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WITHDRAWN
JUN 21 1989

AEWP 1988-14

AGRICULTURAL AND RURAL DEVELOPMENT PROGRAMS AND
POLICIES SINCE THE 1930s

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Paper

It's diplomatic and perhaps correct for me to assume that my first credential for being invited to review public policies for rural development as long ago as the 1930s is demographic. That is to say, it links to longevity. I was there then, and I am here now.

Except for austere living and dodging of trucks I did little to gain my senior status. But I am glad to have it, and do not mind its being drawn on.

This is not my first such experience. When the University of Missouri declared me emeritus my telephone turned almost silent. Then, a little more than a year ago, the stock market nosedived. The sharp break stripped many billions of dollars from the paper wealth of Americans, including their pension trust funds and university endowments, and of European and Far Eastern contributors to our finance capital. My telephone came alive. "My Breimyer," I was accosted, "you remember the crash of October 1929, don't you?" I assured that I remembered it vividly, if whimsically. "What parallels do you see? What comes next?"

In the late spring of this year, as the drought began to make its tell-tale marks unmistakable, I got similar questions. I was around during the two big droughts of the 1930s, I was reminded. I was catechized and once again invited to strike a parallel.

My seniority is equally applicable to observing public programs in rural development. I was indeed on the job in the U.S. Department of Agriculture in Washington when the New Deal engaged in a variety of imaginative activities relating to the development of rural America. I am glad to tell what I know.

Even so, it is difficult to testify, for a reason that bears not only on how the New Deal years are to be reported historically, but on issues in rural development today. In our scientific age, which almost by definition is also regarded as an age of objective,

Paper given at Minnesota/Iowa Leadership Empowerment for Agricultural Development Institute, Ames, Iowa, November 19, 1988.

logical analysis, it's conventional to ask what conceptualization, what set of principles, underlies anything we do. What gives it direction?

The question is asked often about the New Deal era. Authors of countless articles and books have tried to answer it. Each imputes a philosophical design to the collage of activities of those years. The exercise is futile.

No central theme or socio-economic philosophy can be assigned to either the New Deal's economic policies generally, or its rural development programs. It all was an experience in experimentation, not an application of dogma.

Before I explain further the nature of those times as I perceived them and remember them, let me anticipate my later remarks about rural development. Even today, underlying concepts or theories or even modus operandi for rural development are hard to come by. Lack of an agreed-on theoretical model may or may not impede developmental efforts, but it surely makes life difficult for scholars who try to teach about it and, sometimes, advocate. For my part I am not as concerned as I possibly should be, inasmuch as we operated without a clear thesis or mandate in the yeasty 1930s. Maybe we can still do so.

Motivation, Ingenuity, Courage

Let me be clear about the intellectual and political climate of the New Deal years. It is not a case that conceptual models were absent, or, if present, disregarded. Quite the opposite! There were about as many philosophies as there were practitioners. What was lacking was a single philosophy, or an interlinked set of philosophies, that found general acceptance and could serve as a lodestar for New Deal programs.

The common ingredient was of another nature. It was an attitude, a spirit of high motivation, generous impulse, ingenuity, even derring-do.

After more than 50 years it is still hard to describe the ferment of the New Deal years, or explain how it came about. The task is made even more difficult when one remembers that the lusty 1930s followed the 1920s, when the business world ran the show. Frederick Lewis Allen, their chronicler, called the 1920s "ballyhoo years." Andrew Mellon told one and all that "the prosperity of the middle class depends on the good fortune and light taxes of the rich." The best government was seen as the least active one.

What caused the dramatic change in the 1930s? One answer is put in the simple term of cyclicity. Just now, clairvoyants are once again writing about cyclicity in human affairs; perhaps the time had come for cyclical change in the 1930s. Or call it simple action-reaction: the activist 1930s were a reaction to the passive 1920s.

I prefer a different interpretation. I call it fright. Only persons of my age with clear memories, or those who read Studs Terkel and a handful of others who write knowledgeably about the times, can appreciate how desperate was the situation, and how packed with danger. The nation's stability was truly threatened.

Franklin Roosevelt in a voice tailored for the new medium of radio told the nation that nothing was to be feared but fear itself. He added, "Let's do something."

He didn't say what. He did not know what.

He assembled bright and creative minds and set out on a sequence of trial runs. If something worked, fine. If it did not, something else would be tried. Trial and error substituted for doctrine.

Acreage Reduction and Price Support for Agriculture

The first step taken that bore on rural America was to initiate commodity price supports for major farm products. Two professors, M. L. Wilson and John D. Black, and one bureaucrat, W. J. Spillman, had a domestic allotment plan in mind. They won Roosevelt's endorsement, and by the late spring of 1933 the Agricultural Adjustment Act had been enacted. Within weeks county Extension agents throughout the country had begun signing up farmers to retire crop acreages. I began to work on the wheat program on August 4.

The program was intended to remove a glut of oversupply and thereby lift the per capita income of farm families, which at the time was only 40 percent that of nonfarmers. The effort was regarded as emergency, temporary. It was free of any grand design for U.S. agriculture.

An objection can be raised at once -- and was in fact raised then. The program's only beneficiaries were farmers, and really only commercial farmers. It is a mistake, we say now -- and a few said then -- to make rural prosperity coterminous with farm prosperity.

In defense of the program-makers of the 1930s, farming constituted a much higher proportion of rural America then than it does now. Yet it is also true that the nonfarm part of rural America got short shrift at the outset. Only later, and haltingly, were programs made more comprehensive so as to benefit rural people generally.

Three Directions Taken

I find it convenient to classify the later developments in the 1930s and up to Pearl Harbor day into three dissimilar categories. One is the social thinking/dreaming that led to proposals for

democratic planning for all rural parts of the nation. The second focused on the more disadvantaged farmers and farm families, and may be identified in terms of the programs of the Farm Security Administration. A third kind of program was distinctive, yet complementary. It called for action to develop rural infrastructure.

Planning for a Vibrant Rural America. A commonly-heard axiom is that ours is a government of laws and not of men. It's a mirage. Our government, and every government on earth, is one of both laws and men.

The men who headed the U.S. Department of Agriculture in the later 1930s had a lot to do with the course taken in rural programs. Henry Agard Wallace, the Secretary, was a near-mystic of high professional competence and humanitarian instincts. He told one and all that the 20th century was on the way to becoming the "Century of the Common Man." When the vision dimmed Wallace imprudently -- but, I would say, understandably and excusably -- joined in the ill-fated political campaign of 1948.

Wallace's chief deputy for several years was Milburn L. Wilson. Wilson was an economist by training and a philosopher by inclination. He assembled in the Department a cadre of bright minds from many scholarly fields. They were expected to intermix with members of the agricultural establishment, to chart jointly with them a course for a democratically-planned rural America.

Much of the attention was devoted to land-use planning. For five years Milton Eisenhower, brother of the General and President, headed the Office of Land Use Coordination. Meanwhile, a program was set in motion to establish in every county of the country a counterpart farmer planning committee.

The dreams and designs of those years have been recorded for posterity in the Yearbook of Agriculture for 1940, Farmers in a Changing World. I treasure my copy.

It's a safe assumption that no Yearbook of Agriculture, before or since, has devoted hundreds of pages to what social scientists have to say, or to the democratic aspects of agricultural policy-making.

The central theme was that old ideals for agriculture and the rural community had not changed greatly but two powerful forces made it necessary to redesign institutions in order to preserve them. The strongest force was technology. In second place was urbanization. Together they brought an interdependence that had almost been absent in the earlier times of an isolated farming community of primitive practices. Paul Johnstone, the historian, put it in these words:

The dynamic forces that are most profoundly affecting the nature of rural life today derive from the

industrial city and the metropolitan community and the most central characteristic of these forces is the economic interdependence that modern technology and industrialism have introduced into the country as well as the city. A situation has been created out of which new kinds of economic disparities and social dislocations have developed. Measures conceived in traditional terms, although helpful, have generally failed to achieve any substantial adjustment....^{1,2}

Farming's Underprivileged. U.S. agriculture has always been highly class-stratified. The South and the West have shown the widest divisions between the best- and worst-off. During the 1930s the income gulf between the largest cotton planters and poorest sharecroppers was scandalous.

The AAAct of 1933 had scarcely been signed when social activists undertook to protect the interests of tenants. Some of the efforts ran into an impenetrable roadblock. Also in gestation were programs to enable tenants to buy land, and generally to provide the kind of smaller-farmer assistance that came to be associated with the Farm Security Administration and now the Farmers Home Administration. The advocacies of persons such as Will Alexander and Calvin "Beanie" Baldwin are remembered with respect.

Rural Infrastructure. Programs to develop rural infrastructure are the most truly rural of all the activities I am enumerating here, for they can apply equally to farm and nonfarm families, and often do so. I have in mind roads, electric and telephone services, rural water systems, rural housing, and even education. The last, education, is something of a puzzle because it is capable of either developing or decimating rural communities. Often, it does not hold capable young persons in a community, but enables them to leave.

During my years in the Department of Agriculture, rural electrification may have been the most gloriously developmental of all activities of government. It is not just that once a line is extended to a neighborhood, any family able to pay the charge for current can tap into it. It is also that the rural electric cooperatives -- and doubtless private companies too -- actively sought economic development in order to get enough volume for profitability. I worked directly with staff members of the REA who

¹Paul H. Johnstone, "Old Ideals Versus New Ideas in Farm Life," Farmers in a Changing World, 1940 Yearbook of Agriculture, U.S. Department of Agriculture, pp. 166-67.

²These comments on the 1940 Yearbook are taken from Harold F. Breimyer, Over-fulfilled Expectations: Account of a Life and an Era in Rural America (in draft).

were doing everything that was legal to get new businesses on their rural lines.

The shining example of infrastructural development was, of course, the Tennessee Valley Authority. That success story is so well known that I will not say more about it.

Transportation infrastructure is not primarily a responsibility of the U.S. Department of Agriculture, or state departments, but is provided by other parts of the government. I am increasingly apprehensive about two trends that I regard as negative. One is the deterioration of much of the highway and road system and particularly bridges. The other is the harm done to almost all rural areas by the frenzy to deregulate. Under deregulation, the best and least costly transport, both passenger and freight, is available between major centers. Outlying places are shortchanged.

Although I have noted the ambiguous position of education, the vital meaning of education to rural America cannot be denied. I think it likely that vocational schools, junior colleges, and even regional 4-H colleges are more helpful to rural areas than are the more prestigious state or private universities. I believe too that public institutions have an opportunity and even an obligation to tailor technical information to fit the needs of rural communities. My first assignment after I returned from World War II was to co-author a bulletin giving both technical and economic data for a new brick manufacturing plant. It probably was received with more approval than any other piece I have ever written.

One Casualty, Two Survivors

Of the three categories of pre-war developmental programs, the first became a casualty, it can be said, to its enemies at home and the Germans and Japanese abroad.

Any developmental program has its detractors plus some opponents. The home town of my youth failed to develop because the owner of its only industrial plant talked the local banker into denying credit to a new business that wanted to come in. He feared he might have to raise wages, which were at minimum-survival level.

The social philosophers whom Milburn Wilson brought to the USDA were able to dream their dreams of a democratically planned rural America because a nation in depression shock was willing to try just about anything, and further because the potential opponents were themselves so hard pressed financially that they put off internecine warfare. Also, the fast rebounding of the U.S. economy muted social conflict -- as always is the case.

By the time the 1940 Yearbook was published, various commodity interests had got a sufficient hold on the price support mechanism that they felt strong enough to do battle with democratic planners. They wanted acreage reduction, for example, to benefit the existent

holders of cropland acreage, and would tolerate no interference from silly people who thought crops produced on highly erodible land should not be eligible for price support. Thus does a feature of the Food Security Act of 1985 have a 45-year-old antecedent.

I don't know whether a portion, or semblance, of the planning effort would have survived the onslaught of commodity-group opponents. It could not withstand the diversionary effect of a two-ocean war. The war ended it.

Many of the activities of the original Farm Security Administration have survived in the Farmers Home Administration. Programs to develop infrastructure are still alive and some are well -- though not all. In any case, the infrastructure-development work remains in place.

New Departures

My assigned topic had no closing date. I have given most attention to the prewar years, when most of today's programs for rural development had their origins. I don't want to be disrespectful to the many persons who are working in the developmental field, but the majority of the issues they now wrestle with, some almost imponderable, are not much different from those we pondered and discussed in the 1930s.

Yet not everything on the scene of more recent years dates from the 1930s. Just after the war someone discovered the role of markets. The USDA and Land-Grant colleges of agriculture went to work to improve the agricultural marketing system. A careless judgment could suggest that good markets, like price support, are most helpful to commercial farmers. In reality they are more strategically critical to smaller farmers including the part-time farmers who have become a large and significant part of our rural communities.

Marketing does not carry much glamour these days. In my opinion, inattention to it is the most glaring mistake being made in agricultural and rural circles. Mergers and buy-outs among food processors threaten the vitality of the market structure for commercial farmers. Inadequate local markets can be equally damaging to part-time farmers and are an obstacle to the so-called alternative farming that is getting attention.

Of sharply different nature is a national as well as local economic policy that has become a mainstay of recent years and is a powerful controlling influence over economic activity. It is tax sheltering. I refer to everything from the tax inducements local communities offer new businesses, to the incredibly complex tax code applying to large corporations.

In my early days farmer cooperatives got a small tax break. President Roosevelt asked for, and got, deductibility of interest payments on home mortgages. But the incomprehensible morass of tax

deductions is not of my time; it came later. Nor is it of my endorsement. If we want to subsidize an enterprise, let's do so openly, aboveboard, with controls. But that is a subject for another person and paper.

In Defense of Democratic Planning

I am glad I was born when I was, that is, in time to have experienced the heady, generously motivated, perhaps over-idealistic thinking, dreaming, and planning for a better rural America that marked the 1930s.

The period has never returned. The Kennedy years, and the 1960s decade generally with its extending of civil rights to the disfranchised and of food to the hungry, came close to repeating the 1930s. In my judgment the Vietnam misadventure put a wet blanket on the kind of thinking President Eisenhower asked for when he commissioned the study, "Goals for Americans." We have taken a holiday from assessing our national destiny.

No nation, and no major part of it, can go far without occasionally taking time to think lofty thoughts. We need a White Knight on a Hill, even if we don't always listen to him and even, sometimes, reject him. Moses was not privileged to reach the promised land, but his people would not have reached it without the wise and inspirational leadership he gave them.

The 1930s were inventive of operational policies, many of which are still in place. Nevertheless, the distinctive contribution of those years was not the inventions but the inventive spirit. The dedication to trying to improve rural America was almost religious.

It is possible that the leadership programs now being carried on in a number of states, including yours in Iowa and Minnesota and ours in Missouri, will help to generate a renewed capacity to address problems, to set goals, and then to try valiantly to reach them. I dare to hope so.