time work, thus making them hesitant to risk eviction by accepting other employment.[10]

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[9] Ibid., January 5, 1937. Remarks of Xenophon A. Caverno, cotton planter of southeast Missouri.

[10] "Memorandum submitted by Fred Mathews of the Texas Southern Tenant Farmers' Union to the President's Special Committee on Farm Tenancy meeting at Dallas, Texas, January 4, 1937," Southern Tenant Farmers' Union papers, Southern Historical Collection, University of North Carolina. Hereafter cited as STFU papers. The memo says that the study was made by J. R. Butler, president of the union, but this may mean only that it was prepared under his auspices. For a similar analysis from a government source, see "The Problem Created by the Diminishing Demand for Casual Agricultural Labor in Texas," field report by Pierce Williams to Harry Hopkins, March 27, 1936, FDRL Hopkins papers. The

Considering these conditions Mathews concluded, "It will not be sufficient . . . to set the working farm population on small tracts of land, trusting blindly that they will be able, in the cultivation of a commercial crop, to withstand the competition of the large-scale, Machine-equipped landowners." As for the alternative, "all land farmed on more than a family-sized basis must be farmed co-operatively if it is not to be a source of poverty for the working farmer who produces the crop." Furthermore, even individually owned family farms would have to obtain machinery cooperatively.[11]

The STFU also submitted a similar official statement which declared that adoption of the Bankhead small ownership program would be a "serious blunder." The union referred to its rejoinder to the Arkansas tenancy commission's findings as a basis for an effective policy. So far as RA rural rehabilitation efforts were concerned, the STFU regarded them as important only "as a means of immediate relief."[12]

Although the union admitted that sharecropping, because of the shift to wage labor, was "rapidly becoming a thing of the past," it still recommended reforms in the system. It proposed that AAA contracts forbid landlords who advanced goods to croppers to require them to purchase at

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Dallas Morning News had a much more complacent expectation that mechanization would solve the sharecropper problem because some tenants could become machine operators and others would simply find employment in urban areas. See editorial of January 5, 1937.

[11]"Memorandum submitted by Fred Mathews . . . January 4, 1937," STFU papers.

[12]"Statement of the Southern Tenant Farmers' Union, Presented to the President's Special Committee on Farm Tenancy, Meeting at Dallas, Texas, January 4, 1937, STFU papers. Hereafter cited as STFU Dallas statement.

their commissaries or charge higher interest rates than allowed by state law. The statutory policies of the FCA's production credit associations should be changed to extend loans to tenants without requiring of them the difficult step of securing their landlords' waivers of liens on their share of the crops. The government should also require three to five-year written contracts between landlords and tenants, and create arbitration boards to settle their disputes.[13] Individual union spokesmen also favored landlord compensation of tenants who made farm improvements, and writing minimum wage standards for day laborers into AAA contracts.[14]

Considering what should replace sharecropping, the STFU admitted that most of its members wanted to own small farms, although it claimed that a substantial number desired cooperative farming of large tracts and "all of them" favored cooperative enterprises even if they owned land individually. Perceiving difficulties in both small farming and establishing collective landholding, the union formally recommended that the government acquire and lease land for long periods to individuals and cooperative groups.[15]

Still other STFU representatives favored government acquisition and resale of land as in the Bankhead measure. Several members from West Texas urged such a program, and the union's national leadership took the same position part of the time. For example, even J. R. Butler, president of the STFU and a Socialist, advocated government purchase and resale to tenants at cost, although he stressed that small owners should

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[13] Ibid. [14] Dallas Morning News, January 5, 1937.

[15] STFU Dallas statement.

be assisted in forming cooperatives to obtain machinery.[16] These positions indicate that the union was not irrevocably committed to collective ownership of large tracts, even though several leaders and major sympathizers strongly favored it.

The meeting heard a few conservative opinions. An Arkansas Extension official favored a Bankhead-like land credit corporation but thought purchasers should be supervised only by county agents. This position was becoming common within the Extension Service. A spokesman for a group of farmers from Limestone county, Texas, opposed government land buying as too expensive and said tenants should receive credit but not supervision.[17] But despite variations of opinion, the Dallas hearings expressed a consensus for government encouragement of small ownership.

The Southeastern hearings at Montgomery heard testimony from more diverse sources than those in Dallas. Among those present were the Southern Policy Committee, the STFU, the Sharecroppers' Union of Alabama, the National Farmers Union, the Delta Chamber of Commerce and the Alabama Extension Service. The Montgomery Advertiser noted that the participants included old-fashioned planters out of a previous era, modern managers of corporate agriculture, representatives of tenant unions whose people had been "seeking a way out for generations" and "who complained of the humiliation of clothing their families in guano sacks," former Populists, and descendants of slaves.[18]

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[16]Dallas Morning News, January 5, 1937. [17]Ibid.

[18]New York Times, January 7, 1937, 28; Montgomery Advertiser, January 8, 1937; Birmingham News, January 7, 1937.

H. C. Nixon spoke briefly for the SPC and presented two documents. One, a pamphlet on tenancy by the Arkansas affiliate committee, advocated the principles of the Bankhead bill.[19] The second, more important, was a series of independent recommendations by Nixon, Charles S. Johnson, Arthur Raper and Rupert Vance.[20] Of these, the most comprehensive were by Nixon and Johnson, who went considerably beyond their 1935 position of support for little more than the Bankhead measure. They assumed at the outset that credit alone, without significant changes in Southern agriculture, could neither end tenancy nor raise living standards for the landless. Johnson wrote that an acceptable policy should provide security of tenure, subsistence, and sufficient cash income to support minimum levels of health, education and comfort, conditions then unknown among most cotton tenants.[21]

Surveying the entire rural South, Johnson introduced the idea that any government program should broadly distinguish between the Southeast, where exhausted land, excess rural population and high production costs had reduced the potential for profitable cotton growing, and the Delta and Southwestern regions, well suited to mechanization and capable of expanding production. Long range policies, he thought, should gradually

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[19]Arkansas State Policy Committee, Published Paper No. 1, "Agricultural Labor Problems in Arkansas," October 31, 1936, NA RG 16. See pp. 24-25.

[20]Southern Policy Committee Recommendations, December 14, 1936, National Policy Committee Papers, Library of Congress. Hereafter cited as NPCP. Johnson and Nixon, working independently, reached very similar conclusions. It should be noted that Johnson was a member of the technical committee of the Presidential Commission.

[21]*Ibid.*

phase out Southeastern cotton farming and guide that area's people into other agricultural pursuits.[22]

Nixon and Johnson were flexible in considering a desirable land tenure system. While preferring the goal of small ownership, they also proposed government leases to tenants, cooperative enterprises among individual owners, and by no means ruled out collective landownership. Of course they endorsed the essentials of the 1935 Bankhead bill, with emphasis on supervision of borrowers and recognition that selective land purchase credit would reach "hardly over five per cent" of the South's landless. But Nixon considered it of "extreme importance" to aid that group. For remaining tenants, he favored long term federal leasing of land, both as a permanent program for those unqualified for ownership and as a means of providing a trial period during which the most capable farmers could be discovered and started toward home buying. The SPC also recommended optional provisions for cooperative landholding. Johnson, for example, wanted federal financial assistance for group purchase of large acreages for operation on a "profit sharing basis." Similarly, Nixon called for loans to other cooperative ventures because "small farmers cannot hold their own without cooperating in certain large scale enterprises."[23]

Concerning other measures for the landless, the spokesmen urged on

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[22] Ibid.

[23] Ibid. Johnson warned that "isolated farm communities" would probably fail "unless they can function as part of a broader economic framework." Few such communities had been successful, even if efficient as units, because of pressure of "outside unfavorable factors."

extension of government production credit to those served only by lien merchants. Arthur Raper favored "expansion and refinement" of RA's rural rehabilitation. Nixon and Johnson advocated inclusion of farm workers in social security and enactment of a minimum wage for them. The latter proposal was particularly advanced, since the New Deal was still a year and a half from passing the Fair Labor Standards Act. Finally, they proposed a federal regional agricultural authority, patterned after the TVA, which would own and operate some lands as a "yardstick" of equitable standards for farm laborers and tenants.[24]

The STFU statement, outlined by H. L. Mitchell and presented by Howard Kester, was described by Nixon as one of the hearing's "red hot speeches."[25] Kester accused the Bankhead bill's supporters of indulging in an "orgy of wishful thinking" by advocating a "return to the post-bellum philosophy of '40 acres and a mule.'" "We unhesitatingly condemn the idea of approaching so gigantic and critical a problem with so antiquated an instrument," he declared, and added that family sized farms would be practical only in Southern hill sections, not in Delta or plains areas. The statement also stressed that soil exhaustion in the older cotton regions, mechanization and shifting of cotton growing westward would compound the problem of displacement and destitution among the landless, especially in the Southeast.[26]

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[24] Ibid. [25] Nixon to Francis P. Miller, January 9, 1937, NPCP.

[26] "Statement Given before the President's Commission on Farm Tenancy at Montgomery, Alabama, January 6, 1937, by Howard Kester, Member Executive Council Southern Tenant Farmers' Union," STFU papers. Hereafter cited as STFU Montgomery statement. On the other hand, the Montgomery Advertiser, January 8, 1937, saw nothing wrong with "40 acres

As in its official statement at Dallas, the STFU stopped short of specifically proposing widespread collective land ownership.[27] Instead it suggested that the government purchase and lease acreage to tenants, lend for livestock, equipment and dwellings, and provide "socially enlightened supervision." Concerning cooperatives for other purposes, the STFU recommended no more than had the SPC, calling only for government loans to such associations.[28] The chief spokesman in Montgomery for group landholding was Sam Franklin, manager of the Delta Cooperative Farm of Hillhouse, Mississippi, which had a loose association with the union. Franklin declared that there were but two alternatives for Southern agriculture, "the extension of large-scale farming by corporations and cooperative farming. . . ."[29]

At Gardner Jackson's suggestion, Kester called upon the government to encourage unionization and collective bargaining by tenants. He also recommended that all farm labor problems be placed under the jurisdiction of the Labor Department, presumably more sympathetic than the Agriculture Department.[30] Aside from these suggestions and strong attacks on the

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and a mule." Editorially it took pride that that illusory goal might be realized, not because of the "spiritual heirs of [Thad] Stevens" but "through the efforts of the heirs of the Confederacy [e.g. Bankhead] and . . . [a truly national] Democratic party. . . ."

[27]STFU Montgomery statement. The statement did say that the government should purchase lands and help tenants secure them on the basis of "use and occupancy" on long term leases, but title should remain with the government.

[28]Ibid.

[29]Montgomery Advertiser, January 7, 1937; H. L. Mitchell to Gardner Jackson, January 6, 1937, STFU papers.

[30]Gardner Jackson to Howard Kester, January 5, 1937, and H. L. Mitchell to Jackson, January 6, 1937, STFU papers.

principle of the Bankhead bill, there was little in the STFU statement which had not been at least mentioned by the SPC.

A representative of the Sharecroppers' Union, a Communist-influenced organization with membership in the Alabama blackbelt, also appeared. He wanted the government to furnish tools and workstock outright for croppers and extend only production credit. By adopting this approach and ignoring loans for land purchases, he thought that the government could spread its benefits to a maximum number.[31]

Among influential conservatives at Montgomery was Oscar Johnston, president of the Delta and Pine Land Company of Scott, Mississippi, representing Governor Hugh White and the Delta Chamber of Commerce. He maintained that higher commodity prices and a federal revolving loan fund for land purchasers would be sufficient aids for thrifty tenants.[32] Alabama's Governor Bibb Graves and the State Extension service sponsored another plan which envisioned an annual appropriation of $50 million to aid tenants and owners in buying land, livestock and equipment. Tenants would secure their own loans and make sales contracts with landowners, after which their loans could be refinanced to the extent of 75 per cent by federal land banks and 25 per cent through second mortgages taken by the Secretary of Agriculture. All borrowers would submit to two years of Extension supervision. Operating credit would be furnished through the FCA's production credit associations. Under this plan no new

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[31]New York _Times_, January 7, 1937, 28; Mitchell to Jackson, January 6, 1937, STFU papers.

[32]New York _Times_, January 7, 1937, 28; Montgomery _Advertiser_, January 7, 1937; H. L. Mitchell to Gardner Jackson, January 6, 1937, STFU papers.

federal agencies would be created.[33] H. C. Nixon told Francis P. Miller he disliked the Graves plan because he thought it would permit the tenancy program to "fall into the hands of planters and their political allies" such as the Extension Division. He concluded that the SPC should oppose such developments and work to keep legislation for the landless "on a liberal keel."[34] In the hearings an official of the National Farmers Union likewise opposed Extension influence because in Alabama, at least, it had "become so imbedded in politics that the tenants, who are largely non-voters, are given no consideration whatsoever."[35]

The Dallas and Montgomery hearings did not influence the report of the presidential tenancy commission, since it had already prepared a preliminary draft by early January.[36] The statement, released February 16, proposed extensive federal action under one jurisdiction within the Agriculture Department, probably building upon the RA. The recommended policies were broadly rehabilitative. The commission envisioned government purchase and resale of farms on long term contracts with at least 20 year repayment terms, undertaken only after supervisory lease periods of up to five years. The agency should also lease land from owners and then sublet it to tenants under its guidance. Selection of clients would give

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[33]New York Times, January 7, 1937, 28; Montgomery Advertiser, January 7, 1937; Birmingham News, January 7, 1937. There were also editorial suggestions that achievement of price parity had to precede any successful program for tenancy. See Birmingham News, January 8, 1937.

[34]H. C. Nixon to Francis P. Miller, January 9, 1937, NPCP.

[35]Montgomery Advertiser, January 7, 1937.

[36]L. C. Gray to members of the commission, December 22, 1936, NA RG 16.

preference to those already on the acquired lands. The report advocated the family farm as the major type of holding to be encouraged, but also suggested experimentation in aiding cooperative groups to buy or lease acreage. Congressional appropriations would support all of this initially, but broader financing (presumably issuance of bonds by the agency) could be attempted later.

The commission favored extension of rehabilitative credit, technical guidance and debt adjustment loans to about 1.3 million families, probably including the great majority of the 1.8 million individual Southern tenants and croppers then financed only by lien merchants. The report expected that the ablest of these clients could be built up to the point that they could purchase farms. Considering the plight of destitute wage laborers, it suggested constructing government camps for migrants and rehabilitation credit for those who could be established as tenants. Finally, the statement endorsed the submarginal land and resettlement work of the RA.[37]

As the 1937 Congress convened, the President, in his State of the Union message on January 6, urged action to reduce the "prevalence of an un-American type of tenant farming." He recognized that not every poor rural family could benefit from a loan with which to purchase a farm, but he still suggested this course as the heart of new legislation.[38] Jones, having consulted the administration, had already introduced a bill

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[37]U.S., National Resources Committee, Farm Tenancy, Report of the President's Committee (Washington: U.S. Government Printing Office, 1937), 11-20.

[38]Baldwin, Poverty and Politics, 167; New York Times, January 7, 1937, 2.

on January 4 and Bankhead presented an identical one on January 8. Although the press pointed out its similarity to the 1935 effort, it actually only resembled that measure as altered at the beginning of 1936 to conform to Roosevelt's views. The new Bankhead-Jones proposal envisioned a Farm Homes Corporation as part of the Department of Agriculture. The agency would have no bond-issuing powers and would depend for ten years upon annual appropriations of $50 million. As contemplated in 1935, the FHC would be empowered to acquire, improve and resell farms to tenants on long credit terms and safeguard purchasers' possession by retaining title until debts were completely amortized. A new provision was for committees of local farmers, agents of the FHC, to approve all land obtained and select "desirable" borrowers. Alexander objected to this feature, foreseeing abuses, favoritism and concentration on the risk-worthiness of applicants rather than their need. But he gave way at Jones' insistence. There were two other titles. One continued RA's rural rehabilitation and the other provided for submarginal land-resettlement programs.[39]

As in 1935 and 1936, there was serious opposition in Congress, especially within the House Agriculture Committee. This became evident in January and February as the committee held hearings on the proposal. There were some witnesses and members of the committee whose thinking on rural poverty extended no further than the idea of price parity. For example, Hampton Fulmer of South Carolina informed Gardner Jackson

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[39]New York Times, January 9, 1937, 1, and January 4, 1937, 2.

that the most effective policy "would be to bring about a better condition for tenants, sharecroppers and farmers, through . . . better prices to meet the cause . . . [of] the[ir] downfall . . . [they] would be better off if they could receive a fair price for their commodities." Similarly, he told M. L. Wilson that the price problem had to be solved first, because "until we bring about stability and assure agriculture a fair share of the national income we will not get very far in any program to make tenants landowners." Wilson, of course, did not dispute the importance of price parity, but contended that "we need to start now" with anti-tenancy measures.[40]

A closely related idea was that lack of parity prices was the chief cause of tenancy. Ed O'Neal of the American Farm Bureau Federation advised the committee to "remember that a fair price system and parity of income . . . will do more to prevent the loss of farm homes through foreclosure than any other one factor."[41] Harold Cooley put it even more bluntly. Because of poor prices, he said, "the owners of the land are dropping into the tenant class" and ". . . if you will make [farming] . . . profitable the tenancy question will take care of itself."[42] These views recognized the obvious steady increase in tenancy, but attributed it to low commodity prices and mortgage foreclosures,

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[40]Farm Tenancy, Hearings before the Committee on Agriculture, House of Representative, 75 Congress, 1st Session, January and February, 1937, p. 208, February 11, 1937 and p. 38, January 28, 1937. Hereafter cited as Farm Tenancy hearings.

[41]Ibid., 316. February 19, 1937.

[42]Ibid., 232. February 18, 1937.

completely overlooking landlessness as a long-standing condition closely associated with the South's fundamental poverty. By their remarks O'Neal and Cooley illustrated how powerful and influential Southerners, supposedly well informed about farm matters, often had slight understanding of the plight of their region's most impoverished people, and probably little concern as well. Administration spokesmen, as in 1935, saw the Bankhead program as complementary to their parity policies and readily agreed that better prices were an essential precondition for antipoverty efforts. But they found it necessary to remind Southern Congressmen, as Wallace told Cooley, that "we must not forget that farm prosperity in itself . . . will not take care of the tenant's problem. You could have a very prosperous agriculture during the next twenty years and with it a very great increase in tenancy. . . ."[43]

In the hearings administration officials and members of the Presidential tenancy Commission stressed the necessity for a multiple attack on tenancy. None claimed that land purchase credit was a panacea for the landless, rather, they favored it as part of larger New Deal agricultural policies. They referred frequently to land ownership as a goal for the landless and invoked the concept of an "agricultural ladder" progressing toward it. M. L. Wilson saw all agricultural programs as complementary. He noted the Soil Conservation Service's efforts to preserve land and the AAA's to lift prices. The FCA extended credit on one level and the Bankhead bill's corporation could provide it for another. Moreover, rehabilitation loans could hardly be separated from

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[43]<u>Ibid</u>.

a tenant purchase measure, "because what you are trying to do is to move this great group of people . . . up the stairs to ownership, or to improve their condition as tenants."[44]

Similarly, Alexander testified of the need to deal with the poor on several levels, including those who could be assisted to home ownership, those about to lose farms and unable to qualify for FCA aid, and the landless needing rehabilitation loans. The latter he described as "under the group provided for in this bill," and reminded the committee that "while you cannot finance them in landownership, something has got to be done immediately for them." Concerning their condition, he said:

> This New Deal, through its activity, has drawn out of the dark a lot of information as to [the] poverty and need that has been . . . [present] in this country for a long time. Much of it was not caused by the depression. Many of these people have lived in poverty all their lives. Now they are expecting something and we ought to do something for them. . . . These people have had nothing.[45]

Among New Dealers, Alexander had probably the clearest understanding of the chronic nature of the rural South's poverty.

L. C. Gray took a similar position. As a result of the land tenure system, the depression and other causes, he said, about one-fourth of the American farm population lived at a low level constituting a "national disgrace." Gray recognized that no single piece of anti-tenancy legislation could remedy this problem, but he was convinced that "this bill embodies at least one sound way of attacking the problem. . . . It would be a significant segment in a well-rounded program for farm

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[44]*Ibid.*, 35-37. January 28, 1937.

[45]*Ibid.*, 102. February 2, 1937.

tenancy."[46]

M. W. Thatcher, a member of the tenancy commission who had been directly involved in the preparation of its report, estimated for the committee the categories of farmers requiring aid during 1937. According to his investigations within the RA, these included 300,000 standard rehabilitation loan clients needing supplemental assistance for another year (average loans of $200 totalling $60 million), 210,000 families receiving RA subsistence grants who should have rehabilitation loans (average credits of $400 totalling $84 million), 500,000 "marginal families," mostly Midwestern, not qualified for FCA credit but needing emergency aid to stay off relief ($400 each totalling $200 million) and 150,000 cases needing subsistence grants ($100 each, totalling $15 million). Adding emergency feed loans and drought relief, Thatcher estimated the cost of a minimum program for the destitute at $404 million.[47] A tenant purchase program would be additional.

Some questioned the need for a comprehensive policy for the landless, especially one built upon the RA. Wilson Gee, a Virginia Extension spokesman, testified that the proposed Farm Homes Corporation should not be combined with the RA, but should begin with a "clean slate . . . responsible for its own errors," unencumbered with another agency's "sins of omission and commission." Only under pressure did he admit that the RA should be continued at all "in some form" because its "essential objectives" were sound.[48] Harold Cooley, another critic,

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[46]*Ibid.*, 59. January 29, 1937. [47]*Ibid.*, 300-303. February 19, 1937.

[48]*Ibid.*, 24-26. January 27, 1937.

demanded of Alexander whether the real purpose of the bill was to continue the agency. Alexander reminded him that renewal of the program depended upon executive order and did not mention the possibility that it could be combined with tenant purchase operations.[49] Jones, however, pointed out that the bill authorized the proposed FHC to continue all duties of the RA and also allowed transfer of the RA to either the FHC or to the Department of Agriculture (which in fact Roosevelt had done by executive order on January 1, 1937).[50] Clearly the measure permitted attachment of the Bankhead program to the RA, as anticipated by Tugwell and Alexander in 1935.

A related issue concerned the type of tenant to be aided toward ownership. Wilson Gee thought the primary concern of the FHC should be "those at the top of the tenant pile," while the RA tried to develop the credit-worthiness of others. J. F. Jackson, another agriculturalist, thought farm purchase assistance should be reserved for applicants with "experience, ability, thrift, character and managerial ability," who had acquired, debt-free, enough household goods, workstock and equipment to operate a "one horse farm." Gee admitted that such beneficiaries would be cash tenants and share tenants, not impoverished sharecroppers and wage hands. As for those who could not qualify, Jackson did "not believe that the man who calls himself a farmer but has never acquired any property is entitled to the benefits of this act."[51]

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[49] Ibid., 114-115. February 3, 1937.

[50] Ibid., 115. February 3, 1937.

[51] Ibid., 14, 15, 20-21, 28. January 27, 1937.

Administration officials took the broader view that land purchase help should not be limited to any particular strata of the landless. Responding to suggestions that the bill assist "good tenants" who owned equipment, M. L. Wilson objected: "I look upon this . . . as . . . a program which reaches down through the whole of the tenancy population," he said, not merely concerned with the "cream at the top." To a Congressman who thought it unsound "to put poor tenants on . . . farms," he defined the beneficiaries as "the average tenant[s], just about as the Lord made them."[52] Jones also attempted to clarify the intent by pointing out that the only stated requirement was that borrowers be "worthy and ambitious," not necessarily possessed of equipment or other assets.[53]

Still another question concerned funding. The bill appropriated only $50 million for the first year, an amount many regarded as "insignificant." An exchange between Gerald Boileau of Wisconsin and Alexander concluded that with average loans of $8,000-$15,000 per farm (considerably more than anticipated in 1935), this amount would provide only one loan in each of the nation's counties. Alexander conceded that this was "very small," but unconvincingly maintained that because of technical problems of land buying, $50 million was all that could be spent effectively at first. Actually, Roosevelt was convinced that the program should develop gradually and desired only small initial expenditures. Consequently, when asked whether the measure would significantly improve the situation within ten years, Alexander was forced to admit, "not unless you do a

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[52]*Ibid.*, 56. January 28, 1937.

[53]*Ibid.*

great deal more than is attempted . . . by this bill."[54]

Fully aware of its inadequacy, Alexander, Gray and other administration figures still favored the bill because they saw it as part of an overall attack on poverty. Slightly later, in April, when the measure was still pending, Alexander discussed ways of helping the "lowest third" of the rural population and stressed to Wallace and the President,

> Only a long-term program of supervised rehabilitation, government purchase of submarginal lands, and opportunities for ownership through a tenant purchase program can raise their standard of living. It is important to secure this pattern of assistance now, through legislation, even though adequate money for the work is not immediately available.[55]

What actually was at stake in 1937 was authorization for government initiative in purchase, improvement and resale of land to tenants as part of a "pattern of assistance." As Alexander explained in the hearings, "this proposal covers one of the things that can be done. I agree that it is inadequate; it does not provide enough expenditure to meet the problem." But, he added, the soon-forthcoming report of the tenancy commission would suggest other appropriate measures.[56]

One Congressman who grasped the relationship between RA rehabilitative activities and the Bankhead measure was Otha Wearin of Iowa. He declared the RA "strikes at the roots of the cause of farm tenancy." The "apparently infinitesimal" gains by rehabilitation clients, such as

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[54] Ibid., 100-101. February 2, 1937.

[55] Memorandum, Alexander to Wallace, May 3, 1937 [filing date], NA RG 15; identical memorandum to FDR (unsigned), April 27, 1937, marked "Special Committee on Farm Tenancy" and "Message Material--farm tennant [sic]," entitled "Meeting the Needs of the Lowest Third [of] American Farm Families," FDRL OF 1650. Italics added.

[56] Farm Tenancy Hearings, 103. February 2, 1937. Personal interview with James G. Maddox.

an increased stock of home-canned vegetables, acquisition of mules, and home and farm management plans devised under supervision, could have a "direct bearing on the elimination of tenancy." It would, of course, be "absurd . . . to assume . . . that tenant farming can be wiped out with a single bill . . . or . . . that a majority of tenants can be advanced to the position of farm owners overnight." But, he thought, a "limited model farm purchase plan" could incorporate some "fundamental approaches to rural poverty in many sections of the country," especially if coupled with other efforts "to eliminate the threat of farm poverty."[57]

In view of the small appropriation, some critics questioned the relative value of tenant purchase and rehabilitation loans. They suggested that more of the poor could be reached by extending the $50 million as extra rehabilitation aid at $500 per family than lending over $5,000 per family for home buying. Alexander replied that if forced to choose he would agree, but, committed to a comprehensive program, he denied that a choice should be made. Henry Wallace and M. L. Wilson took the same position.[58]

Several committee members assailed the measure for providing government land buying and supervision of borrowers. John R. Mitchell of Tennessee thought tenants should receive direct loans (of only $500 or $1,000) to acquire farms. Alexander responded that government selection was necessary to assure that clients received worthwhile property, and supervision would protect federal investment in the land. Mitchell

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[57]Farm Tenancy Hearings, 320-321. February 19, 1937.

[58]Ibid., 105-106. February 3, 1937; 42, January 28, 1937; 234, February 18, 1937.

retorted, "I do not think that the government . . . should be dictating how he is to do everything. . . . This country was developed and made great [because] our granddaddies built it up with individual initiative." When Alexander still demurred, Mitchell admonished him that the value of unfettered individualism "would be a very difficult . . . [question] to take the negative on. I would advise you to stay on the affirmative of it."[59]

Even the proposal to help purchasers obtain tools and supplies was attacked. Fulmer, a former lien merchant, condemned the general language which extended credit for "furnishings, equipment, implements and machinery, supplies, facilities and livestock." Alexander explained that this would provide mules, plows, simple tools and even food, and that "facilities" might refer to minimum shelter or a well. But Fulmer stretched the wording to an extreme and professed to foresee extravagance in allowing the government to furnish tractors, threshing machines, barns and cotton gins to indigent clients.[60]

Whereas most testimony concerned the form and extensiveness of a purchase program, Gardner Jackson again raised the question of whether the concept of such a plan was sufficient. As had others, Jackson testified that the bill was inadequate as a credit plan because it would necessarily be too selective to reach the masses of the rural dispossessed. He also objected to the establishment of local client selection committees

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[59]_Ibid._, 87-88. February 2, 1937.

[60]_Ibid._, 85-86. February 2, 1937.

because he doubted the poor would be represented on them.[61] But his fundamental contention was that the legislation's concentration on small ownership, both in 1935 and 1937, was misguided. As he quoted from the National Committee on Rural Social Planning's letter to Wallace and Tugwell,

> Our committee seriously doubts that a program of individual ownership, however comprehensive, will permanently eliminate the evils of the tenancy system. . . . A new type of farm organization will be necessary . . . [which] must perforce be a communal or village farm economy. . . . [Because of the advantages of large scale mechanized production, the] fundamental readjustment needed is in the character of ownership of the large farm. . . . To some groups the sensible way out is group ownership of land.[62]

In answer to Jones' questions Jackson said he thought the trend toward larger holdings and mechanization was irreversible and the competitive handicaps of small farmers were such that common ownership and operation of land would prove in the long run an economic necessity for them. He admitted, however, that there were "terrible difficulties" in the way of this because "our agricultural communities . . . have not . . . been educated in the thought of co-operative methods." As an example he cited an STFU survey of 3,000 sharecroppers (some illiterate) which revealed that 50 per cent desired to own small farms, and about 40 per cent wanted to farm cooperatively under government direction.[63]

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[61] Ibid., 179. February 9, 1937.

[62] Ibid., 180. February 9, 1937; unsigned letter from National Committee on Rural Social Planning to Wallace and Tugwell, November 12, 1936, NA RG 16. For similar views see typescript of radio speech by Norman Thomas, February 11, 1937, "What Next for the Sharecropper," STFU papers.

[63] Farm Tenancy Hearings, 182. February 9, 1937.

Jackson made six specific proposals.[64] The first was a tenant purchase program, not completely ruled out and substantially like the Bankhead bill. But more importantly, he thought, the government should encourage cooperatively operated farms by two methods. It should extend long term loans to organizations of sharecroppers, such as the STFU, for group purchase of large tracts. He envisioned an important role for the union in establishing a cooperative system. Just before the Montgomery hearings he urged Kester to stress the "availability of indiginous leadership capable of organizing units to which the government can advance . . . large scale cooperative loans and lease[s]. . . ."[65] RA community projects should also be expanded, although participants should be chosen according to need, rather than by agency standards, which he thought too selective. Thirdly, Jackson favored federal credit for croppers who united in cooperative ventures. This, of course, had been permitted in the 1935 Bankhead legislation but there were doubts whether the 1937 version would allow it.[66] The government should also provide long term land leases to tenants, lend for the purchase of equipment and for production needs, and acquire and operate large farms on a wage or share basis. These last three had been among SPC recommendations in Montgomery. Finally, Jackson thought the proposed FHC should absorb

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[64]Ibid., 193-196. February 11, 1937.

[65]Gardner Jackson to Howard Kester, January 5, 1937, STFU papers.

[66]See Farm Tenancy Hearings, 182, February 9, 1937, for Jones' view that the bill would permit joint ownership of materials and equipment, and 222, February 18, 1937, for Wallace's opinion that it would not.

the RA.[67] Except for the heavy emphasis on cooperative landholding, all of these points had been anticipated by RA officials, by the agrarian liberals of the SPC, or had been provided to some degree by the 1935 Bankhead measure.

Although such critics as Jackson challenged the bill's assumptions about small farming, its administration friends, who recognized its relation to more general efforts, still believed in its home ownership goals. They regarded those aims as the capstone of the rehabilitative foundation built by the RA. Wallace thought purchase loans as part of a comprehensive program were especially applicable in the South, where average farms were small.[68] But the supporters also saw small ownership as a policy eminently acceptable to Congress and the public. L. C. Gray, who had previously stressed the need for a coordinated attack on rural poverty, advised the committee that the ideal of landholding was "strongly entrenched in the consciousness of our rural people. That consciousness is unusually strong. It is a psychological factor that we cannot afford to disregard in any broad program we may develop."[69] And Alexander told Wallace and the President that not only should tenant purchase credit be provided by law to maintain the RA "pattern of assistance" but even a minimum project reaching relatively few families would be valuable because "the experience gained and the effect on public opinion would

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[67]Farm Tenancy Hearings, 196. February 11, 1937. Jackson estimated the cost of an adequate RA program at $552 million for the year.

[68]_Ibid._, 265. February 19, 1937.

[69]_Ibid._, 60. January 29, 1937.

fully justify it."[70]

The last extensive testimony of the hearing was by Henry Wallace, who had favored tenant purchase credit since 1935 but was a recent convert to the broader rehabilitative approach to poverty. He summarized most of the positions of other New Deal officials. He acknowledged, as they had, the limitations of a small ownership program, pointing out, for example, that with tenants increasing at the rate of 40,000 per year during 1930-35, and with average loans of $4,000 per farm, it would be necessary to spend $160 million per year merely to stabilize the situation without doing anything for 2.8 million already landless farmers. He thought the problem was "of such great magnitude that many other approaches besides mere purchase and sale must be found if any appreciable improvement . . . is to result."[71] Like Alexander and Tugwell, he suggested that tenancy was only a part of more general rural destitution. He declared:

> Our objectives should be to provide both operating owners and tenants with greater stability of occupancy and greater security of tenure . . . with greater freedom from exploitation. . . . From this standpoint our problem is much broader than tenancy alone. We have also to consider related problems of rehabilitation of farmers. . . . Someone must also find alternatives for those . . . owners or tenants . . . stranded on land . . . unsuited to provide a decent living.[72]

Wallace appeared before the committee after the release of the report of the Presidential Tenancy Commission, of which he was nominal chairman.

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[70]Memorandum, Alexander to Wallace, May 3, 1937 [filing date], NA RG 16; identical unsigned memo to FDR, April 27, 1937, "Meeting the Needs of the Lowest Third [of] American Farm Families," FDRL OF 1650.

[71]Farm Tenancy Hearings, 270-271. February 19, 1937.

[72]Ibid., 272. February 19, 1937.

Therefore, throughout his testimony he pointed to it as an example of the comprehensive program needed for the rural poor. Noting that the proposed corporation would be limited to facilitating home ownership, he endorsed the Tugwellian view, expressed in the report, that tenant purchase credit, rehabilitation loans, and submarginal land and resettlement programs should all be conducted by one agency.[73]

In comparing the presidential report to the 1937 legislation, Wallace implied some of the latter's shortcomings. Indicating some features omitted from the bill, the Secretary observed that the commission recommended subsistence loans, and if necessary, relief grants for 420,000 farm families living in destitution. For those unable to obtain operating funds except at ruinous interest rates, it favored debt adjustment loans. Longer lease contracts for landless farmers could also be encouraged if the proposed corporation could assure landlords of its ability to extend credit to sharecroppers and assume some of the burden of their supervision. Wallace also thought that the Bankhead-Jones measure was inadequate for wage laborers. Although not excluded from its loans, few of them would be likely to qualify for the selective credit most of its backers seemed to anticipate. Therefore the commission advocated establishment of camps for migrant workers and rehabilitation aid for others, looking toward a step up to tenancy or small ownership at some future time for as many as possible.[74]

Wallace also called attention to instances of specific disagreement between the bill and the report and intimated that the legislation should

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[73] _Ibid._, 216, 218. February 18, 1937. [74] _Ibid._

be changed to conform. The commission proposed five-year trial leases for prospective purchasers, a feature similar to one in the 1935 measure. Another recommendation was that borrowers, by contract, receive title to farms only after twenty years (although permitted to amortize debts as rapidly as possible), as a protection against loss of farms to speculators. At this point Jones disagreed, supporting the provision that titles would pass when tenants achieved equities of 25 per cent. Wallace also opposed the use of local selection committees. In this he concurred with the private opinions of Will Alexander, but clashed again with Jones.[75]

Wallace told the committee that the commission advised government encouragement of cooperative enterprises among small farmers wherever feasible. The 1935 Bankhead bill had permitted financial assistance for such ventures, but Wallace doubted that the 1937 version would, since it intended loans for individuals. The Secretary also told Jones that the commission wanted to try collective landholding only on a very limited scale but favored broad provisions for other cooperation because "certain economic disadvantages of the family size farm can be overcome through cooperative ownership of the more expensive types of farm machinery and breeding stock, and through cooperative buying, processing and marketing."[76] This was the general New Deal response to the STFU's

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[75] Ibid., 221-223. February 18, 1937; COHC-Alexander, 601.

[76] Farm Tenancy Hearings, 221. February 18, 1937. Compare Wallace's testimony to Gardner Jackson's, 182, February 9, 1937. Wallace would not categorically rule out collective land ownership, nor would Jackson completely condemn a tenant purchase plan. But each emphasized his own preference and minimized the other alternative.

assumption that a small ownership program would necessarily create an inefficient peasantry and that the way to avoid this consequence "must perforce" be group land ownership.

After the hearings, in March and April, 1937, a sharp struggle occurred in the House Agriculture committee between friends and opponents of the bill, resulting in drastic weakening of the measure.[77] The central issue was government initiative in acquisition, improvement and resale of farms to the landless. Most of the objections had been raised before. Some were convinced that aid to tenants was no proper federal function, and in any case credit should be granted only to risk-worthy farmers. Still others loosely charged that the innocuous Bankhead proposal would make clients "tenants of the government" or lead to "socialization of the land."[78]

"Realizing the heat of the struggle within the committee," Roosevelt, on March 30, conferred first with Bankhead, Wallace and Alexander, then with Jones and six other committee members. He reportedly insisted upon the principle of government purchase and resale, but hinted that he would accept cuts in the level of spending for that purpose. He said as much in a press conference the same day. So long as the ultimate aim was the elimination of tenancy, the size of the first appropriation made little difference, he said, adding that the program "would be spread very, very

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[77]The general understanding of the struggle for House passage in 1937 relies, in addition to the sources cited, on two good secondary accounts: Baldwin, Poverty and Politics, 177-184, and Donald H. Grubbs, "The Southern Tenant Farmers' Union and the New Deal" (unpublished Ph.D. dissertation, University of Florida, 1963), 553-561.

[78]New York Times, March 31, 1937, 1; April 1, 1937, 1, 40; July 7, 1937, 9.

thin. Practically speaking, it would be on an experimental basis . . . because, obviously, if you did it for all the tenant farmers it would run into the billions."[79]

Despite these accommodations by the President, the committee voted 13-11 on April 1, to strike Title One, the provision for the $50 million annual appropriation for tenant purchase loans. Jones considered the action "final." The administration hoped to change several votes and restore the bill to its original form. Accordingly, after efforts by the measure's supporters, the committee reconsidered on April 7, but sustained its earlier decision. Again, Jones was certain that the action "takes the government out of the picture as a land purchaser." Following this vote, the administration, desirous of hastening the measure to the House floor and to the Senate where the deleted portions might be restored, yielded again. It agreed to accept a $50 million annual appropriation for direct loans to tenants who would select and buy their own farms, provided the government could prevent alienation of the land pending complete repayment.[80]

On April 15, 1937, the committee reported the bill, considerably weakened. It included a new farm purchase credit section, providing for direct loans to tenants with preference to those able to make down payments on farms and who owned livestock. The measure retained intact the authorization for rehabilitation, submarginal land and resettlement

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[79] Ibid., April 1, 1937, 1, 40; April 6, 1937, 22; FDRL, FDR Press Conferences, IX (1937), 226-227. Press Conference 356 (White House), March 30, 1937.

[80] New York Times, April 1, 1937, 1, 40; April 7, 1937, 10.

programs.[81]

If the House Agriculture committee delayed the bill, certain actions of the administration itself also retarded it in the spring of 1937. Francis P. Miller blamed two factors in particular. He advised an SPC colleague that "the entire legislative program . . . had been slowed up by the President's court proposal and the progress of measures like the Farm Security Act has now been completely arrested by the administration's recent economy move."[82] The court reform controversy, of course, consumed the spring and summer of 1937 and generally undermined New Dealers' influence in Congress. Equally serious was the strongest economy drive since early 1933. The President wanted to balance the budget, defer new taxes, and cut requests for such proposals as federal aid to education and low cost housing. Even farm tenancy outlays would be "avoided." Columnist Arthur Krock expected the new emphasis to force any tenancy program to start on a modest or experimental scale.[83]

On May 15 Roosevelt called for Congressional action on court reform, a general relief appropriation, and tenancy, although the press reported that probably no more than $10 million could be expected for loans to tenants in the first year. Among those dissatisfied with this latest reduction was Bankhead, who in 1935 had only reluctantly consented to elimination of the independent billion dollar bond-issuing corporation.

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[81]Ibid., April 15, 1937, 13.

[82]Francis P. Miller to Charles W. Edwards, May 7, 1937, papers of H. C. Nixon, in the possession of the Nixon family, Nashville. Hereafter cited as Nixon papers.

[83]New York Times, April 21, 1937, 1; April 22, 1937, 22.

He informed the President that he was dropping action on the bill unless he received word that the White House was still seriously interested in it. Roosevelt found it necessary to confer with the Senator and secured his agreement for the change.[84]

As the House Agriculture committee cut essential features from the bill, the feeling grew within the administration that the measure was "hopelessly unsatisfactory as written,"[85] and that there was a growing lack of resemblance between it and the recommendations of the presidential tenancy commission. Accordingly, the chief advocates of the legislation began considering what minimum program they could salvage for the immediate future.

In April Alexander prepared memoranda for Wallace and Roosevelt, based on the findings of the tenancy commission, concerning means of "meeting the needs of the lowest third of American farm families." He proposed a program which was basically rehabilitative. Summarizing RA activity to that date, he pointed out that standard rehabilitation loans had been made to 300,000 families, 100,000 others had received emergency drought loans, and the agency had extended 400,000 subsistence grants, actually relief, averaging $20 per month. Although this assistance reached 800,000 families, Alexander considered that only the rehabilitation clients had received "permanent and constructive" aid. He took this position, because the other help had been of a temporary nature

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[84] J. H. Bankhead to FDR, June 3, 1937, FDRL OF 1650; New York Times, June 5, 1937, 1, 2.

[85] Milo Perkins to Paul Appleby, May 2, 1937 [filing date], NA RG 16.

and because RA experience with credit and supervision had "demonstrated that through this process great improvements can be made in the living standards of these families." Moreover, the loan and guidance combination was absolutely essential for the poor because "the condition of the bottom third of the farm families . . . is such that any increase in farm prices or general prosperity will do very little for them."[86]

Turning to specific requirements, Alexander estimated a minimum program for fiscal 1938 should include $75 million to continue rehabilitation credit for present clients and extend it to 30,000-50,000 more "who sorely need it." Submarginal land retirement and resettlement should have $10 million. Acquiescing in the economy drive, Alexander proposed only $10 million for tenant purchase loans. However, he asserted, that nominal amount could be fully justified by the necessity of completing the rehabilitative "pattern of assistance" for the rural poor, by the experience gained in such lending in anticipation of expanded undertakings in the future, and by the favorable impression encouragement of farm ownership would have on public opinion. Furthermore, he insisted that whatever the amount provided, adequate supervision had to be incorporated, or the money would be largely wasted.[87]

Alexander had a substitute bill prepared in the Department of Agriculture Solicitor's office for introduction in the Senate. Since the measure reported by the House Agriculture committee still provided

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[86]Memorandum, Alexander to Wallace, May 3, 1937 [filing date], NA RG 16; identical memo (unsigned) to FDR, April 27, 1937, "Meeting the Needs of the Lowest Third [of] American Farm Families," FDRL OF 1650.

[87]*Ibid.*

funds for rehabilitation and submarginal land retirement, consistent with Alexander's minimum program, the new proposal would restore the essentials of the tenant purchase credit title stricken on March 31. It would establish the FHC and authorize it to buy, improve, and resell farms or lend directly to enable tenants to do so. The corporation could lease land for five year periods, or for ten years if it gave tenants an option to purchase, as well as make loans for livestock and equipment. No preference would be required for those able to make down payments or owning workstock.[88]

Due to difficulties in the House Rules Committee, and in order to reduce the bill's appropriations in line with the economy trend in Congress, Jones revised the measure and the Agriculture Committee reported it again on June 18. It still provided direct loans to tenants, in the amount of $10 million for 1938. In the Senate Bankhead planned to introduce the alternate, as prepared in the Agriculture Department, when the House passed and sent over its version. On June 30 the House acted and on July 3 the Senate approved the administration substitute.[89]

The two measures were submitted to a conference committee on July 7. However, a bloc of unfavorable members of the House Agriculture committee,

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[88]Memorandum to Alexander from Mark Oppenheimer of USDA Solicitor's Office, May 27, 1937, NA RG 16. The draft was modeled on the 1935 Bankhead bill, except that it did not create an independent corporation or authorize a bond issue.

[89]New York Times, June 18, 1937, 33; June 29, 1937, 1; June 30, 1937, 1; July 3, 1937, 4. See also Baldwin, Poverty and Politics, 183-184. The bill provided $10 million for the first year, $25 million and $50 million for the next two. There were no direct appropriations for rural rehabilitation, although the Secretary of Agriculture would be permitted to use relief funds for that purpose.

now conferees, organized to prevent acceptance of the Senate bill, which one of them described as a step toward "socialization of the land."[90] Because of their hostility, friends of the legislation could do little for it. One favorable Alabama Congressman told H. C. Nixon that he was convinced of the superiority of the Senate version and was, as an outsider, trying to persuade his colleagues on the committee.[91] He was unsuccessful. The conference rejected the Senate's changes and the act was sent to the President on July 16.

To Frank Tannenbaum, Alexander compared the modest proposals for anti-poverty efforts they had considered with Edwin Embree and Charles S. Johnson in Atlanta in the fall of 1934, and concluded "in this legislation we have gone a long way." The Administrator conceded that the farm purchase credit features were "not all I would want," but thought the measure was still "a good beginning."[92] But among themselves, Alexander and other New Dealers were acutely aware of the act's deficiencies. On several occasions in July, just after its passage, Appleby, M. L. Wilson, Alexander and Milo Perkins conferred. They found the rehabilitation and submarginal land titles acceptable. However, they agreed the bill as a whole was unsatisfactory because of its direct lending, lack of leasing procedures and general unconformity with the report of the presidential tenancy commission.[93]

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[90] New York Times, July 7, 1937, 9.

[91] Joe Starnes to H. C. Nixon, July 9, 1937, Nixon papers.

[92] Alexander to Frank Tannenbaum, July 15, 1937, Frank Tannenbaum papers, Columbia University.

[93] Memorandum, Paul Appleby to Wallace, July 19, 1937; M. L. Wilson to Daniel W. Bell, July 19, 1937, NA RG 16.

Before passage of the act, Perkins had considered it so inadequate that he recommended salvaging the rehabilitation program by arranging for its funding from relief appropriations, rather than from the Bankhead-Jones measure itself. This change was subsequently made in the final House version. Perkins was especially apprehensive that enactment of the legislation might restrict future anti-poverty action because the administration would "face a highly unsatisfactory bill on farm security which might set the pattern of tenancy reform and assistance for the next decade."[94]

Because of such concerns, consideration was given in the July consultations to asking Roosevelt to veto the act and, presumably, insist on legislation agreeing more closely with the views of his tenancy commission. However, a consensus developed that "while the tenant bill is unsatisfactory, it does constitute something of a beginning in organic law and . . . [the] embarrassment . . . between the President, Bankhead, Jones and Congress in general would be too great if there were a veto." They decided to advise Roosevelt to sign the measure.[95]

These pragmatists were determined to accept the best measure Congress would pass and were convinced that the Bankhead-Jones Act represented the maximum at that time. They anticipated that its objectives, methods, and appropriations could be expanded in the future. (In retrospect, one can recognize that other New Deal programs also began modestly.) M. L. Wilson hoped that "larger experience and time will convince Congress

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[94]Milo Perkins to Paul Appleby, May 2, 1937 [filing date], NA RG 16.

[95]Paul Appleby to Wallace, July 19, 1937, NA RG 16.

that Title I should be amended to bring it in line with the report of the President's Committee on Farm Tenancy."[96] Moreover, they sought to implant that intent with Roosevelt. Accordingly they suggested remarks for his use, "assuming," Wilson told him, "you see fit to affix your signature to the Farm Tenant Bill." They expected a presidential statement "would prepare the public for amendments that will undoubtedly be found necessary once the present bill is given a trial in actual administration." The draft, suggesting future revision of the measure, stressed the close relationship between guidance and credit and the desirability of landownership as a goal of rehabilitative efforts.

> One way on which the present act could be improved would be to provide for a trial period during which the beneficiaries . . . would be required to demonstrate their capacity for farm ownership before they were given title. As the act now stands, every beneficiary is immediately given title . . . and must at once assume the full responsibilities of ownership. If we are to raise from tenancy these farmers who have been most handicapped, a substantial trial period would seem necessary, during which, by guidance and education, the most capable . . . would be prepared and selected for . . . ownership. For these reasons I had hoped that the act would . . . allow the Government . . . to purchase the farm and enter into a trial lease . . . followed by a contract of sale only after the tenant had demonstrated his capacity for ownership.[97]

On July 24, as he signed the act, the President read the statement without change.[98]

There were attempts to implement these suggestions for improvement. On August 6, 1937, in a letter drafted by Appleby, the President informed

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[96]M. L. Wilson to Daniel W. Bell, July 19, 1937, NA RG 16.

[97]M. L. Wilson to FDR, July 10 [19], 1937, NA RG 16. The statement commended the bill's rehabilitation and submarginal land titles and justified the meager appropriation of $10 million as consistent with efforts to balance the budget.

[98]COHC-Alexander, 394.

Wallace that he wanted "all defects in the Act . . . carefully studied during the ensuing five months, with a view to the submission by you . . . of a draft of proposed amendatory legislation for consideration by the next Congress." After the elapse of five months, Wallace replied that, although he recognized a need to revise the law to conform to the report of the tenancy commission, he thought that in view of the Congressional situation (generally unfavorable for the New Deal) proposals should be withheld "until experience in the administration of the Act gives us a more definite basis for such recommendations."[99]

As the New Deal spirit waned during 1938 and 1939, changes in the legislation, once put off, were continually postponed. On December 7, 1939, C. B. Baldwin, Assistant Administrator of the FSA, replied to an inquiry from the Department of Agriculture finance director that Roosevelt's letter to Wallace of August, 1937, had been discussed with budget director Daniel Bell, and the "decision was reached that amendatory legislation was not in order at that time." Baldwin thought the act should still be changed to allow government initiative in land purchase, but in December, 1939, he doubted the advisability of taking the matter to Congress.[100]

The Bankhead-Jones Act was the culmination of efforts begun by Alexander and his associates in 1934. It was founded on the assumption that some of the poor could be rehabilitated by supervision and credit for the acquisition of small farms. Most of its proponents never

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[99]FDR to Wallace, August 6, 1937, and Wallace to FDR, January 13, 1938, NA RG 16.

[100]C. B. Baldwin to W. A. Jump, December 7, 1939, NA RG 16.

claimed that it was a comprehensive answer to rural poverty, and in fact it allowed far less sweeping action than the permissive and loosely drawn 1935 measure. It was also inadequately funded, largely because of Roosevelt's periodic economy efforts. But despite its deficiencies the land purchase credit program was promptly attached to the RA (renamed the Farm Security Administration) to round out the rehabilitative procedures developed by that agency since 1935. The long campaign to enact the bill illustrated that regardless of the reformers' patient and persistent work for legislation to uplift the poor, Congressional resistance remained strong. Therefore they had to accept a less far-reaching measure than they desired, and one far short of the solutions advanced by radical critics of the New Deal. But they were also confident that they had, at last, a foundation upon which to build.

The new FSA constituted the administration's heaviest attack on rural poverty. In its peak years, 1937-1943, it conducted extensive programs, many of which were concentrated in the South. But it never quite reached the great mass of the region's destitute people.[101]

In the Bankhead-Jones Act Congress authorized direct lending for purchase of farms but did not specifically sanction the RA's activities, which continued under the executive order creating the FSA. Accordingly, extension of credit for buying farms, although not the agency's largest

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[101]The most thorough history of the FSA is Baldwin, Poverty and Politics, which explores the agency's complex political and administrative problems and the reasons why it was never fully effective in combatting rural destitution. The following discussion relies heavily on Baldwin's chapters VII, "The FSA in Action;" IX, "The FSA: Disturber of the Peace;" XI, "The FSA Goes to War;" XII, "Armageddon and Aftermath;" and XIII, "Retrospect and Prospect."

function, was always the one with the most Congressional support. But because of modest appropriations, FSA lent to only a very small percentage of hundreds of thousands of applicants. By 1949 borrowers numbered only 62,000, about half of whom were in the South, and received an average of $5,400. Moreover, this part of the FSA program made "sound loans" to those approved by local credit committees as capable of operating small farms and repaying obligations. This effectively excluded all but the upper strata of tenants. Still another limitation on the effectiveness of this aid was the trend toward large scale mechanized agriculture, which meant that many clients' acreages might ultimately prove too small for profitable operation.[102]

FSA's largest activity was its standard rural rehabilitation loan program, in which it extended credit to the landless for livestock, equipment, and necessities for farming. Over half of this assistance was given in the South. Nationally, about 695,000 farm families, or about one in nine, benefited.[103] But even with this aid FSA could not resist completely the tendency to serve an increasingly higher strata of tenants, especially when local administrators were anxious to produce "results" and good loan repayment records. For example, Alabama clients in 1936 and 1937 had an average net worth, when accepted, of $106, but for those taken on in 1938 the figure was $405, an increase of 382 per cent. During the same period the average net worth of new South Carolina

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[102]Baldwin, Poverty and Politics, 195-99, 221; personal interview with James G. Maddox, Raleigh, North Carolina, July 10, 1970.

[103]Baldwin, Poverty and Politics, 199-201.

rehabilitants rose 606 per cent, from $80 to $490. This trend disturbed Will Alexander, who saw "reasonable ground for the fear that our program is not serving those very low income farm groups for . . . whom it was instituted."[104] By 1943 FSA had also provided subsistence grants, averaging $20, to 500,000 of the nation's most destitute farm families. This aid, not requiring repayment, was intended for clients who could not qualify for standard rehabilitation loans, but who might eventually.[105]

These three programs illustrate a fundamental problem within the FSA, namely, whether the agency should adopt sound, relatively low risk credit practices (which it did in its tenant purchase lending) and thus limit its aid to the ablest of the poor who were likely to succeed as rehabilitants, or to "dig deeper" in an effort to reach the most destitute and dependent. The latter course would necessitate greater risks in lending, more intensive supervision, and higher administrative costs, all of which would arouse Congressional criticism. This dilemma was never completly resolved. In some Southern localities the FSA instituted special intensive programs for the poorest, but its overall tendency was toward assisting those with at least some ability and assets.[106]

FSA conducted a variety of other programs. It promoted cooperative marketing and purchasing among its clients and helped them form associations for joint ownership of breeding stock and machinery. The agency's

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[104]Alexander to E.S. Morgan, September 28, 1939, NA RG 96.

[105]Baldwin, Poverty and Politics, 201-03.

[106]Ibid., 217-221; personal interviews with Robert W. Hudgens, Chapel Hill, North Carolina, July 8 and 9, 1970, and James G. Maddox.

debt adjustment services arranged with creditors to scale down indebtedness for almost 60,000 farmers by mid-1940. Among the FSA's more innovative activities were its group plans for prepaid medical care. In the 1940's FSA constructed camps for migratory farm laborers in an effort to cope with that increasingly serious problem. Most controversial of all, however, were the resettlement projects, which usually leased land to displaced families, but also included a few cooperative farm communities. This minor part of the agency's work was constantly under fire in Congress by critics of "collectivism."[107]

Throughout its existence the FSA experienced political opposition, much of which came from the vested interests of agriculture. In the South the FSA had some potential to change traditional relationships. It might decrease tenants' dependence on landlords or other creditors, awaken poor people to the benefits of the New Deal at the expense of local officials' prestige, or possibly, by encouraging the economic progress of Negroes, disturb the racial status quo. Thus many planters, courthouse politicians and Southern Congressmen distrusted the agency. The FSA also attracted the opposition of the agricultural power structure. The American Farm Bureau Federation and the Extension Service saw it as a rival for influence in the Department of Agriculture and as a possible threat to their prerogatives in the grass roots administration of farm programs. Moreover, after 1940 the AFBF became increasingly anti-New Dealish and much of its hostility to the FSA stemmed from

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[107]Baldwin, Poverty and Politics, 203-17, 221-22; personal interview with Robert W. Hudgens.

that position.[108]

The end of the FSA's effectiveness in the fight against rural poverty came during the Second World War. Those years were not propitious for New Deal agencies in general, and the FSA was beset by persistent Congressional attacks. In 1942 it sustained heavy assaults from Senator Harry Byrd's Committee on Reduction of Nonessential Federal Expenditures, which recommended its abolition. In the same year Congress slashed FSA appropriations to little more than half the $287 million Roosevelt requested. Still another serious challenge came in 1943 and 1944 from a special committee of the House appointed to investigate the FSA. Its chairman, Harold Cooley of North Carolina, began a campaign to reduce the agency's functions to a farm purchase loan program. This effort finally succeeded in 1946 when Congress converted the FSA to the Farmers' Home Administration.[109] Thus the administration's most comprehensive effort against rural poverty was cut short in the anti-New Deal climate of the 1940's.

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[108] Baldwin, Poverty and Politics, 279-92.

[109] Ibid., 347-62, 385-87, 395-402. For the report of the Cooley committee see U.S., House, Select Committee of the House Committee on Agriculture to Investigate the Activities of the Farm Security Administration, Activities of the Farm Security Administration, House Rept. 1430, 78th Cong., 2d sess., 1944.

CHAPTER IX

THE NATIONAL EMERGENCY COUNCIL REPORT OF 1938

THE SOUTH AS A POOR REGION

In the late 1930's, as the rehabilitative approach to poverty came into its own with the establishment of the Farm Security Administration, an older stream of thought concerning the impoverishment of the South flowed with renewed vigor. This was the idea of general economic development of a backward region, actually an outgrowth of the post-Civil War vision of an industrialized "New South."

The New South movement began in the late 1870's as a "homegrown plan of reconstruction," a program of action to industrialize the section and in the process change the agrarian values of its people to accept the new order. Southern businessmen, manufacturers, and publicists hoped to insure their section an American standard of living by adopting the nation's industrial spirit. While they were optimistic about the future, they frankly acknowledged the region's widespread poverty.

By the 1880's, however, the movement evolved into a promotional campaign which mixed fact with hopes and propaganda. It greatly exaggerated the industrialization which had taken place and the prosperity it generated. Increasingly it ignored the fact that the South remained the poorest part of the country. New South spokesmen also tended to overestimate the region's endowment of natural resources and were convinced that abundance of raw materials alone would assure economic development. Thus they often overlooked such deficiencies as the paucity of capital and local investment, acute shortage of managerial and industrial skills among a rural people, and the mass impoverishment which made the South a poor market for manufactured goods.

New South spokesmen were not successful in industrializing most of the section or raising its living standards. But they implanted a powerful regional creed--a pervasive myth--which pictured the South as economically progressive, always on the verge of developing a rich potential and creating general prosperity. By the end of the nineteenth century the idea was widely accepted as fact.[1]

A corollary of the New South idea in the 1930's was that the region's economy was "colonial." Its industries were owned and managed by outside capital. Since the promoters of industrialism assumed that plentiful resources assured economic development (and frequently overlooked other deficiencies), they focused on this condition to explain why the South's backwardness persisted. At first they stressed that the section produced mostly raw materials and semi-processed goods which were finished in the North. Thus the profits from manufacturing accrued to outsiders and the South paid high prices to buy items made from its own products.

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[1]Paul M. Gaston, The New South Creed, A Study in Southern Mythmaking (New York: Alfred A. Knopf, 1970), 189-91, 219.

But by the late 1930's the concept of the colonial economy expanded as many concluded that national policies hindered the South's industrial progress. The prime example was the railroads' practice, sanctioned by the Interstate Commerce Commission, of charging higher freight rates in the South and West than in the Northeast, on the grounds that the latter generated more traffic. This made production costs higher in the South and handicapped new industries. Southern governors, among others, saw the freight differential as a major discrimination against the region, and in 1937 they launched a campaign to secure reform through the ICC. Similarly, others also saw efforts to set national minimum wages as a northern industrialist-inspired attempt to reduce the cost advantages of growing Southern competitors.[2]

The New South idea declined during the worst years of the Great Depression, when public confidence in business and industry was at a low ebb. But it revived in the late 1930's as national economic conditions improved. By 1936 thhre were solid increases in Southern manufacturing;

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[2]For a full treatment of the idea of a "colonial" economy, see George B. Tindall, The Emergence of the New South, 1913-1945 (Baton Rouge: Louisiana State University Press, 1967), 470, and especially, "The 'Colonial Economy' and the Growth Psychology," South Atlantic Quarterly, LXIV (autumn, 1965), 465-77. Tindall points out that New Deal attempts to regulate business, from the NRA on, clashed with the "growth psychology" of New South industrialism. He also summarizes recent historical work showing that freight rate differentials, despite the concern they aroused, were a relatively "minor barrier to regional development . . . that gradually would have yielded in any case." The differential (about 39 per cent in the Southeast and 75 per cent in the Southwest) applied to finished products, not generally to bulk commodities, raw materials or semiprocessed goods which were the main Southern products. While these rates hampered the growth of secondary manufacturing, lack of capital, skilled workers and markets were more serious handicaps.

the output of textiles, paper and pulp, and tobacco in that year exceeded 1929 levels, and in 1937 food processing reached that point. In contrast, durable goods (of lesser importance in the South) recovered to the same degree only in 1940. By 1939 the South's overall production regained its position of ten years earlier, although wages still lagged by about 10 per cent. This progress, moreover, was relatively better than that of the nation as a whole.[3]

This upswing generated Southern optimism about depression recovery and permanent prosperity. Early in 1937 the Southern States Industrial Council (formed in 1933 to publicize industrial advantages and oppose wage increases under the National Recovery Administration) reviewed the past year and proclaimed that the section had manufactured goods valued at an unprecedented $8 billion. The council thought these increases meant a wider distribution of wealth in the South. Similarly, in January, 1937, the Birmingham News noted rising employment and decreasing relief rolls, and in March declared that Deep South enterprises, packed by steel and textiles, had reached predepression production peaks. It quoted with approval a cotton mill esecutive who predicted a new era of industrial expansion in the region.[4]

Meanwhile, critics of the industrial-recovery enthusiasm continued to point out the South's widespread poverty. As early as February, 1936, the Raleigh News and Observer editorialized that, although the

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[3]Tindall, Emergence of the New South, 359-60, 457, 470-71.

[4]Ibid., 444, 457; Birmingham News, January 5 and 24, and March 21, 1937. For later comments see Atlanta Constitution editorials of March 30, 1938 and July 3, 1938, and a speech by publisher Clark Howell, April 9, 1938.

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condition of the poor had probably improved slightly, they were still little better off than 10 years before, and such advances as had been made hardly justified "loose talk" about high American living standards. The editor thought the "spectacle of poverty in a rich land" was "shocking and depressing" and admitted that the worst conditions were in the South. Then, picking up a theme later stressed by New Dealers, he noted that raising living standards for the poor could benefit the whole community.[5]

Agrarians also questioned the new optimism. H.C. Nixon wrote that "it seems more or less futile for the Southern champions of 'agrarianism' and their opposing champions of the industrial way of life to argue the issues which divide them, because the South is widely lacking in what either group would impute to it." He emphasized that the tenancy problem remained unsolved, that poor farmers were still in the lowest of income groups, and that there was far too little farming for home use in the region. He concluded that "Southern civilization is at the bottom of the ladder by any statistical or democratic test."[6]

Nixon also condemned the growing factory-hunting movement with its inducements of cheap labor, tax ememptions and community-subsidized buildings. Early in 1937 he declared that the first such state-wide program, Mississippi's "Balance Agriculture with Industry" plan of 1936, was fundamentally unsound because it set no labor standards whatever,

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[5]Raleigh News and Observer, February 14, 1936.

[6]Nixon, "The Paradoxical Scene," undated article, papers of H.C. Nixon, in the possession of the Nixon family, Nashville. Hereafter cited as Nixon papers.

and subsidized manufacturers with tax exemptions without requiring them to contribute to public services. Above all, he said, the plan ignored Mississippi's real need, a "balanced and more cooperative agriculture." Similarly, Francis P. Miller saw little benefit in an impending invasion of the South by "pauper industries" seeking subsidy and low wage costs. And even the industry-minded Birmingham News condemned the BAWI plan with the comment that the South needed more than low wage factories to prosper.[7]

Some New Dealers, notably Aubrey Williams of the National Youth Administration, feared that a return of normal business and industrial conditions would cause people to ignore poverty as they had before the depression. As early as the spring of 1936 he stressed in his speeches that destitution in the rural South was chronic, that most farmers' incomes had never been commensurate with the prices of necessities, and consequently, even in the "prosperous" 1920's the region had the poorest schools, health facilities, and public services.[8]

By the fall of 1937 Williams was even more outspoken. In October he addressed the Southern Tenant Farmers' Union convention in Memphis and congratulated the union for calling public attention to agricultural workers' "manifest needs" which had "existed for a generation with little constructive effort to meet them." Observing that large numbers of

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[7]Unidentified clipping, January or February, 1937, and Francis P. Miller to W. T. Couch, March 6, 1937, Nixon papers; Birmingham News, March 8, 1937.

[8]High school commencement address by Williams at Oliver Springs, Tennessee, May 7, 1936, FDRL Williams papers. Hereafter cited as Williams papers. See also Williams' speech to state meeting of the Council of Farm Women, Aiken, South Carolina, September 25, 1937, ibid.

poor farmers and rural laborers had "lived from hand to mouth for years before the financial depression," he credited the relief program and the Resettlement Administration with providing their first, although inadequate, assistance.[9] Slightly earlier, in September, Williams had warned a meeting of North Carolina Young Democrats of the danger that the public, as prosperity returned, would become "callous to human need," and "complacent to the chronic poverty of those on the other side of town." He reminded them that a third of the population was still inadequately housed, fed, and clothed, and "despite the prosperity which we have achieved, if we consider the families of the unemployed and those on relief, there are probably twice as many . . . receiving incomes below $500 now as did in 1929." And yet, he declared, "reactionaries" and "Liberty Leaguers" urged Congress to slow the enactment of social and economic legislation.[10] Williams' views apparently reflected those of the administration in the fall of 1937, at least to the extent that he used the same theme in drafting statements for the President.[11]

An emerging idea in the New Deal, and among its sympathizers, was that raising, or even maintaining, the living standards of the general community depended on improving the incomes of its neediest members.

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[9]Address by Williams to joint convention of STFU and United Cannery, Agricultural, Packing and Allied Workers of America, Memphis, September 26, 1937, ibid.

[10]Speech by Williams to state meeting of Young Democrats of North Carolina, Winston-Salem, September 11, 1937, ibid.

[11]Draft of speech for Annual Mobilization for Human Needs, October 18, 1937, Williams papers. For the text of thespeech see Samuel I. Rosenman, compiler, The Public Papers and Addresses of Franklin D. Roosevelt, 1937 volume (New York: MacMillan, 1941), 441-43.

Roosevelt, for example, was consistently concerned with the lack of "purchasing power" among the poor. He frequently diagnosed the South's greatest problem as the inability of impoverished masses, especially in rural areas, to buy the goods of industry or retail trade, or contribute to the region's health, educational, or other tax supported services. At Warm Springs in November, 1934, for instance, he remarked to newsmen that first-time observers of the rural South were usually struck by "what looks like poverty, real poverty. . . . The standard of living is absolutely and totally different from what it is in the prosperous areas of the West or . . . North. . . ." He continued that "the average farm family in the South only sees, in the way of cash, perhaps a couple of hundred dollars a year and a great many don't see that." As a result, "the taxing power is almost nil. This state cannot raise money for education because there is nothing to tax."[12]

Similarly, in a speech in Atlanta on November 29, 1935, Roosevelt related inability to buy with widespread hunger. He said doctors had told him that great numbers of Americans lived on a "third-class diet." But raising that standard even to a second class level, not to mention real adequacy, he said, would greatly expand the market for foodstuffs to the general benefit of American agriculture. But all of this was not immediately possible, he concluded, "for the very simple reason that the masses of the American people have not got the purchasing power to eat more and better food."[13]

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[12]FDR Press Conferences, IV, 212-13. Press Conference 160 (Warm Springs, November 22, 1934).

[13]FDRL speech file 0822. Speech at Atlanta, November 29, 1935.

In 1937 Roosevelt continued this emphasis as the administration began a drive for federal minimum wage legislation. In a press conference on June 15, he declared that in several areas of the country living conditions were "far below any decent standard," and "the more we attack the basic problem of getting a better standard of living for the one-third at the bottom, the quicker we will get rid of relief. . . ." He continued that "what we are trying to do is build up national income with special reference to increasing the share of the national income of the lowest one-third. . . ."[14] The militant Aubrey Williams concurred with Roosevelt. He told the North Carolina Young Democrats' convention that better incomes for the poor would benefit their communities:

> Your self-interest is a thousand times more tied up with that laborer who is striking for a decent wage . . . the mill hand who insists he shall be paid a living wage . . . the sharecropper . . . who is joining . . . a union, than it is with some banker or manufacturer who is the town's so-called first citizen, but who is trying to make these people work for wages which do not permit them to pay their doctor, to buy the amount of groceries they need . . . or to rent the house they snould have. . . .[15]

Some labor leaders saw better living conditions for the rural poor

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[14]FDR Press Conferences, LX, 436-37. Press Conference 347 (White House, June 15, 1937). For other examples of Roosevelt's emphasis on purchasing power, see Samuel I. Rosenman, compiler, The Public Papers and Addresses of Franklin D. Roosevelt, 1937 volume (New York: MacMillan, 1941), 135-39, remarks at Warm Springs, March 18, 1937; 209-14, message to Congress recommending wage and hour legislation, May 24, 1937; 404-05, speech of October 4, 1937; 429-38, "fireside chat," October 12, 1937; 496-97, message to Congress, November 15, 1937; ibid., 1938 volume, 132-33, press conference 439, March 4, 1938, including specific reference to lack of buying power of sharecroppers.

[15]Speech by Williams to state meeting of Young Democrats' of North Carolina, Winston-Salem, September 11, 1937, Williams papers.

as essential to prevent their becoming low wage competition for industrial workers. For example, A. Steve Nance, Georgia textile organizer for the Committee on Industrial Organizations, remarked to Jonathan Daniels that "the real threat to the American standard of living comes . . . from the tenant farmer--terribly poor and terribly fecund. He must be given standards or no other standards will survive."[16]

In 1937 the New Deal sought to provide some of the purchasing power it had determined the poor needed by establishing labor standards by federal law. Wage and hour legislation became a major administration objective with the introduction of the Black-Connery bill on May 24, 1937. The measure proposed a national forty-hour week and a 40-cent minimum hourly wage (and outlawed child labor as well) in industries producing for interstate shipment. Agricultural workers were omitted from its coverage. The Senate passed the bill on July 31. Then it was sidetracked in the House Rules Committee until brought to the floor by a discharge petition in December, only to be recommitted.[17]

The issue of wages was the collision point between the New Deal and New South industrialism. Southern businessmen and manufacturers

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[16]Jonathan Daniels, MS diary of Southern tour, entry for June 5, 1937, Daniels papers, Southern Historical Collection, University of North Carolina. Hereafter cited as Daniels papers. The diary was the basis for Daniels' A Southerner Discovers the South. For a full discussion by Daniels of the standards, see "Democracy Is Bread," Virginia Quarterly Review, XIV (autumn, 1938), 481-90.

[17]Tindall, Emergence of the New South, 533-35. For an example of the President's early commitment to raising wage levels see FDR to Carter Glass, February 21, 1935, FDRL PPF 687. Charlton Ogburn to FDR, May 21, 1937, FDRL PPF 3794, suggests that Roosevelt thought in terms of a federal minimum wage law as early as 1935.

saw cheap labor as a competitive advantage in operating existing industries and attracting new ones. They justified low pay scales by several arguments: that living costs were less in the South than elsewhere, that sectional wage differentials compensated for unfair freight rates which handicapped Southern manufacturing, and that higher wages would retard industrialization and thus prolong poverty. These spokesmen usually insisted that any federal wage legislation should provide regional variations as had NRA codes and work relief programs.[18]

The wages and hours proposal aroused determined Southern opposition. C.C. Gilbert of the Southern States Industrial Council informed Democratic National Chairman James A. Farley that nearly all the 17,000 manufacturers in the organization opposed the bill because it would 'cripple the industrial South beyond repair."[19] A Mississippi Democratic National Committeeman argued to Roosevelt that even though minimum wages might raise the standard of living, a uniform scale, combined with unfair freight rates, would inordinately discriminate against Southern industry. He charged that the proposal was traceable to northern manufacturers desiring to restrict Southern competition. Moreover, he contended that the whole matter was vital because of the agricultural situation; with the impending mechanization of cotton picking, industrialization was imperative to absorb the surplus labor and prevent as intolerable

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[18] Tindall, Emergence of the New South, 434-44. Some examples of comments on the differential are found in Atlanta Constitution, February 18, 1938, and especially April 8, 1938, which argues that Southern workers were less productive than others.

[19] C.C. Gilbert to James A. Farley, July 27, 1937, FDRL OF 2730.

unemployment problem.[20] Senators and Congressmen repeatedly urged the President to accept either a lower minimum wage or a regional differential.[21] And Clarence Poe, editor of the Progressive Farmer, suggested, in letters and during a conference with the President, raising Southern wages to a national standard only over a period of several years.[22]

Throughout the long Congressional battle on the labor proposal, Roosevelt remained firmly committed to raising purchasing power by a minimum wage without regional differentials. When Texas Congressman Martin Dies suggested a scheme to permit states to vary the rate to as little as 25 or 30 cents per hour, the President shot back that the idea was "unsound," calculated to "destroy the effectiveness of building up a purchasing power in those sections most needing it," and "the weakest, most dangerous proposition he [had] ever heard."[23] In a letter to Senator Hattie Caraway of Arkansas in December, 1937, he reaffirmed that:

> What we are all interested in is raising the buying power of the average of our working population--giving special attention to the "lowest third." By buying power we mean the annual income

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[20]Louis M. Jiggitts to FDR, January 4, 1938, FDRL OF 2405.

[21]For examples see Senator George L. Berry of Tennessee to FDR, October 26, 1937, and Congressman A.L. Bulwinkle of North Carolina to FDR, November 1, 1937, FDRL OF 2730.

[22]Poe to FDR, December 23, 1937, and January 10, 1938, and FDR memo to McIntyre, December 23, 1937, FDRL PPF 2812. Roosevelt apparently accepted the idea of gradually increasing Southern wages, judging from the final provisions of the Fair Labor Standards Act of 1938.

[23]Dies to FDR, January 11, 1938, and FDR memo to McIntyre, January 13, 1938, FDRL OF 2730. See also Frances Perkins to FDR, February 9, 1938, ibid., in which she submitted two draft bills and endorsed the one with no regional wage differential.

> of the family. . . . I know you realize . . . that the annual income of workers in the South is so low that they have little purchasing power, little to pay in the way of taxes and that therefore, education and sanitation have greatly suffered in the South. . . .[24]

In the spring of 1938 Roosevelt became increasingly militant on the wage issue in the South. At Gainesville, Georgia, on March 23, he lashed out at those who blocked the bill. "Georgia and the lower South may just as well face facts . . . , he declared. "The purchasing power of millions . . . in this whole area is far too low." Appealing to the New South tradition, he suggested the necessity of improving markets before factories could be attracted. "On the present scale of buying power," he said, "the South cannot . . . succeed in establishing new industries. . . ." He closed by accusing recalcitrant business interests and their Congressional spokesmen of believing in the "feudal system," if not the "Fascist system."[25]

On May 24, the House, influenced by victories of pro-administration Southern Senators in Democratic primaries, passed the Fair Labor Standards Act. The new law, the last major New Deal legislative success, established a maximum work week of 44 hours, to be reduced to 40 within two years. It set a national minimum wage of 40 cents per hour, but provided that pay scales in low wage industries would reach the national level by 1945. A wage and hour division in the Labor Department could, and

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[24]FDR to Hattie Caraway, December 20, 1937, FDRL PPF 5456.

[25]FDRL speech file 1120. Speech at Gainesville, Georgia, March 23, 1938. Aubrey Williams outlined the speech. See Williams to FDR, March 21, 1938, FDRL PPF 1820; Williams to FDR, March 24, 1938, and FDR to Williams, March 28, Williams papers.

ultimately did, accelerate the rate of increase. Otherwise the measure allowed no regional differential. Most of the rural poor, of course, were unaffected, since the act did not cover agricultural labor.[26]

The opposition of some conservative Democrats to wages and hours legislation, and the more general stalemate of the New Deal program, persuaded the President, in the spring of 1938, to intervene in several Democratic primary elections to ask voters to oust incumbent Senators whom he regarded as obstructionists and a possible threat to New Dealers' control of the party in 1940. One of the principal targets of this "purge" was Senator Walter F. George of Georgia. Roosevelt's involvement in the Georgia campaign furnished the occasion for the New Deal's best known assessment of the South's impoverishment, the National Emergency Council's Report on Economic Conditions of the South.

While the President planned the purge, Clark Foreman, head of the Public Works Administration Power Division, circulated a new proposal: publication of a pamphlet detailing New Deal accomplishments for the South, a story which he thought the press and politicians had neglected. The Power Division was an unlikely source for such ideas, but Foreman had deep concern for the South's common people. Before 1933 he had been a member of Will Alexander's Interracial Commission staff, and later was Interior Secretary Harold Ickes' advisor on Negro affairs. Foreman later said that Jerome Frank, then counsel for the Power Division, first suggested the idea to him when they attended a meeting of the Washington branch of the Southern Policy Committee in the spring of 1938. By June,

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[26]Tindall, Emergence of the New South, 535-37.

Foreman and Frank had discussed the matter with presidential advisor Tom Corcoran.

Early in June, Roosevelt summoned Foreman to the White House to discuss the possibilities of defeating Senator George. During their conversation Foreman advised that publication of a strong statement of New Deal contributions to the welfare of the Southern people would effectively reinforce the administration's political support in the region. Foreman recalled that the President reacted "positively and favorably," but wanted a report which was purely factual and not overtly partisan. Furthermore, it should outline economic problems without proposing solutions, he thought, because "if people understand the facts they will find their own remedies." Thus, as Foreman later told Jonathan Daniels, "the Economic Report was in fact a part of the President's program to liberalize the Democratic Party." But the New Dealers expected its effectiveness to lie in the contrast it suggested between the region's problems and the recalcitrance of Senators like George in helping the administration meet them.

The President suggested that Foreman take the matter up with James Roosevelt and Lowell Mellett, director of the National Emergency Council. Foreman found the younger Roosevelt interested solely in the report's political potential, while Mellett was apprehensive about its possible repercussions. But sometime between June 12 and 18 the President directed Mellett to outline an economic survey and determine whether it should embrace several regions, or just the South. Mellett, now convinced of the usefulness of a report, recommended the latter course. He drafted a letter requesting it, which Roosevelt signed June 22. By then compilation was already underway.[27]

Foreman supervised the project, which was completed in less than a month. His principal assistants were Texans Arthur Goldschmidt (of the PWA Power Division) and Jack Fischer (information director of the Farm Security Administration), and Clifford Durr, an Alabama Rhodes Scholar, and counsel for the Reconstruction Finance Corporation. The report relied chiefly on published government reports, and was carefully edited to make it factually "unimpeachable."[28]

The 64-page report consisted of fifteen short sections summarizing the South's economic assets and shortcomings. Several of these, dealing with natural resources, provided a New South emphasis on the region's "immense wealth" of raw materials, and by implication, its industrial potential. Largely ignored, however, was their uneven distribution which left large areas deficient. The report described water, land and forests as ample, but pointed out shocking waste, especially of the latter two. The discussion of population, on the other hand, tended to run counter to the emphasis on plentiful resources by suggesting that the increasing mechanization of agriculture caused problems of surplus

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[27]This account of the report's origin is drawn from two letters written by Foreman 10 years later: Foreman to Gay Morenus, November 24, 1948, and to Jonathan [Daniels], June 8, 1948, in the papers of the Southern Conference for Human Welfare, Atlanta University. Hereafter cited as SCHW. For an excellent secondary account along these lines see Thomas A. Krueger, And Promises to Keep, The Southern Conference for Human Welfare, 1938-1948 (Nashville: Vanderbilt University Press, 1967), 11-14. For the discussions between the President and Mellett, see Mellett to FDR, June 21, 1938, and FDR to Mellett, June 22, 1938, FDRL OF 788.

[28]"Memorandum for Miss Foster, National Emergency Council," by Lucia M. Pitts [Foreman's secretary], August 4, 1938, SCHW; Mellett to FDR, August 6, 1938, FDRL OF 788.

labor. Here was a hint that the land, previously described as the region's "most valuable asset," could not support all those dependent on it.[29]

The report's second message was the chronic poverty of masses of Southerners, their low per capita incomes, inadequate tax base, and consequent dearth of public services. It cited figures to disprove the contention that low living costs justified a wide sectional wage differential, and advanced the New Deal argument that only the growth of mass purchasing power could stimulate regional business and industry. Without bluntly saying so, the report was in part a brief for recently enacted wage legislation. Rounding out its picture of destitution were discussions of substandard education, health, and housing conditions. A section on the ownership and use of land condemned the tenancy system.[30]

Finally, the report stressed the South's "colonial" economy, the extent of outside control of its industry, and its dependence on Northern credit. About half the section on Industry was devoted to an attack on high freight rates as an unjustifiable barrier which "penalized [the South] for being rural and handicapped . . . its efforts to

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[29] U.S., National Emergency Council, Report On Economic Conditions of the South (Washington: U.S. Government Printing Office, 1938), "Economic Resources," 5-8; "Population," 17-20; "Use of Natural Resources," 53-56; "Industry," 57-60.

[30] Ibid., "Private and Public Income," 21-24; "Education," 25-28; "Health," 29-32; "Housing," 41-44; "Ownership and Use of Land," 45-48; "Purchasing Power," 61-64.

industrialize. . . .[31] As George Tindall has observed, the report was a "sort of climax to the literature on the 'colonial economy,'" which placed the administration behind Southern efforts to reform freight rates and also implied support for a coordinated program of regional development.[32]

The report pointedly showed that millions of Southerners lived in poverty. It also stressed that increased purchasing power in their hands could further the South's business and industry. But its major concentration was on the reasons why the region was poor; the report's implication was that the impoverishment of the South's people was due to thwarted development of the section's great potential. Consequently, the response to the document focused on the broad question of what could be done to stimulate general economic progress, rather than how to uplift destitute individuals.

As in the case of the 1937 Presidential Farm Tenancy Commission, the authors of the report assembled an advisory committee of prominent citizens to endorse their work. This body was not especially representative of all economic interests in the South, perhaps because it was hastily convened. Its largest component was six members of the academic community, including president Frank P. Graham of the University of North Carolina, the chairman. Five businessmen were included, but none were manufacturers. Three public officials (including Governor

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[31] Ibid., "Credit," 49-52; "Use of Natural Resources," 53-56; "Industry," 57-60. The quotation is from p. 60.

[32] George B. Tindall, "The 'Colonial Economy' and the Growth Psychology," South Atlantic Quarterly, LXIV (autumn, 1965), 472-74.

Carl Bailey of Arkansas), two newspaper publishers (including Barry Bingham of the Louisville Courier-Journal), and one lawyer were present. Among the three labor leaders were Lucy Randolph Mason of the CIO and H.L. Mitchell of the STFU. Two planters rounded out the list. There were few non-academic professional men, and no clergymen, agriculturalists, or Negroes present.[33]

The advisory committee assembled in Washington on July 5, heard the report and endorsed it. The members discussed the needs of the South but, in keeping with the purpose of the document, made no formal proposals. H.L. Mitchell, submitted an analysis of rural problems for his union, stressing the displacement of tenants by mechanization in the Delta. He recommended that WPA place the dispossessed on land for live-at-home farming supplemented by public work until industry could absorb them. Most other talk of solutions centered around the need to industrialize the region.[34]

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[33]The committee members are listed on p. 3 of the Report. For arrangements to assemble the committee, see Mellett to Jonathan Daniels, June 25, 1938, Daniels papers; Howard Odum to Foreman, June 24, 1938, SCHW, in which Odum declined to serve as chairman; Graham to Mellett, June 28 and 30, 1938, Frank P. Graham papers, Southern Historical Collection, University of North Carolina. Hereafter cited as Graham papers.

[34]Foreman to Gay Morenus, November 24, 1948, and to Jonathan [Daniels], June 8, 1948, SCHW; memoir of H.L. Mitchell, Columbia Oral History Collection, Columbia University, 103; STFU recommendations to the NEC, July 5, 1938, and [Mitchell] to J.R. Butler, July 6, 1938, Southern Tenant Farmers' Union papers, Southern Historical Collection, University of North Carolina. The STFU recommendations resembled those of the FERA rehabilitation program, and contained relatively little of the union's emphasis on cooperative land ownership of 1936 and 1937. This probably reflects the influence of Aubrey Williams, for whom Mitchell worked in the WPA in 1938.

But the real public impact of the advisory meeting resulted from the President's letter to it in which he stated that "the South presents right now the Nation's No. 1 economic problem--the Nation's problem, not merely the South's. This Rooseveltian phrase--one of his most quoted--became current immediately due to the premature release of the report. While the committee ate lunch, a New York Times reporter stole a draft of the document, which was published in summary the next day. Foreman regarded the advance publicity as valuable.[35]

New Dealers used information from the report in their political campaigning in the South. In a Memphis speech on August 5, Harry Hopkins quoted the President's assessment of the region as an economic problem, condemned inequitable freight rates, and announced that the WPA would attempt to enhance the purchasing power of sharecroppers and farm laborers by employing 200,00 of them during the slack season in cotton.[36] More importantly, Roosevelt, then in his "purge" campaign, arranged to release the pamphlet before his two major Georgia speeches on August 11.[37] In the first of these, at the University of Georgia, he stressed the then-familiar themes of improvement of Southern wages, incomes, and taxable wealth, and hinted at a forthcoming program of

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[35]FDR to committee, July 4, 1938, FDRL PPF 5427, and on pp. 1-2 of the report. A copy in FDRL OF 788 indicates that Mellett drafted the letter, including the phrase, "Nation's No. 1 economic problem." For accounts of the conference see Foreman to Morenus, November 24, 1948, and to Daniels, June 8, 1948, SCHW. The news story is in New York Times, July 6, 1938, 1.

[36]New York Times, August 6, 1938, 1,4.

[37]Mellett to FDR, August 6, 1938, and FDR's personal copy of the report with his handwritten notation, "To be held for release," FDRL OF 788; naval communication, FDR to Mellett, August 9, 1938, Mellett papers.

federal aid to education. And in his second, at Barnesville, Georgia, he referred to the report as he openly urged voters to defeat George.[38] Thus the document served the immediate political purpose which caused its preparation. The remaining question was how Southerners would respond to the needs it delineated.

Some Southern industrial spokesmen reacted indignantly to a report which questioned their emphasis on growth and prosperity. The Textile Bulletin made the earliest sweeping condemnation. On July 7, only two days after the advisory committee adjourned, it attacked the group as Roosevelt's "slumming commission," consisting of handpicked members such as Graham and Miss Mason who had "already voted" to single out the South for criticism. The Atlanta Constitution attributed the study to New Deal political motives and thought the accuracy of Roosevelt's comments were "open to question." Blaming Southern problems mainly on the tariff, freight rates and similar discriminations against the region, the paper declared that the "No. 1 Economic Problem" statement was "not so much a criticism of the South [as of] . . . short-sighted interests in other sections which have been chiefly responsible for the condition, to the extent that it exists."[39]

More comprehensive criticism of the report came from Fitzgerald

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[38]FDRL speech file 1164, speech at University of Georgia, August 11, 1938, and 1165, speech at Barnesville, same date. Foreman's part in outlining the speech attacking George appears in memo to FDR from "T. G. C.," August 1, 1938, and Foreman to Rudolf Foster, August 5, 1938, FDRL PSF, Georgia campaign.

[39]"Roosevelt Appoints a Slumming Commission," Textile Bulletin, July 7, 1938, clipping in Graham papers; Atlanta Constitution, July 6 and 27, 1938.

Hall, president of the Southern States Industrial Council, who claimed that it held the South up to "ridicule and shame," and was calculated to hamper his organization's efforts to attract capital and industry. He asserted that southern industrial development, which he equated with the region's economy, had "not only been great in recent years but greater than probably in many other supposedly more favored sections." Hall further charged that the report's statistics were misleading "generalities" which could apply to any part of the country with the same population, degree of urbanization, and diversification of industry. Moreover, the document failed to stress that 29 per cent of the Southern population consisted of Negroes who lowered all averages of income and living standards. Thirdly, Hall thought the report exaggerated the South's low incomes and cited an Agriculture Department study which found that fully employed white textile workers earned a median $1,309 per year. As a railroad executive, Hall admitted the South was justified in seeking reform of freight rates, but denied that the problem was as fundamental as the study suggested. Finally, he noted that in 1937 the WPA spent less money in eleven Southern states than in Pennsylvania, which had a population only 38 per cent as large, and used that fact to nominate the latter state as Economic Problem Number One.[40]

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[40]"Comments on the Report of [sic] Economic Conditions of the South," enclosed in Hall to Mellett, September 7, 1938, Graham papers. Like Hall, some critics of the report attributed conditions it described chiefly to the Negro population. See, for example, George C. Biggers, "The Nation's No. 1 Economic Opportunity," pamphlet, n.d., and "Discussion of Economic Conditions of South Carolina, Annotations and Comments Relating to the Report Prepared for the President of the United States by the National Emergency Council," Bulletin of the University of South Carolina Extension Division, n.d., 31-32, 36, SCHW.

Foreman and Mellett, who had decided to answer critical letters, except for "hysterical diatribes," replied to Hall. Regarding his charges of misleading generalities, they asserted that the report's statistics were specific for the region because there was no other area with the same population, urbanization, industrialization and other characteristics as the South. The whole import of the study was that Southern conditions were exceptional. Moreover, even if statistics were distorted as Hall claimed, no such methods could "erase the poverty, ill-health and undernourishment, living conditions and exploitation evident to Southerners and non-southerners alike." Furthermore, they told Hall, merely stating that 29 per cent of the section's population was black could in no way mitigate the fact that a large proportion of its citizens lived under "subhuman conditions" and that this poverty was not limited to Negroes. Challenging Hall's own use of figures, they noted that the textile workers' median incomes he cited were not typical of the region since the largest part of its people were rural and non-industrial. As for the comparison of Pennsylvania and the South, they merely pointed out that the latter received far more spending from the AAA, FSA, and other rural-oriented federal agencies than an industrial state which could be expected to need extensive work relief for its unemployed.[41]

In general, the architects of the report characterized its most strident critics as, in Graham's words, "super-patriots and anti-New

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[41]Arthur Goldschmidt to Graham, September 14, 1938; Mellett to Hall, September 14, 1938; Mellett to Hall, September 19, 1938, Graham papers. Goldschmidt and Foreman drafted Mellett's reply.

Dealers."[42] It was probably true that the most severe attacks came from administration opponents. Barry Bingham thought this was true of many Southern journalists, whose hostility to the study disturbed him.[43] On the other hand, Foreman, with some lack of candor, dismissed charges that the report itself had been politically motivated. These came, he said, "almost uniformly . . . from agents of northern controlled corporations," and only confirmed what the document said about outside control of Southern wealth.[44]

Other business and industrial spokesmen accepted the report as a realistic statement of problems. They recognized that, although it proposed no remedies, it implied a need for general economic development of the region, and sensed that to that extent it was squarely within the New South tradition.[45] They generally acknowledged the section's poverty, but stressed those parts of the report which described the South as a new field for expansion of industry and retail markets.

One publicist, George C. Biggers, business manager of the Atlanta Journal, described the South in a pamphlet and radio speech as the "Nation's No. 1 Economic Opportunity," a phrase rapidly becoming as widespread as Roosevelt's own. "The . . . report on the South," Biggers declared, "is for the most part correct and we in the South must admit it." He continued that while cities appeared reasonably prosperous, "out in

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[42]Graham to Mellett, July 18, 1938, ibid.

[43]Bingham to Graham, July 23, 1938, ibid.

[44]Foreman to George Biggers, January 6, 1939, SCHW.

[45]George Tindall, "The 'Colonial Economy' and the Growth Psychology," South Atlantic Quarterly, LXIV (autumn, 1965), 472-73.

the country things are different." Rural poverty underlay the South's low wage structure, he observed. But he noted the report's emphasis on the region's resources and, as an advertising executive, stressed that the section was a great untapped retail market. He concluded that only a few national policies blocked the realization of this potential. "Just take off the differential in freight rates . . . [and] lend us some money at lower interest rates," he asserted, "and we'll do the rest."[46]

Similarly, in October, 1938, A. L. M. Wiggins, president of the South Carolina Federation of Commerce, Agriculture and Industry, told radio listeners that "there can be no denial . . . that in economic development, wealth and income the South is far behind the rest of the Nation," but at the same time it "offers the greatest opportunity for improvement and progress of any section of the Nation." With the decline of cotton tenancy, he thought, the South greatly needed agricultural diversification. Equally vital was expanded manufacturing and "development of more highly skilled industries" to supplement textile mills.[47]

Still other businessmen approved the report generally, but objected to some of its emphasis on the "colonial" aspects of northern ownership of industries. John C. Persons, president of the First National Bank of Birmingham and a member of the advisory committee, told the New Orleans Association of Commerce in March, 1939, that the South's great need for industrialization required that it attract as much outside

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[46]George C. Biggers, "The Nation's No. 1 Economic Opportunity," n.d.; "The Atlanta Journal's Editorial Hour," typescript radio discussion, November 4, 1938, SCHW.

[47]A. L. M. Wiggins, "Looking Ahead in South Carolina," printed radio speech, October 25, 1938, SCHW.

investment as possible. The flow of capital into the region would uplift both manufacturing and farming, he asserted, because "only by building industry can we supply the purchasing power to buy the things our vast agricultural population can produce."[48]

Some national journals agreed with the report's assessment but thought it overlooked some problems or misplaced its emphasis. The Nation said Roosevelt's remark that the South was Economic Problem Number One was obvious. However, the plight of the sharecroppers remained the central issue and nothing adequate had been done about it. It also agreed with the "colonial economy" idea that northern corporation's "financial imperialism" caused much of the South's backwardness.[49] The New Republic thought the report should have offered more solutions, and supplied some of its own. If the causes of regional poverty were unfair tariffs and freight rates, unbalanced agriculture and weakness of labor unions, the South needed reform of those conditions, as well as federal aid for education and health programs, and efforts to promote public acceptance of collective bargaining, a "square deal" for blacks, aid for sharecroppers, and diversified farming.[50]

There were, of course, Southerners who welcomed the report. An indication of the interest it aroused, and perhaps some measure of

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48"Absentee Ownership and the South, An Answer to its Critics," speech by John C. Persons to Members Council, New Orleans Association of Commerce, March 30, 1939. For a very similar view see New York Times, July 7, 1938, 28.

49"No. 1 Economic Problem," The Nation, CXLVII (July 23, 1938), 81, and "Southern Waste Land," ibid. (August 20, 1938), 169.

50"The Plight of the South," New Republic, LXXXXVI (August 24, 1938), 61.

public approval, was its mass circulation, much of which was within the region. Probably more than 500,000 copies were sold or distributed to schools, civic organizations and individuals before the end of 1938.[51]

Some of the most wholehearted endorsements came from editors friendly to the administration. Mark Ethridge declared in the Louisville Courier-Journal that the report showed that "the nation must help untangle the South" with appropriate regional programs.[52] Jonathan Daniels told Mellett he was "amazed at the amount of fact and intelligence" packed into a brief pamphlet. He saw it as a sign of the President's good intentions for the South. At the same time he thought that Roosevelt was not resolute enough in calling for federal aid to education in his University of Georgia speech, and he also feared that in Southern mill towns recently enacted wage and hour standards would be as unenforceable as prohibition. Still, he told Mellett, the report had been a great service. Furthermore, he wrote:

> These Professional Southern Patriots who . . . resent . . . the description of the South as Economic Problem No. 1 are the same old Daughters of the Confederacy--though some wear pants--who . . . have [always] been a more destructive crop than cotton. They are not talking for thoughtful men and women. . . . We know we are in a hell of a fix . . . and are grateful for . . . [Roosevelt's] help. . . .[53]

There were numerous suggestions that the National Emergency Council conduct studies of individual Southern states, or even issue reports on

[51]Mellett to Will Alexander, October 28, 1938, Mellett papers.

[52]Louisville Courier-Journal, September 25, 1938, advance copy in Ethridge to Steve Early, September 21, 1938, FDRL OF 396.

[53]Daniels to Mellett, August 26. 1938, Daniels papers; memo, Mellett to FDR, FDRL PPF 1020.

other regions. Congressman Lyndon Johnson, for example, was interested in a document for Texas. Mellett rejected such proposals, fearing that a profusion of pamphlets would lessen the impact of the original. But the University of South Carolina published its own state supplement to the main study.[54]

There was also sentiment for continuing the work of the advisory committee. One of its members, J.S. Wannamaker of South Carolina, president of the American Cotton Association, told Graham he hoped the report would encourage the press to direct "pitiless publicity" at Southern backwardness as a first step toward improving conditions. But another essential move, he suggested, was to reconvene the committee to recommend to Roosevelt remedies for the region's needs. Merely to drop the matter without offering solutions, he thought, would be a "fatal blunder." Wannamaker also urged this idea upon Mellett and asked Graham to do the same, but apparently aroused no real interest.[55]

Actually, the NEC expected private Southern initiative to meet the problems raised by the report. Mellett, who probably reflected administration thinking, saw the study as a culmination and summary of several years of regional self-examination. "We picked the problem up . . . when it was ripe for picking," he wrote. He thought correction of Southern conditions would have to come not from Washington, but as a result of regional pressure. "Our report is lending

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[54]John Fischer to Mellett, August 21, 1938, Mellett to McIntyre, October 21, 1938, Mellett papers; "Discussion of Economic Conditions of South Carolina . . . , "Bulletin of University of South Carolina Extension Division,"n.d., SCHW.

[55]Wannamaker to Graham, August 3, 1938, Graham papers.

itself to this pressure, as well as to efforts to do those things within the South that need to be done," Mellett advised.[56]

The first and largest organized response to the report was the Southern Conference for Human Welfare, organized in the fall of 1938. This movement actually originated with the efforts of Joe Gelders, a Birmingham labor activist, one-time victim of anti-union violence, and (not widely known) Communist convert, to organize a regional conference on civil rights. In the spring of 1938 Gelders met Lucy Randolph Mason who put him in contact with Mrs. Roosevelt. The First Lady suggested that he broaden his idea to include all regional problems, and also arranged for him to see the President sometime in June, 1938. It was probably Roosevelt who first suggested linking the conference and the forthcoming NEC report.[57]

Gelders contacted H. C. Nixon of the Southern Policy Committee, who was receptive to the idea of a new regional organization. They conferred with Josephine Wilkins of the Georgia Citizens' Fact Finding Movement (a reform-minded study group) and later with Foreman. These four envisioned a regional conference which would respond to the NEC report, about to be officially released. The planners recruited two Alabama SPC members, U.S. Commissioner Louise O. Charlton and Postmaster Cooper Green, both of Birmingham, who made arrangements for a meeting in their

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[56]Mellett to McIntyre, October 21, 1938, Mellett papers. Mellett made these observations in response to questions referred to him by Roosevelt concerning whether a report should be issued on New England.

[57]Krueger, <u>And Promises to Keep</u>, 3-18; H. C. Nixon to Brooks Hays, July 27, 1938, enclosed in Nixon to Francis P. Miller, same date, papers of the National Policy Committee, Library of Congress. Hereafter cited as NPCP.

city. They saw the conference, as Nixon put it, as "frankly intended to foster the progressive movement in the South, with no reactionaries needing to apply," making a "mass appeal" for action on the section's problems.[58]

On September 8, the SCHW, by then formally organized, issued a call for all interested Southerners to meet in Birmingham November 20-23 to consider a broad range of issues raised by the report, as well as some others. These included health, education, child labor, race relations, farm tenancy, suffrage reform, and constitutional rights.[59] More than 1,200 delegates attended the conference. They represented a great variety of interests and a high caliber of capability. Among the prominent public figures present were Mrs. Roosevelt and Justice Hugo Black (both of whom addressed the meeting), Senators Bankhead and Lister Hill of Alabama, and Claude Pepper of Florida, Aubrey Williams, R. W. Hudgens of the FSA, Brooks Hays, and Governor Bibb Graves of Alabama. Numerous clergymen attended, as did labor leaders from the AFL, CIO, and STFU. Industrialists such as Donald Comer and scholars like Arthur Raper came, along with Mary McLeod Bethune, F. D. Patterson of Tuskeegee Institute, Benjamin Mays of Morehouse College, Forrester B. Washington, Charles S. Johnson, and other black leaders. Journalists and publishers were well represented by Ralph McGill, Clarence Poe, W. T. Couch, Virginius Dabney and Mark Ethridge. Frank Graham was chosen chairman of the conference,

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[58]Krueger, And Promises to Keep, 3-18; Nixon to Hays, July 27, 1938, and Nixon to Miller, September 16, 1938, NPCP.

[59]"Southern Conference for Human Welfare, Plans and Purposes," September 8, 1938, FDRL OF 396.

and Nixon became the full-time field secretary.[60]

Of all the SCHW's major figures, Nixon emphasized rural poverty most strongly. Chairing a conference panel on landless farmers, he stressed that tenancy was the South's overriding problem because the regional economy was so largely based on agriculture. He reiterated that sharecroppers and farm laborers had the worst living standards of any large group of Americans, and argued that their low earning power depressed industrial wages, retailers' sales, and manufacturers' profits. Prosperity or poverty in agriculture meant the same for the South, Nixon declared.[61]

The SCHW adopted a strong resolution on tenancy, which called for expanding land purchase loans, rehabilitation credit, debt adjustment assistance, group medical plans, and cooperative enterprises under the FSA. The conference also proposed a government rural legal aid bureau and a program of subsidized low income farm housing. Likewise, it favored state legislation to require written leases, compensation of tenants for farm improvements, minimum housing standards, and arbitration of landlord-tenant disputes.[62]

But this statement bearing most directly on rural poverty was only one of those adopted; the full list of resolutions was as varied as the conference membership and agenda. The SCHW took positions on labor

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[60] Krueger, And Promises to Keep, 21-25; Report of Proceedings of the SCHW, November 20-23, 1938, Graham papers.

[61] Typescript of speech for SCHW, n.d. [November 20-23, 1938], Nixon papers.

[62] Report of Proceedings of SCHW, November 20-23, 1938, Graham papers.

(endorsed the Fair Labor Standards Act and the unity of the AFL and CIO, and opposed all geographical wage differentials and any weakening of the Wagner Act), race relations (favored extension of the vote to all who met educational requirements, federal anti-lynching laws, abolition of the poll tax, and fair distribution of school funds to both races), and numerous other issues (commended the La Follette Committee on Civil Liberties, federal aid to education, expansion of social security coverage, public housing programs, prison reform and birth control, condemned the Dies Committee on Un-American Activities, freight rate discrimination, and sales taxes, and urged clemency for the "Scottsboro Boys" in Alabama). It also praised the NEC report.[63] Thus while the conference manifested concern for poverty, the diffusion of its interests prevented it from focusing on that, or any other specific issue.

Two other problems blunted the SCHW's effectiveness in responding to the NEC report. The racially-mixed meeting became embroiled in controversy when forced to observe Birmingham's ordinance requiring segregated seating at public gatherings. This, of course, opened it to attacks which partially overshadowed its pronouncements on Southern economic conditions.[64] And even more serious, many Southern liberals lost confidence in the SCHW when they suspected that Communists were within its ranks. Conference officials later counted only six known party members (and in fact only 27 Socialists) among the Birmingham

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[63] Ibid.

[64] Krueger, And Promises to Keep, 26-27; Lily May Caldwell to McIntyre, November 22, 1938, FDRL PPF 5664; W. T. Couch, "Southerners Inspect the South," New Republic, LXXXXVII (December 14, 1938), 168-69.

delegates, plus a few more suspects like Gelders. The most careful student of the SCHW has concluded that it was a "popular front" of diverse reformers, never dominated by Communist participants. Nevertheless such accusations damaged the movement as Francis P. Miller, Brooks Hays, and most Southern office holders disassociated themselves from it.[65] Thus the SCHW never voiced the united reply to the NEC report that it originally intended.

Before the end of November, 1938, Miller, Barry Bingham and Mark Ethridge conceived a second conference to respond to the report in a different way. They proposed to follow an old SPC technique of inviting a select group of "representative" Southerners to confer and draw up a specific program for Congressional consideration. They were convinced that the demand for legislation should originate in the South; it would be unfortunate, they believed, if any such drive came only from the administration.[66]

Accordingly, Miller, who saw the move as an alternative to the SCHW, issued a call to approximately 40 Southern leaders to meet in Atlanta on January 14-15, 1939. He described the gathering as an outgrowth of the SPC's past efforts, and linked it to the NEC report. He felt the

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[65]For the controversy over Communist influence see Krueger, And Promises to Keep, 38, 180-81; H. C. Nixon to Graham, January 17, November 20, and December 7, 1939; Claude Pepper to Graham, February 6, 1939; Brooks Hays to Graham, November 1, 1939; Graham to Francis P. Miller, February 15, 1939; and Miller to Graham, April 12, 1939, enclosing Howard Kester to Miller, March 19, 1939, all in Graham papers.

[66]Miller to Nixon, September 13, 1938, Bingham to Miller, November 28, 1938, Miller to Nixon, December 30, 1938, NPCP; Ethridge to Graham, November 30 and December 27, 1938, Graham papers.

times were critical for the development of national policy for the South, and therefore the purpose of the meeting would be to draft and publicize a concise proposal for legislation to deal with the issues raised by the report. However, Miller contemplated no organization like the SCHW.[67]

Some prominent SCHW participants were invited to the Atlanta conference. H. C. Nixon and several others attended, but Graham regarded it as a duplicate effort and declined to come. The 32 delegates included labor leaders, journalists, and scholars, along with Miller, Ethridge, Bingham, Charles S. Johnson, and other SPC stalwarts.[68]

The conference statement called the NEC report "an essentially true diagnosis of economic conditions in this area." It also agreed with the study's analysis of the "colonial" nature of the region's economy, and went even further in attributing Southern poverty to inadequate or misguided national policies. Inattention to agricultural problems, for instance, had strengthened the one-crop, sharecropping, and furnishing systems with all their well-known evils, while the tariff and nationally-sanctioned freight rate differentials had kept the South a mere supplier of raw materials to industrial sections. "The harvest of these policies, and of our own shortcomings," the conference asserted,

> may be found in the eroded lands of the South; in the dispossessed tenantry; in a people who have too high a percentage of pellagra, malaria, hookworm and other such diseases; in homes . . . below decent living standards; in inadequate . . . schools and . . . institutions of higher learning; in the lowest percentage of home

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[67]Miller to Nixon, December 30, 1938, and Miller to invited delegates, December 5, 1938, NPCP.

[68]Report of the Atlanta Conference held January 14-15, 1939, NPCP; Graham to Ethridge, January 11, 1939, Graham papers.

and land ownership in the country, and in the lowest per capita incomes in the country.

In short, "the nation's treatment of the South had been that generally accorded a colonial possession."[69]

To remedy these inequities the conference proposed both federal and state action. Congress should expand FSA rehabilitative work, including farm purchase lending, as well as continue commodity price supports. For industrial workers, the national government should take further steps to assure adequate wage standards and safeguard collective bargaining. Other legislation was necessary to provide federal aid to education and public health, and reform of freight rates was "absolutely essential." The states, for their part, should revise laws on landlord-tenant relationships and create land planning commissions. Finally, the group vaguely recommended state efforts to strengthen civil liberties, but was quite specific in calling for abolition of the poll tax.[70]

Like the SCHW, the Atlanta conference thought in broad terms about what was needed to improve the region, and although it recognized the plight of destitute people, that problem was only one of several concerns. At least one of the members suggested that the group narrow its concentration. James C. Derieux, editor of <u>The State</u> of Columbia, South Carolina, thought that the primary aim should be to upgrade the working skills of the poor as a prerequisite to other advances. The key to the tenancy problem, for instance, was to correct the "incapacity of so

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[69]"A Working Economic Plan for the South, Recommendations Adopted at Atlanta, Georgia, January 15, 1939," pamphlet, NPCP.

[70]<u>Ibid</u>.

many persons to acquire, own and operate land successfully."[71] This idea was close to the concept of rehabilitation. But Derieux's views were in the minority in a conference concerned mainly with general regional development.

A third organized response to the NEC report was by the Southern Governors' Conference, late in 1939. The state executives' organization was an expansion of the Southeastern Governors' Conference, originally formed to press the case for freight rate reform before the Interstate Commerce Commission. After some initial success in bringing their issue before the ICC, they broadened their interests slightly. On December 14, 1939, in an Atlanta meeting, the governors appointed a committee, headed by Clarence Poe, editor of the Progressive Farmer of Raleigh, North Carolina, to devise a ten-year campaign for general economic development of the South.[72]

By December 30 Poe's committee had outlined its major goals and the governors announced their program in the press. Frank Graham, involved in yet another campaign as chairman of its North Carolina subcommittee, wrote to the President and suggested that this latest effort concerned the same conditions which had led to the designation of the South as "Economic Problem No. 1." At Graham's request, Roosevelt sent

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[71]Miller to SPC members, May 29, 1939, NPCP.

[72]Tindall, Emergence of the New South, 601-03; memo, "Report of Committee on Organization and Planning for Ten Year Campaign for 'Balanced Prosperity in the South, 1940-50,'" n.d. [December, 1939], Graham papers. Poe's committee included the state Extension directors of South Carolina and Louisiana, the Tennessee Commissioner of Agriculture, chairman of the Georgia Public Service Commission, general manager of the Florida State Chamber of Commerce, chairman H. A. Morgan of the TVA and news columnist John Temple Graves.

a message of congratulations to the governors.[73]

Poe identified two major threats to continued Southern economic advancement. He apprehended a "crisis in money crops," partly as a result of the closing of foreign markets for staples due to the outbreak of war in Europe. The general answer to this was what Poe had preached for years in the columns of the Progressive Farmer: diversified farming, more production for home use, and increased livestock raising. Secondly, he accepted the thesis that freight rate differentials retarded regional industrialization, but thought the recent "epochal triumph" of the governors in getting the ICC to consider the matter indicated progress toward correction of the difficulty. Poe and the committee concluded that, with the beginning of a new decade, the times were propitious for concerted action against these and related problems.[74]

Poe's committee outlined ten goals for the 1940's, all of which centered around the need to "balance" the region's economy. Among these aims were a deemphasis on staples and increased production of food, feed, soil-enriching crops and livestock. Farms should be "balanced" with factories, in which "worker prosperity" accompanied "owner prosperity." Other essentials were encouragement of home ownership, and improved marketing of Southern products, including elimination of "trade barriers," a clear reference to high freight rates. In general,

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[73]Printed broadside, "A Campaign 'For Balanced Prosperity in the South,'" n.d. [January, 1940], Graham papers; press release, December 31, 1939, Graham to FDR, December 30, 1939, and January 4, 1940, and FDR to eleven Southern governors, January 6, 1940, FDRL PPF 6410.

[74]Printed broadside, "A Campaign 'For Balanced Prosperity in the South,'" n.d. [January, 1940], Graham papers.

the committee thought, the South's resources should be made to provide more of the needs of the section's consumers.[75]

These stated goals were little more than platitudes acceptable to a diverse group of governors. As yet they amounted to no specific program and, even if implemented, would not strike at the real destitution of thousands of Southerners. But they were significant as a sort of recognition by the governors of the needs enumerated in the NEC study. All of the Poe committee's objectives--diversified agriculture, removal of freight differentials, industrialization, better conservation and management of resources, improved housing and more home ownership, increased local investment, and even a vague reference to the desirability of higher wages--matched the deficiences mentioned in the report. The governors' goals really constituted a New South statement on regional development, updated for 1940, and reinforced with Poe's emphasis on progressive agriculture.

There were several reasons why these goals were never effectively implemented. The most important was that the governors never saw the ten-year "balanced prosperity" campaign as anything more than incidental to their freight rate drive. Outlining their plans for regional advancement in January, 1940, they resolved that "concerted effort for economic development along all lines, particularly increased industrial activity [and] balanced agricultural programs," were necessary to secure the "major benefits of the lower freight rates" they sought. While

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[75]Ibid.; "Minutes of Conference, North Carolina State Committee on Organization and Planning, Southern Governors' Conference Campaign . . . ," February 10, 1940, Graham papers.

they considered the transportation problem, they delegated all other planning to Poe's committee.[76]

A second reason was that Poe envisioned a very decentralized campaign. He suggested that in each state a governor's committee, utilizing the services of state agencies, colleges, the press, and agricultural and business organizations, survey economic needs, and define adequate standards of improvement in such matters as farming methods, crop diversification, community services, health, education, housing, attraction of industry, and the like. Using standard scorecards, the state committees could then grade the advancement of any individuals, communities, school districts, or counties that chose to participate, and award annual "certificates of progress" as a public recognition. Meanwhile, businessmen and Chambers of Commerce would promote new industries, and farm agencies would encourage diversification. All these efforts depended heavily upon the stimulation of local enthusiasm, and anticipated what Howard Odum described as a "folk movement."[77]

In their conference of April 15-16, 1940, the governors approved Poe's plan, even though some doubted its "tangibility" as a means of increasing prosperity, and turned the campaign over to whatever state

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[76]Press release by Southern Governors' Conference, January 22, 1940; "Minutes of Conference, North Carolina State Committee on Organization and Planning, Southern Governors' Conference Campaign . . . ," February 10, 1940; Minutes of Southern Governors' Conferences of February 26-27, 1940, April 15-16, 1940, and July 29-30, 1940, all in Graham papers.

[77]Printed broadside, "A Campaign 'For Balanced Prosperity in the South . . . ,'" n.d. [Janaury, 1940], Minutes of Southern Governors' Conferences of February 26-27, 1940, and April 15-16, 1940, Odum to Graham, February 13, 1940, all in Graham papers.

committees the executives happened to appoint. The practical results were few. Only five committees (Georgia, North Carolina, South Carolina, Alabama and Tennessee) ever functioned, and those, apparently, only for 1940. None of them mounted more than a campaign for diversified farming with some efforts to encourage local surveys and publication of industrial potential. Perhaps the most concrete achievement was in Tennessee, where 60,000 families were enrolled in a home food production program.[78]

For their part, the governors quickly lost interest in their ten-year campaign. Not only did they remain preoccupied with the freight rate issue, but by the middle of 1940 they developed another economic objective, that of assuring that the South obtained its share of the new expansion in war industries. Despite Poe's judgment that "the war situation only increases the necessity for going forward with our work," particularly of crop diversification, it was clear that the state executives were more intent on other matters.[79]

Finally, at an early stage in the governor's campaign, an official

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[78]Minutes of Southern Governors' Conference, April 15-16, 1940; "Minutes of Conference, North Carolina State Committee on Organization and Planning, Southern Governors' Conference Campaign . . . ," February 10, 1940; "Minutes Executive Committee--Georgia's Ten-Year Development Campaign," July 27, 1940; Paul W. Chapman to Poe, April 20, 1940; W. R. McDonald to Poe, May 9, 1940; Poe to five state campaign chairmen, May 24, 1940; Poe to state campaign committees, June 26, 1940; Graham to Leon R. Meadows, July 8, 1940; Blake Van Leer to Graham, October 23, 1940; C. C. Flanery to Poe, December 21, 1940; all in Graham papers.

[79]Poe to five state campaign chairmen, May 24, 1940, quoting Poe to Burnet Maybank, May 22, 1940; E. D. Rivers to Graham, June 4, 1940; Minutes of Southern Governors' Conference, September 15-17, 1940; Clyde Hoey to North Carolina committee, n.d. [October, 1940], all in Graham papers.

of the FSA suggested that the program really overlooked the rural poor. At a Nashville meeting of the Southern Conference on Interstate Problems, where Poe outlined his plan and stressed the need for diversified farming, George S. Mitchell, an Assistant Administrator of the FSA, read a speech for Will Alexander, who could not attend. Mitchell called for more attention to the "great, ignorant, inert, hopeless mass," of "itinerant farmers." He reminded that in some areas 56 per cent of the population moved each year, "roam[ing] from one worn out patch to another." Furthermore, due to mechanization and the resulting "pressure of population on the land," they were becoming even less secure. Mitchell noted that "often the annual income for a family of five is about $126" and "you could buy everything the family owns for $25." Warning that unless these destitute people received a better chance the region as a whole could not prosper, he implied that proposals for general economic development could do little for impoverished individuals.[80]

Commenting on this speech to Will Alexander, Clarence Roberts, editor of the Oklahoma Farmer-Stockman, summarized the condition of the rural poor as 1940 began, and contradicted the current New South emphasis. He saw the density of the South's country population in relation to its agricultural resources as "in every sense the nation's number one problem." Migration of the impoverished from the farms continued, speeded by mechanization or, in some areas, unchecked erosion. He concluded that "the nation as a whole must prepare to take care of the

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[80]"The Council of State Governments, Southern Conference on Interstate Problems, Resume and Resolutions," Nashville, January 25-27, 1940, Graham papers; "South Plans Own Reconstruction," Business Week, February 3, 1940, 24-28.

surplus population of the South," because the region's "resources . . . simply will not maintain the present population. . . ." Moreover, he wrote:

> The real situation is understood by only a few . . . in the field of agriculture who have the facts and are willing to look at them. The general public does not suspect the facts nor their significance. It does not suspect that it has assumed the burden of support of a part of the South's rural population. . . . They must get ready to support an even larger number in the immediate years ahead.

Roberts commended Alexander for stressing these unpleasant conditions to the public, not because he foresaw an "easy, happy solution," but because he hoped that "at least we can soften the blow by an understanding of the facts."[81]

The writers of the NEC report had attempted to promote an understanding of Southern conditions and needs. In the process they publicized the region's poverty. The administration made only limited direct use of the study, and; coming at the end of the New Deal, it did not become the basis for any government program. There was hope that the document would evoke a Southern response. As an assessment of the impoverishment of the region, it generated both controversy and wide-ranging discussion of means to achieve general economic advancement. But it produced no concerted attack by Southerners on the specific problem of rural poverty.

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[81]Clarence Roberts to Will Alexander, January 30, 1940, Mellett papers.

CHAPTER X

THE NEW DEAL AND SOUTHERN POVERTY

Poverty was deeply rooted in the South, and the New Deal's efforts did not eliminate it. President Roosevelt recognized this clearly. On March 3, 1939, in a press conference on board a naval vessel off Charleston, South Carolina, a reporter asked if there had "been any change in the South's position as Economic Problem No. 1." The President replied, "I cannot say that there is yet. I hope there is going to be." Referring to the current emphasis on regional economic development, he continued that "of course . . . there is no cure-all, like reforming the freight rate problem." He then reiterated his view that "remuneration for work in the South has got to be increased," by which he meant the returns for "all kinds of work," because families with annual incomes of only a few hundred dollars lacked buying power. He went on to say that this impoverishment of great masses of the Southern population held back other progress; for instance, it gave "very little incentive for the manufacturer to set up factories in the South." Furthermore, "anything that is done to improve this economic problem No. 1 ultimately comes back to a greater purchasing power on the part of the average Southern family." Raising the incomes of the poor was a key to most of the region's other problems, in the President's opinion. This would help primarily the South, but also the nation, he concluded.[1]

By the late 1960's, after the unfolding of changes begun in the years of the New Deal and the Second World War, and after nearly three decades of economic growth, the South had achieved a general prosperity which made the National Emergency Council's report of 1938 an outdated document. But even after a heavy migration of the poor from the region, and also to its cities, a residual rural poverty persisted. For example, on February 18, 1969, Senator Ernest F. Hollings of South Carolina testified before the Senate's Select Committee on Nutrition and Human Needs about his recent inspection of his state's Sea Island district. "Let me categorically state there is hunger in South Carolina," he declared. "There is substantial hunger. I have seen it with my own eyes. 'Starving'--that is too dreadful a term. But the result is the same."[2]

Hollings continued that he had observed destitution among both races in the coastal area as well as in city slums. He confirmed the existence of severe malnutrition which retarded children physically and mentally. He also described squalid housing, primitive sanitation which resulted in a high incidence of intestinal parasites, and such dietary disorders as pellagra which were supposedly unknown in America in the 1960's. Hollings found still other consequences of poverty--illiteracy, lack of skills, illness--which rendered most of the destitute

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[1]FDR Press Conferences, XIII, 167-68. (Press conference 527, aboard U.S.S. Houston off Charleston, South Carolina, March 3, 1939).

[2]U.S., Senate, Select Committee on Nutrition and Human Needs, Nutrition and Human Needs, Part 4--South Carolina, Hearings, before the Select Committee on Nutrition and Human Needs, Senate, 90th Cong., 2d sess., and 91st Cong., 1st sess., 1969, p. 1166.

people he saw unable to work.[3]

Moreover, many of the poor were ignored by state and federal governments alike, and consequently received no public assistance. Hollings admitted that as governor he had minimized discussions of poverty lest publicity about it hinder efforts to attract industry. At the federal level, he charged that because of bureaucratic failures large numbers of those in greatest need knew nothing of the Agriculture Department's food stamp program, and even had they known could not have made even the minimal payments required for participation. Furthermore, he estimated that in "real, extreme poverty areas," perhaps two-thirds of the poor received no welfare aid, often because of technical eligibility requirements. Hearing this, an incredulous colleague asked, "How do they live?" and Hollings replied, "They don't. They barely exist." The obvious needs, according to Hollings, were food, health care, housing, sanitation, and education. But he warned that local people would resent outsiders drawing attention to these conditions.[4]

Hollings' remarks were strikingly like those of many observers in the 1930's. One would not find them out of place, for example, in an FERA field report of nearly forty years ago. They illustrate that for some Americans, at least, little has changed since the New Deal era.

During the early New Deal period the administration's recognition of the depth of chronic need in the South grew slowly. There were about four important reasons for its increased awareness before

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[3] Ibid., 1162-69.

[4] Ibid., 1165-66, 1170.

mid-1935. The decade's outpouring of scholarly and journalistic writing on Southern social and economic conditions had begun. By early 1934 the FERA discovered that rural poverty complicated its relief efforts and pragmatically developed a rehabilitation program to deal with it. The AAA cotton program, on the other hand, aroused a storm of unfavorable publicity against its tenancy policies, prompted the rise of the Southern Tenant Farmers' Union and other radical critics, and led to dissension and crisis in the agency by February, 1935. Finally, the initiative and patient prodding of Will Alexander and other Southern liberals in behalf of the Bankhead bill helped make the New Deal cognizant of Southern poverty.

What explains the New Deal's apparent slowness to recognize poverty as a persistent condition requiring extraordinary government efforts to overcome? Despite the fact that destitution was widespread and chronic, and in retrospect obvious, it was not perceived in quite the same manner as in contemporary times.

Americans in the 1960's and 1970's view poverty from the perspective of general prosperity. Partly because the New Deal enacted lasting benefits for landowning farmers, unionized workers, businessmen, and other groups, economic sufficiency has become normal for most. Poverty, while prevalent in isolated or economically stagnant areas such as Appalachia, in the rotting cores of great cities, and among racial minorities, no longer seems pervasive. Accordingly, it has received a revealing designation--"hard core poverty"--which suggests that it affects a residuum of the population which does not respond to overall prosperity. Such people, it follows, need special assistance to attain an acceptable standard of living.

In contrast, for millions in the 1930's economic sufficiency was not a usual condition. This was particularly true in the South, where the per capita income in 1937 was only $314. Much of the region's poverty was overlooked precisely because it was a long-standing situation. Tenant farmers, sharecroppers, and laborers never had enjoyed adequate living standards and consequently were not expected to. Moreover, Southern agriculture as a whole had known recurrent hard times well before the distress of the 1930's. Under these generally unprosperous conditions many simply failed to see the chronically impoverished as a special case. Thus in the early New Deal only the most perceptive government observers--frequently within the FERA--understood that widespread destitution was a problem distinct from the depression.

In the New Deal era thinking about practical ways to improve economic conditions in the South tended to run in three patterns. Some saw parity prices as the region's principal need. Others, more cognizant of chronic poverty, advanced plans for the rehabilitation of the poor. Still others envisioned a general economic development of the South, which, when achieved, would create an overall prosperity. But none of these approaches proved fully adequate.

Price parity programs did not significantly benefit the poor. The concept of parity, after more than a decade of development, became the basic commitment of New Deal farm policy, with which nothing else was allowed to interfere. The administration created the AAA to raise the prices of staple crops by controlling production. But merely increasing prices would do little to improve the abilities and self-direction of the poor, lessen their dependence on landlords, free them from an exploitive credit system, improve the conditions of tenancy, or help them escape it. These fundamental problems of destitute people were beyond the scope of the parity idea. Therefore the view of many planters and AAA officials that parity was the region's principal economic need--that prosperity was largely a matter of 12 cent cotton--actually ignored the poverty of millions of Southerners.

Not only was the concept of parity inadequate to answer the problem of poverty, but the practices of the AAA cotton program favored landlords at the expense of tenants. The cotton contract assigned the lion's share of the benefits to the landowner and allowed him to distribute his dependents' shares to them. Later interpretations also permitted him to take their parity money for back debts. Moreover, the very fact that planters were supposed to divide government payments with sharecroppers, but had no such obligation to wage workers, provided a strong incentive to discharge tenants and hire day laborers. Thus, one of the AAA's most serious effects was the impetus it gave to the decline of cotton tenancy, already underway in many parts of the South. Contract terms supposedly designed to prevent this displacement of poor people were, of course, so vague as to be unenforceable.

In the decisive AAA "purge" of February, 1935, Jerome Frank and others tried to broaden the agency's efforts under the contract to protect tenants from displacement, but the cotton section's limited views on the subject prevailed. The resolution of this crisis illustrated the AAA's pro-landlordism. But even more importantly, it showed the agency's resistance to even the implication by legal section liberals that its concerns should extend beyond its original objective of price parity. Then, in the fall of 1935, the AAA's Memphis hearings on a revised program reaffirmed its parity aims. Although it subsequently accepted some procedural reforms in the contract, neither the first AAA nor its successors ever took forceful steps to halt tenant displacement.

A second New Deal approach to poverty was rural rehabilitation, which meant arranging for poor farm families to occupy land and assisting them with a combination of credit and intensive supervision. The idea had several sources, but it first emerged as a government policy in 1934 when the FERA adopted it in an attempt to get large numbers of destitute country folk off relief rolls in the South. Thus the FERA became the first New Deal agency to start a program aimed specifically at rural need. The relief administration's efforts were hastily devised and not systematically implemented, but later became an important component of the Resettlement Administration.

In some important respects the rehabilitative process had the potential to meet the needs of the rural poor. Since they had always received credit and supervision from one source--their landlords--the same combination under government auspices fit their experience. Substituting for the landlord in two vital matters, the government could exercise supervision to upgrade clients' farming methods and living standards and encourage their self-direction. Likewise, it could extend credit to help propertyless croppers and laborers acquire the workstock, implements, and equipment necessary to raise their status to that of share tenants.

Moreover, even as early as 1934, FERA officials perceived that the loan-guidance combination could also be used to assist rehabilitants to purchase small farms. By late 1934 this idea was current in other circles; Will Alexander, Edwin Embree, Charles S. Johnson and Frank Tannenbaum developed it into the Bankhead tenancy bill, which became the main legislative expression of the rehabilitative concept.

The formation of the RA in the spring of 1935 made rehabilitation the New Deal's major poverty policy. Although Tugwell conceived the agency, the key figure in determining its scope (and that of its successor, the Farm Security Administration) was Alexander. By agreeing to become Tugwell's assistant he persuaded Tugwell to include the FERA's rehabilitation program, which then became the new agency's largest single activity.

Alexander, as an architect of the Bankhead proposal, was also important as a bridge between it and the RA. By the middle of 1935 Tugwell and Alexander contemplated a comprehensive rehabilitative plan, reaching all levels of the poor, and capped by the Bankhead bill's long term farm purchase loans for the most capable tenants. For this reason it was unfortunate that Congress did not enact the legislation in 1935. At least as passed by the Senate, the measure was broad, flexible, and even loosely drawn. It authorized a very large bond issue to finance loans to the landless, and most importantly, would have allowed government initiative in buying and reselling farms to clients, rather than merely extending credit as did the 1937 version. Moreover, there is evidence that by the summer of 1935 Tugwell had Roosevelt's tentative approval for addition of the proposed program to that of the RA, completing his and Alexander's grand design and establishing in 1935 an agency essentially like the Farm Security Administration of 1937.

The opportunity was lost in 1935 and 1936, however, because of Marvin Jones' reluctance to push the bill in the House, the urgency of other matters in Congress (first during the New Deal's Second Hundred Days of 1935 and then when the AAA had to be replaced in early 1936), lack of public endorsement by Roosevelt, and the President's insistence on drastic reductions in the measure's funding. Failure to establish the Bankhead program and link it to the RA before 1937 (when Congress passed much more restricted legislation) delayed and probably weakened the New Deal's comprehensive application of the rehabilitative approach to poverty.

The Bankhead bill was passed only after the persistent efforts of its advocates and over considerable opposition. Many of the opponents were influential Southern Congressmen, including many of those on the House Agriculture Committee, who were supposedly well informed on rural matters, but who actually had little comprehension of the plight of their poorest constituents. On the other hand, Henry Wallace and other Department of Agriculture officials supported the measure, chiefly for two reasons: they approved its promotion of small farm ownership, and they saw it as a way to alleviate rural poverty without calling into question the price parity policies to which the New Deal was committed.

Especially in 1936 and 1937, radical critics, many of whom were associated with the Socialist Party or the Southern Tenant Farmers'

Union, attacked the bill. They correctly pointed out that its selective aid would benefit only a few of the poor. However, the measure's supporters had never claimed that credit for purchase of farms was a panacea for rural poverty. Tugwell and Alexander saw the bill as only one part of a comprehensive program of supervision and credit which could also reach poor people not qualified for small ownership.

But radical critics also questioned the concept of small ownership. They argued that small farms would be uneconomical in an increasingly mechanized cotton belt and charged that the Bankhead bill would merely establish "peasant proprietors." Therefore they proposed as an alternative collective farming of large acreages, which they expected to allow the poor to escape tenancy while still preserving the efficiencies of large scale production.

Supporters of the legislation countered that individual ownership of land need not preclude other cooperation. Indeed, they contemplated joint possession by clients of machinery and breeding stock, as well as cooperative marketing and purchasing, as means of overcoming the economic disadvantages of family-sized farms. The 1935 bill permitted such procedures and Wallace advocated them in 1937. Moreover, Alexander and other supporters of the bill were practical men who recognized the profound public and Congressional attachment to the ideal of home ownership, and the equally deep aversion to suggestions of collectivism. They were convinced that the Bankhead measure was the maximum proposal Congress would enact. Their long struggle to secure its passage confirms their judgment.

The rehabilitation idea was the basis for both the RA and the FSA.

The program of these agencies was the most effective New Deal effort in behalf of impoverished Southerners. Reaching more than a half million cases in the region, its functions ranged from extending subsistence grants to the most destitute and dependent to assisting the ablest tenants (after 1937) to buy farms. Yet even these broad efforts were inadequate to reach the bulk of the South's poverty. Undoubtedly, an FSA with more funds and Congressional backing could have benefited more of the destitute. But as mechanization transformed Southern agriculture after the late 1930's, and as the FSA's political enemies succeeded in phasing it out in the 1940's, it became clear that most of the rural poor could not become permanently established as small farmers. Thus the rehabilitative approach to poverty failed in its chief objective, although it may have left intangible benefits with many clients in the form of upgraded abilities and new habits of self-direction.

With the return of relative prosperity after 1936, a third view of the South's needs became current. Many Southerners turned their attention, in accordance with the New South spirit, to the general economic development of the region. In the summer of 1938 the New Deal became an important contributor to this theme with its National Emergency Council report. This document was not only a cogent review of the South's general underdevelopment, it also pointed out the low living conditions of millions of the section's rural people. But the very breadth of its analysis, summarizing 15 major economic topics, encouraged Southerners to consider the wider question of why the region was impoverished, compared to the rest of the nation, and to that extent diverted attention from the plight of the most destitute individuals.

The document prompted a variety of reactions from Southerners, ranging from indignant denunciation of its findings to recommendations by diverse groups and individuals as to how the region and the nation should solve the problems it delineated. But none of these responses focused specifically on the needs of the rural poor. Instead, most of them proposed the remedies of general economic development, especially industrialization and diversification of agriculture. It would be difficult to deny that these objectives were essential for the economic advancement of the South. But at the same time, they were not calculated to uplift the most destitute, ignorant, unskilled, and dependent country folk. Increasingly superfluous as laborers in a changing agriculture, many of them were likewise unsuited for new industrial employment.

The New Deal, absorbed with the problems of general depression, never found a completely effective policy for the South's rural poor. Its rehabilitation efforts did the most good, but even these were not sufficiently comprehensive. Other current ideas, parity and broad regional development, overlooked the needy for the most part. During and after the Second World War the South experienced great economic advances which improved the lives of many of its people but still bypassed the poorest.

The consequences of these failures of the New Deal era still trouble the United States and resist solution. Poverty-stricken people still eke out an existence in backwater rural areas, where their plight is occasionally called to public attention by such observers as Senator Hollings. They subsist in chronically depressed sections such as Appalachia, and continue to migrate into the blighted central districts of the great cities. These contemporary problems underscore Roosevelt's assessment that the impoverishment of millions of Southerners was "the Nation's problem, not merely the South's." Often forgotten by an affluent country, the poor are, in a real sense, the unfinished business of the New Deal.

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Most of the sources used in this dissertation were drawn from manuscript collections. The largest single depository of New Deal materials is the Franklin D. Roosevelt Library (FDRL) in Hyde Park, New York. It contains the massive collection of Roosevelt papers, which is divided into three major groups of files. These are the Official File (OF), consisting of the President's papers and correspondence concerning government functions; the President's Personal File (PPF), which contains his personal letters, but also much official material; and the President's Secretary's File (PSF), collected for reference purposes by his personal secretary. All of these divisions are voluminous but well organized and indexed. Material pertaining to Southern poverty is widely scattered through more than 80 numbered files consulted within the major divisions. This research concentrated on those files, particularly in the OF and PPF, concerning Southern agricultural and relief matters, and Presidential correspondence with government officials, Congressmen, prominent Southerners, and others interested in the region. In addition to the main file groups, several smaller parts of the Roosevelt papers were consulted. These were the Roosevelt Speech File, transcripts of press conferences, and the Presidential Appointment and Itinerary Books. The FDRL also contains the papers of other New Deal figures. By far the most important of these collections was the Harry Hopkins papers, especially valuable for relief administration field reports and surveys. The papers of Aubrey Williams and of Lowell Mellett were also useful.

The National Archives in Washington, D.C., is a second major concentration of manuscripts consulted for this study. Four record groups (RG), all of them of massive proportions, were utilized. RG 16, records of the Office of the Secretary of Agriculture, contains general correspondence of the Secretary and Department officials, as well as the files of the Agricultural Adjustment Administration's Legal Section. Records of the Resettlement and Farm Security Administrations are included with those of their successor agency in RG 96, Records of the Farmers' Home Administration. Files of the AAA were consulted in RG 145, records of crop production control programs. The records of all federal relief agencies compose RG 69. The most valuable parts of this group were the Federal Emergency Relief Administration's State Files, the FERA Old Subject File, and the Works Progress Administration Library. The National Archives also maintains regional depositories. At the Federal Records Center in Suitland, Maryland, RG 44, records of the National Emergency Council, were sampled.

Another large quantity of Agriculture Department records, memoranda, studies by department economists, and similar data are preserved in the History Branch of the Economic and Statistical Analysis Division of the Economic Research Service, United States Department of Agriculture. This material is divided into a 1914-1939 file, which was important for this study, and a post-1939 file, also checked.

The University of North Carolina's Southern Historical Collection is a fourth important depository of primary materials utilized in this work. The most systematically examined large collections were the Jonathan Daniels MSS, the Frank Porter Graham MSS, and the Southern Tenant Farmers' Union files. The first two contain a great variety of correspondence, with scattered letters bearing upon poverty conditions. The STFU papers include much routine union business, but also its leadership's correspondence, a good source for critical views of New Deal policy. Some valuable STFU material is also found in the small collection of William Amberson papers. The voluminous Howard W. Odum MSS were consulted but provided little specific information. Two other collections of minor value were checked: the Delta and Providence Farms MSS and Fellowship of Southern Churchmen MSS.

In the Butler Library of Columbia University the Frank Tannenbaum MSS were examined. The correspondence in this collection, chiefly with Will Alexander in 1934-1935, was of particular importance in understanding the origins of New Deal tenancy legislation. Located in the same library is the useful Columbia Oral History Collection (COHC), which consists of typescript memoir-interviews of various twentieth century figures. Consulted for this study, in order of importance, were those of Will Alexander, H. L. Mitchell, Gardner Jackson, Jerome Frank, Paul H. Appleby, and Edward A. O'Neal.

Two collections were important for Southern liberal opinion and efforts to influence the New Deal. The National Policy Committee MSS, located in the Manuscripts Division of the Library of Congress, contain the papers of the Southern Policy Committee, which are valuable for the organization's publications and press releases, as well as the correspondence of its leaders between 1935 and 1938. Also useful were the privately held papers of Herman Clarence Nixon, consisting of letters and press clippings, in the possession of the Nixon family in Nashville.

Several other collections were useful in this study. The Trevor Arnette Library at Atlanta University contains the papers of the Commission on Interracial Cooperation, which include the largest extant body of Will Alexander's correspondence, a considerable amount of which is from the 1930's. The Southern Conference for Human Welfare MSS, also at Atlanta, are most valuable for an important subdivision, the papers of

Clark Foreman. Fisk University in Nashville has two large, well organized collections concerning general social and economic conditions of the South in the 1930's, with scattered material specifically on poverty. These are the Julius Rosenwald Fund files and the Charles S. Johnson papers. The latter contains both personal letters and unpublished academic writings of value. Finally, two large collections in the Perkins Library at Duke University were selectively sampled: the Socialist Party of America MSS for criticism of the New Deal from the left, and the William Watts Ball papers for views of a conservative South Carolina editor.

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