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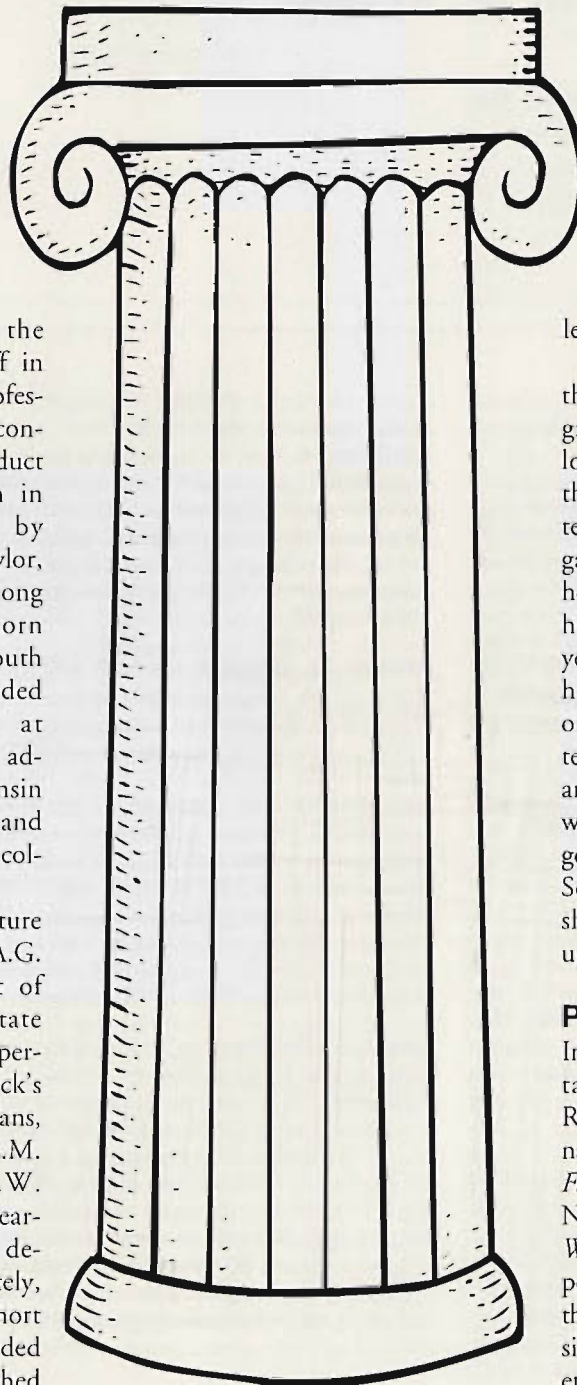
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T.W. Schultz and Pamphlet No. 5: The Oleo Margarine War and Academic Freedom

by Raymond
R. Beneke

T.W. Schultz joined the Iowa State College staff in 1930 as an assistant professor. His training at Wisconsin meant he was a product of a vigorous program in economics developed by B.H. Hibbard, H.C. Taylor, and J.R. Commons, among others. Schultz was born (1902) and reared in South Dakota and had attended South Dakota State at Brookings prior to his advanced work at Wisconsin where he was a debater and a radio announcer at the college station.

Following the departure of Head of Department A.G. Black, the Department of Economics at Iowa State made a mandatory but perfunctory search for Black's successor. In 1935 the deans, along with President R.M. Hughes, named T.W. Schultz, a thirty-two-year-old assistant professor, department head. Fortunately, President Hughes was short of money, which precluded his importing an established



leader.

I had known of Schultz in the late 1930s while an undergraduate at Iowa State and followed his career with more than the usual interest. I attended a number of lectures he gave on campus and read what he was writing, but I never had him as a teacher. During the years I was an undergraduate he was a widely known figure on campus, frequently the center of attention and revered as an unusually talented person who knew where he wanted to go. Before I left for the service Schultz offered me an assistantship which I was to accept upon returning from the army.

Pamphlet No. 5

In the early 1940s Schultz obtained \$10,000 from the Rockefeller Foundation to finance a series titled, *Wartime Farm and Food Policy*. Pamphlet No. 5, *Putting Dairying on a Wartime Footing*, made its appearance in early 1943. A major theme of the manuscript emphasized the substitution of vegetable for animal fats in the diet,

because the latter were highly labor intensive. The bulletin made the assertion that margarine compared favorably with butter as a source of fat in the diet.

The Department of Economics in 1945

When I returned to Ames for graduate study in 1945, Schultz had left for the University of Chicago amid a king-size uproar at Iowa State, and as I commenced graduate study, the influence of Schultz remained in every nook and cranny of Ag Annex, then the home of the Department of Economics. Staff and graduate students both inside and outside the department were still discussing the events that led to his departure. By this time, the entire cast of characters in the drama had been analyzed and branded either as friend or as foe.

Pamphlet No. 5 received little attention when first published, but a few weeks later the president of the National Dairymen's Association bought the entire back page of the Des Moines Register to attack T.W. Shultz and O.H. Brownlee, a graduate student and the author of the manuscript, disputing the accuracy of the publication's conclusion that margarine was as nutritious as butter.

Schultz was a mover and a shaker and examined and analyzed all segments of the department, which at that time included Sociology. He had a talent for generating financial support—both from university and from outside sources. He used the money to attract outstanding young talent to the staff, to lure young people to undertake graduate training in Ames, to fund an expanded research program, and to analyze and invigorate the extension function of the department.

Schultz saw as a part of his mission the development of a greater understanding among students and staff of the role of economics in their lives. There still remain in the archives of Iowa State transcripts of discussions he had with those faculty guiding and teaching the courses in principles of economics. [It seemed to me and to others who knew Schultz that he excelled at asking the right

question at the right time. He did not dictate what should be encompassed in a course or how it should be taught, but his interest, concern, and insight led all who participated to analyze what and how they taught.] Although he was strongly supported by his entire staff, several of the old hands in the department told me they detected a bit of arrogance in his dealings with several administrators high in the pecking order. In addition, there were prima donnas in abundance at that time within the Division of Agriculture who were out of touch with what was transpiring around the college and, indeed, around the world.

Butter versus oleo margarine

The dairy interests had long battled the oleo margarine manufacturers with a vigorous and sometimes vicious series of attacks. Sale of margarine was forbidden in some states; in others it could not be colored yellow. In Iowa, coloring oleo margarine was illegal except when done at home. Therefore, color capsules were added to the plastic bags containing the margarine. Homemakers would have to rupture the small capsule which contained the coloring and then knead it into the margarine until the latter took on a color indistinguishable from butter—an awkward, inconvenient, and time-consuming practice. It seems inexplicable in looking back that consumers would put up with such nonsense. The price of butter was double that of margarine and most consumers liked one as well as the other. A relatively small group of farmers, the dairymen, led by ruthless and clever propagandists, were imposing a considerable burden on the homemaker in terms both of effort and money.

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Iowa State College President Charles E. Friley turned immediately to R.E. Buchanan for advice when it became evident that he was faced with the choice of doing his duty as a leader of a reputable institution or appeasing an unreasonable band of cleverly led dairymen. Buchanan had long been a highly respected man on the Iowa State campus. He was then dean of the Graduate School and director of the Agriculture and Home Economics Experiment Station. He earlier had been dean of the Division of Industrial Science. In addition, he had earned a worldwide reputation for his work in microbiology. Buchanan first responded to Friley as follows:

An individual or group has a right to criticize a publication and such criticism should be welcomed when leveled either against the legitimacy of the facts or the wisdom of the phraseology used. However, the fundamental right of a member of the staff doing research to analyze any present data which he unearths cannot safely be abridged by any external agency or pressure group. No censorship by self-appointed guardians of vested interests can be tolerated; the right of the institution to publish facts is in America not a debatable question. Otherwise the whole framework of academic freedom, indeed of freedom of speech, is gone. Presumably we are fighting a war to protect these freedoms.

He then proceeded to share with Friley his own appraisal of Pamphlet No. 5.

Personally, I believe that there is evidence that the author of Pamphlet No. 5 was essentially correct in the facts which he presented. Perhaps the most fundamental attack would be against the statements concerning the relative nutritive value of butter and margarine, and concerning the participation of the dairy industry in enactment of margarine legislation. There is plenty of confirmatory evidence for the accuracy of these statements.

Buchanan told Friley that the form of certain statements made by Brownlee was not consistent with the "axioms of best educational policy." He was inclined to grant as much to the antagonist but cautioned that both the validity of facts and the right to publish in this field were under attack. Buchanan then went on to analyze how the college had failed.

Now there is evidence that for some reason we have failed to impress the economic and social thinking of the men in the dairy industry as we have their technology and skills. Teaching, research and extension share in the responsibility for our failure to make less probable the use of the fascistic technique apparently

now to be employed by our dairy group. They should

have a better understanding of what

constitutes appropriate

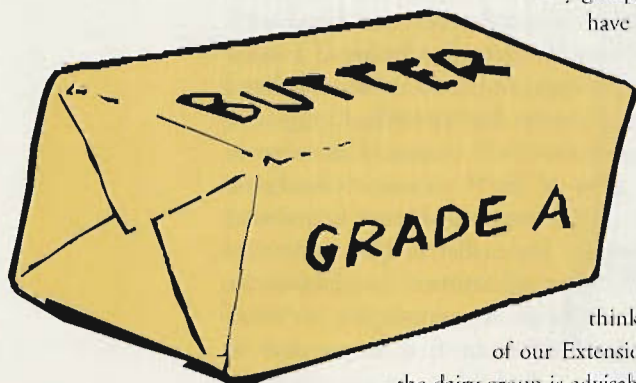
American techniques.

A careful

thinking through

of our Extension work with

the dairy group is advisable.



One of the major problems with which we have struggled on this campus during the past decade or more has been the securing of better understanding and better working relationships between the staffs in our technical and science fields on the one hand and the staffs in the social science fields on the other. The appearance of this pamphlet, which is directly of interest both to social science and technical groups, has revealed that we are not thinking together as we should.

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—R.E. Buchanan

Revising Pamphlet No. 5

Following a public meeting with the dairy people, six members of the Iowa State staff and six representatives from the dairy interests were appointed by Friley to meet and discuss the fate of Pamphlet No. 5. This group concluded that the publication should be revised, a result calculated to save the scalp of President Charles E. Friley. After prolonged negotiations with the dairy and nutrition staff on campus, Pamphlet No. 5 was republished thanks to the patient help of Professor Geoffrey Shepherd, who was both a skillful writer and a champion of academic freedom. But the damage had been done. The machinations of Friley were viewed all across the country as appeasement of a special interest group with contempt for the truth. The disputes and procrastination which developed around the revision of Pamphlet No. 5 led the group pressing for immediate publication to conclude that Friley would be pleased if a revision were never published.

Schultz states his case

There follows a summary of the bill of particulars which T.W. Schultz presented to Charles E. Friley

on 15 September 1943, as a prelude to their discussion of September 17. I have taken the liberty of selecting what I consider the most salient points of the case Schultz sought to make with Friley:

1. The series of events during the last few months have brought about a crisis in the development of the social sciences on this campus. For the past several years under the guidance of the President's office and that of the Deans and Directors, the social sciences have been able to establish themselves at the Iowa State College to an extent not found in any other land grant institution. This development, as you are aware, has commanded respect throughout the United States among scholars in the social sciences, administrators in the land grant institutions, and trustees of foundations interested in research in the social sciences.

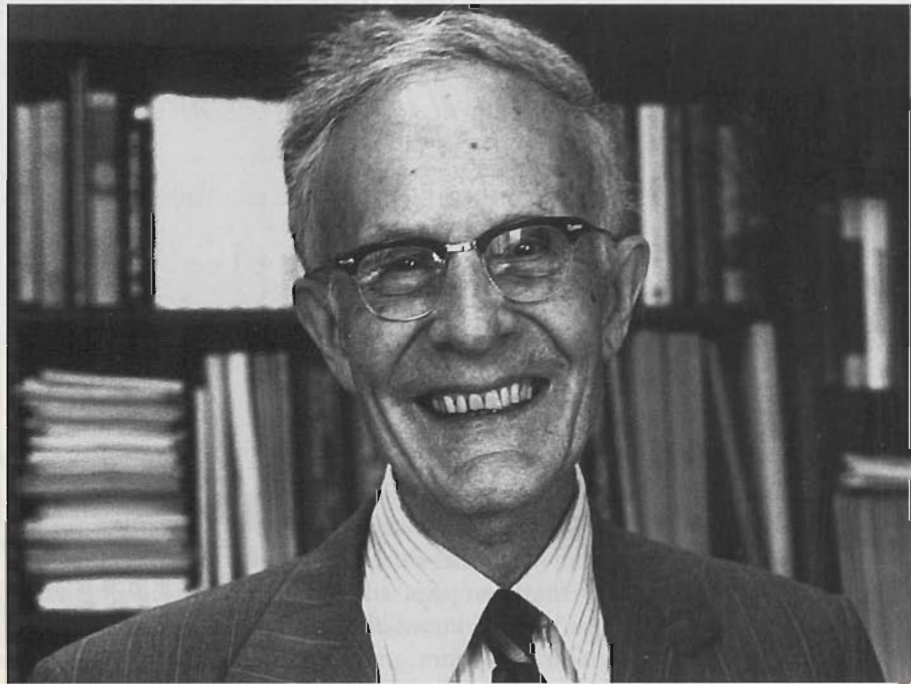
2. We also need to recognize at this juncture that throughout the history of the institution many faculty members of the Iowa State College have not distinguished between the interests of particular agricultural groups in the state and the general public interest. The failure to have served, first and foremost, the general welfare of the state and nation has quite understandably created expectations that the facilities and faculty of Iowa State College were primarily here to serve agriculture in ways prescribed by the organized pressure groups in agriculture regardless of the effects of what was done upon the welfare of the public generally. To have this traditional relationship challenged has been a severe shock to the agricultural groups. Protests are likely to continue until the administration and members of the Iowa State College faculty can demonstrate that an institution of higher learning such as this has a more important role to perform.

3. It is fully recognized that the office of the President must at all times be fully cognizant of the environment and the traditions that limit the performance of the Iowa State College. Nevertheless, these limits do not justify the actions of the President's office within the last few months with relation to the social sciences. These actions have undermined the morale of the staff in the Department of Economics and Sociology, have created widespread uncertainty among other faculty members and have jeopardized the institution's reputation for scholarship.

4. *Insubordination of Staff Members.* Although no attempt has been made to investigate the circumstances, it has been reported to me that members of the Iowa State College faculty helped create the inflammatory interest group demands with respect to the retraction of Pamphlet No. 5. It is also often stated that when members of the Iowa State College faculty do not agree with policies of the administration they sometimes go to the interest groups with

which they have the closest dealings and get them to bring pressure on the President's office for a modification of the policy. This activity is subtle and difficult to handle. The administration of the Iowa State College must have the necessary unity of purpose and cohesion that it can develop in its staff members a code of ethics which will stop this practice. Faculty members should be warned that the resignation of a staff member will be expected if he engages in the insubordination act of influencing an interest group to bring pressure on the President's office or that of any other administrator.

5. Mr. President, I have given much thought to ways and means of discussing these issues with you in an atmosphere conducive to clear thinking and constructive solutions. I want to be sure that our primary concern will be the welfare of Iowa State



College. I do not want to protect my position or enhance my role at the College. So that our discussion may be as free as possible from any concern about my personal or professional interest as a member of the staff, I shall submit my resignation from the Iowa State College when we meet to discuss these matters on September 17.

I plan to make this letter available to my colleagues.

The American Association of University Professors

Months after the drama had been played out on the Iowa State campus came the most worrisome news of all to the Iowa State administration from Secretary Ralph C. Himstead of the American Association of University Professors (AAUP). On 12 April

1944, Himstead informed President Friley that Iowa State was under investigation, and he requested specific materials. Buchanan, then director of the experiment station, met Himstead's request patiently and fully but informed the secretary that he felt the matter had been properly put to rest. There is no evidence of further inquiry by the AAUP..

The caller identified himself as a member of the NBC news staff and said he wished to talk with Theodore W. Schultz. He had tracked Schultz to Iowa State and wanted to be the first to congratulate him on winning the Nobel Prize in economics.

Other issues impinged on the margarine controversy

At the root of the conflict lay issues, other than butter and margarine, which had festered for decades. The optimum organization of economics on the Iowa State campus into one, two, three, or even four departments had been settled temporarily in 1929, but had not been fully accepted by the Division of Agriculture or by the former dean, C.E. Friley, now president.

The curious relationship between Extension and the Iowa Farm Bureau was not conducive to the development of a strong program in economics, nor was the incredible notion on the part of agricultural pressure groups that Iowa State College belonged to them tolerable. No doubt the latter attitude grew from the role these groups played in bringing the College into being. The Farm Bureau in particular became a powerful political force nationwide and adhered to a rigid agenda with which many Iowans, including farmers, did not agree. This sometimes placed the college in the impossible position of dancing to more than a single tune.

Veteran *Des Moines Register* farm writer J.S. Russell pointed out that Schultz felt that the opposition of the Iowa Farm Bureau to the policies of the economics department also played a part. According to Russell, the Farm Bureau objected to investigations, thought to be underway, which assessed separating the Extension Service and the Farm Bureau. Schultz was also being criticized by the

Farm Bureau for the appearance on the Iowa State campus of James Patten, president of the National Farmers Union, and Paul Appleby, undersecretary of agriculture.

The exodus

As Schultz had predicted, fifteen social scientists severed their relationship with Iowa State within a one-year period. Those on leave extended their stay indefinitely. Several went to Chicago with Schultz. All who left went on to productive careers elsewhere. During my years as chair, we frequently had Iowa State open houses at national meetings. Many from the Schultz era came, and all said their years in Ames working with T.W. Schultz were the most enjoyable, fulfilling, and stimulating of their careers. And what of economics at Iowa State? Normally one would expect that losing a staff of fifteen, more than a few distinguished in their field, would have sounded the death knell for economics at Iowa State. But Schultz had provided well for the department. During his years in Ames he attracted so much talent that when he and fourteen colleagues parted company with Iowa State there remained in Ames a surprisingly able staff. In addition, at the end of the war, several young men carrying T.W. Schultz's stamp of approval found their way back to Ames. And several highly regarded men whom Schultz had asked to join the department before his resignation arrived in Ames within a few months of his departure.

Epilogue

The final chapter of the story was to be written in 1979 more than thirty-five years later in Ames. I was awakened one October morning at 6:00 a.m. by a telephone call. The caller identified himself as a member of the NBC news staff and said he wished to talk with Theodore W. Schultz. He had tracked Schultz to Iowa State and wanted to be the first to congratulate him on winning the Nobel Prize in economics. I assured him that Schultz was on campus as a guest lecturer, was staying at the Memorial Union, and, being an early riser, was probably having breakfast there at that hour. I called Carl Hamilton, the vice president in charge of information, and he arranged a 10 a.m. press conference. The irony of Schultz being at Iowa State, the institution whose president had rejected his ideals in 1944 amid controversy ostensibly over oleo margarine but fundamentally about academic freedom, did not go unnoticed by the press. When asked what he thought about the coincidence, Schultz said Ames to him "is a very unusual and very precious place." ■

Raymond R. Beneke is professor emeritus at Iowa State University.