**An Examination of the Agricultural Adjustment Act and Government Intervention in Farming**

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“O beautiful for spacious skies, for *amber waves of grain*, for purple mountain majesty above the *fruited plain*….”

(America the Beautiful)

Agriculture, it seems, has always been an inextricable part of our American culture and tradition. It has played a seminal role in our history and has greatly permeated and shaped our national character. From our earliest days as a nation, agriculture has been the key to our success. When European settlers first landed in America, they found that the land was not only ecologically rich and diverse, but also very well suited to farming. And unlike their feudal European ancestors, the land that the settlers tamed would not be a device used by elites for control but, rather, the key means of securing their freedom and independence, both political and economic.

Many colonies- like Virginia, for example- initially struggled to become financially viable, as their initial hopes of finding a land filled with “Indian gold” soon met a very different reality. But some men, like Jamestown settler John Rolfe, did find a sort of gold, and it was right under the feet of the settlers. For years, the Virginia colony had tried to find ways to become financially viable in order to pay off the debt owed to its English investors. But time and again the initial prospects of the settlers failed. That is, until John Rolfe found something the Europeans could not resist: tobacco. Importing and growing a particularly sweet strain of nicotine-laced tobacco known as *Orinoco Tobacco* made John Rolfe a fortune nearly overnight. From then on, Virginia’s financial prospects made a swift reversal as farmers frantically grew more and more tobacco to feed the insatiable European demand for it (Commager, 1969).

Soon, as other commodities like wheat and corn were introduced to the Colonial farmer, the American landscape began to dramatically change, both economically and ecologically. By the time of the American Revolution, the majority of the American economy, and its population, were devoted to agriculture. Eventually, these colonies of farmers would rise up against their colonial mother land and establish for themselves an entirely new country, one founded on new ideals. Yet, even though the colonies had come together to forge this new nation, there were early debates as to what this new land’s economic composition and character would be. Would it be, as some envisioned, an economic powerhouse, churning out and exporting American industrial products? Or would this new land, and her people, choose to instead furrow a different, quieter kind of row?

Some men, such as Alexander Hamilton, foresaw the United States becoming industrialized and constructing great cities. Yet others, the most prominent of whom was Thomas Jefferson, held onto and advocated for a financial foundation based on America’s agricultural roots. Jefferson insisted that the United States become a primarily agricultural-centered republic, with an agriculturally-based economy. Jefferson thought very highly of the American farmer, and held him to be the ideal citizen. Commenting in a letter to his close friend and fellow revolutionary John Jay, Jefferson remarked that,

“*Cultivators of the earth are the most valuable citizens. They are the most vigorous, the most independent, the most virtuous, and they are tied to their country and wedded to its liberty and interest by the most lasting bonds”(Jefferson,1785).*

In fact, Jefferson envisioned America as becoming an exclusively agriculturally-based economy, going so far as to advocate the off-shoring of all manufacturing jobs to Europe (Jefferson, 1781).

Yet while Jefferson’s agrarian utopia never did become a reality, the American farmer would continually find a friend in the federal government. As Americans moved westward to fulfill their so-called “manifest destiny”, they came pulling plows and planting seed. Congress helped accomplish this “destiny” by giving vast tracts of land to it citizens, with the only requirement being that they settle and hold it for at least five years. And hold it they did. Steel plows broke the ancient sod of the Great Plains and yielded a great bounty of wheat and other grains. But the American farmers soon found that their expansion had come at a cost. The land that they had farmed was becoming exhausted and overused, and new land to which they could move to was quickly running out (Commanger, 1969).

In response to this and many other concurrent and emerging agricultural crisis’, Congress passed the Morrill and Hatch Land Grant Acts which provided land and money to the states in order that they might build agricultural colleges to pursue newer, more scientific methods of farming (Commanger, 1969). The Morrill and Hatch acts of 1862 and 1887, along with other acts, helped to set the stage for the Federal Government’s increasing involvement in American agriculture and farming, an involvement that wouldn’t reach its fullest fruition until the implementation of FDR’s *New Deal* programs. And while this Federal intervention was usually welcomed by beleaguered farmers, the involvement of Franklin Roosevelt’s administration during the Great Depression would produce a mixed and controversial harvest of success and failure that would have repercussions far beyond that crisis.

Although farmers faced many problems as they moved west and settled the land, they eventually, and largely, overcame them. From the end of the Civil War to the first decade of the Twentieth Century, American agriculture, and agriculture in general, experienced the most dynamic and breathtaking changes in its history. For the first time ever, horse-drawn machines, such as seed drills and reapers, did in hours the work that would have formerly taken days. New methods of farming, drawing on the research of agricultural colleges and applying new technology, greatly expanded the output of farms and other agricultural operations. This so-called “golden age” of farming produced so much bounty that it almost overwhelmed the consumer’s ability to absorb it. But that unimagined bounty was quickly sucked up by allied military forces as the world descended into the horrible and ravaging jaws of the First World War (Commanger, 1969).

The outbreak of WWI quickly consumed the nations of Europe and, eventually, the United States as well. In the process of this new and terrifying modern war, millions of European citizens were left at the mercy of invading armies and soldiers. Soon, as these helpless civilians began to starve under their occupation, cries arose from every corner of the free world for someone to do *something*. That “someone” would be future president Herbert Hoover, and the “something” would be one of the largest food aid programs in the history of Europe. As head of the Commission for Relief of Belgium, and later the U.S. Food Administration, Hoover helped to ship in millions of tons of food to war-ravaged European populations and cities. This, along with the food needed to supply American and allied troops, caused demand for American agricultural products to reach astronomical heights. And yet, this demand would not last long. As suddenly as the war had started, it ended; and as it did, American involvement in Europe quickly wound down. As soldiers returned home and peace treaties were signed, demand for American agricultural commodities suddenly evaporated (Folsom, 2008).

And yet, in spite of this precipitous drop in demand, American farmers ignored the free-market signs of low commodity prices that signaled falling demand, and instead started producing more output than ever before. This new and chronic over-production came at a time when brand-new technologies were being introduced into the fields, technologies that would “up” production levels to unbelievable heights. Tractors rapidly replaced horses, and unlike their living counterparts, never grew tired and were cheaper to “fuel”[[1]](#footnote-1). Chemical fertilizers and pesticides also greatly increased the output per acre, and dramatically increased productivity levels. But these new miracle inventions could not save the farmer from rapidly falling prices which were the consequence of falling demand. In fact, the increased productivity that resulted from the introduction of these technologies only compounded the problem of overproduction: demand fell through the floor, supply crashed through the ceiling, and prices went out the window. But low prices were not the only threat to the prosperity of farmers. Foreign competition, from such then-exotic locales as Egypt and India, drove prices down even further. Protective tariffs put additional pressure on farmers and, in effect, forced them to buy higher priced domestic equipment over cheaper foreign alternatives. But soon, in the decade ahead, an increasingly hostile marketplace would threaten the very survival of the American farmer, leaving them financially ruined, angry, frustrated and demoralized, and demanding a solution, government or otherwise, to remedy the problem (Folsom, 2008).

As the WWI era gave way to the second decade of the century, the “Roaring Twenties”, with its era of quick wealth and prosperity, seemingly roared for everyone but the American farmer. Faced with limited demand after the war and declining commodity prices, farming fell on hard times during the Twenties. And yet, many knights in shining armor attempted to save the farmer from low prices and overproduction. At the heart of this attempted salvation was always the desire to restore the farmer’s buying power to levels experienced during the early Twentieth Century. The key to this restoration was the raising of agricultural commodity prices to a parity of earlier prices at the beginning of the 20th Century. One of these early efforts came in the form of a piece of federal legislation known as the McNary –Haugen Farm Relief Bill. The McNary- Haugen Bill was originally the brainchild of George Nelson Peek, president of the Moline Plow Company. Peek recognized that the American farmer was struggling and realized, very succinctly, that if the American farmer was struggling financially, so too, would the plow and tractor making business which depended on the farmer to buy its products. Seeking and finding support for his idea from Secretary of Agriculture Henry Wallace, Peek’s legislation was soon introduced in both the House and the Senate by Congressman Haugen and Senator McNary, respectively. The bill, in a nutshell, sought to raise the prices of agricultural commodities by shielding farmers from the ruthlessness of the global marketplace. This would be accomplished in a twofold manner: First, the proposed legislation would establish high domestic tariffs in order to block out almost all foreign competition. The second prong of the bill would create a government-sponsored and government-run “company” that would buy up domestic overproduction and sell it overseas by engaging in economic dumping[[2]](#footnote-2) on the world agricultural market. The plan was very progressive for the time, and foreshadowed the sweeping New Deal legislation that was to come. Nevertheless, it was vetoed- twice- by President Calvin Coolidge. Outraged and further demoralized, farmers began to turn inward in an attempt to find a solution from within the farming community (Volanto, 2005).

That solution was readily offered by farmer and farm leader Milo Reno. Milo Reno was a sort of “community organizer” in his day, and was consistently involved in promoting the welfare of his fellow farmers through various political and social means. Reno’s solution to the crisis of overproduction, and subsequent low prices, was for farmers to take a “holiday”. Creating the Farmer’s Holiday Association, Reno hoped to band farmers together in order to initiate a sort of farming strike. Many of these farmers felt betrayed by Wall Street and the Federal Government and so determined that they would punish the elites in the private and public sectors by raising commodity prices and withholding agricultural goods. As one Holiday Association rhyme summed it up:

*Come fellow farmers, one and all –*

*We’ve fed the world throughout the years*

*And haven’t made our salt*

*We’ve paid our taxes right and left*

*Without the least objection*

*We’ve paid them to the government*

*That gives us no protection.*

*Let’s call a “Farmer’s Holiday”*

*A Holiday let’s hold*

*We’ll eat our wheat and ham and eggs*

*And let them eat their gold (Choate, 2002, p47.).*

Yet despite their best efforts, including even the incredibly defiant act of blockading roads to check for agricultural products from producers attempting to not participate in the strike, the efforts of the Farmer’s Holiday Association were largely ineffectual. The change that they desired to accomplish was a titanic task for which they were not cut out, and would require a much larger and more centralized promoter (Choate, 2002).

As the Twenties came to a close, farmers were really not any better off than they had been at the start of the decade. Many of the plans thought up to save the farming community had, in fact, either failed or had been ineffective. But a dark day was looming; soon, the rest of the United States would feel the farmer’s plight as the entire American economic system collapsed. The Stock Market Crash of 1929 proved to be a sort of creative destructive force, in that it provided the impetus for change that farmers had so long sought. The first unmistakable change was the election of progressive President Franklin Delano Roosevelt. FDR was swept into office on a wave of discontent and anger directed at former President Hoover’s failed attempts to end the depression. Roosevelt promised to make drastic changes in the economic direction in which the country was heading, using new and controversial governmental policies and laws, a promise that he largely delivered.

During his famed first “One Hundred Days”, FDR signed into law a dizzying array of new legislation, dealing with everything from price controls to public work programs. Yet, the farmer was not lost in this labyrinth of legislation. Recognizing that the desperate existence and dire economic situation of farmers would only get exponentially worse during the depression, FDR called for the passage of the Agricultural Adjustment Act. The Agricultural Adjustment Act, or AAA as it was known, constituted the largest and most direct Federal involvement in agriculture in United States history. The act, by its design, recognized and focused on the continual problem of overproduction, and to remedy this problem, the AAA embraced the “economics of scarcity”. As a basic economic law, it was recognized universally that a good’s price would rise as that good became scarcer, or when its supply was diminished. This was the essence and solution of the AAA, to artificially restrict the supply of agricultural goods. To accomplish this end, the Act created the Agricultural Adjustment Administration*[[3]](#footnote-3)*, which, in conjunction with the Department of Agriculture, would be the main driving force and organizing entity behind the implementation of the Act’s new policies (Agricultural Adjustment Act, 1933).

Distilled down to its most basic scheme, the AAA functioned in this way: First, on a completely voluntary basis, farmers would sign up with the AAA and would agree to reduce the amount of land that they cultivated. In exchange for this reduction in acreage, the Federal government would subsidize the farmer with funds collected from “processors”. A processor was any factory or entity that processed or added value to a raw agricultural product. Thus, slaughter houses, woolen-mills, food processors, and other similar companies would all be considered “processors”. In short, farmers would sign an AAA contract, reduce the amount of crops that they planted, and receive a check for the revenue lost from the acreage withheld. In implementing this not-uncontroversial plan, the Federal government hoped to achieve what the McNary-Haugen Bill had failed to do: raise prices to parity and restore the farmer’s buying power to what it had been in the early decades of the Twentieth Century (Folsom, 2008) (Agricultural Adjustment Act, 1933).

To implement this revolutionary new plan, the federal government would have to work at breakneck speed. This was mainly due to the fact that, by the time FDR had signed the AAA into law, crops had already been planted for the year. Ironically, this threatened to undermine the administration’s scarcity plan, as record harvests were being predicted. To interrupt this potentially catastrophic blow to parity prices, the administration resorted to radical and extremely controversial measures. The answer was very simple: since farmers had *already* planted their crops, and thus obviously could not be asked not to plant them, they would instead be asked to plow up a portion of those crops that they had planted in exchange for a check from the government (Volanto, 2005) (Davis, 1935) .

In the cotton producing states of the south, for example, Secretary of Agriculture Henry Wallace determined that no less than 10 million acres of cotton would need to be plowed under to evade a further depression in agricultural prices. Of course, even if farmers would agree to plow up their cotton, each individual farmer would need to be contacted by an agricultural government official in order to estimate the amount of their crops that needed to be destroyed, and the resulting compensation that would be due. While some advocated the creation of a massive new bureaucracy to accomplish this, it was quickly realized that it would be completely impractical, in the time given, to start from scratch. Instead, the Federal Government turned to local extension services to serve as the “boots on the ground”. As it turned out, this worked surprisingly well. Extension agents frantically zipped around countless counties and localities, signing up many farmers to participate in the plow-up program, assuring them that they would be compensated for it. Yet many farmers were still suspicious of the radical new program (Volanto, 2005). Some objected on religious grounds, asserting that it was immoral and wasteful to plow up their crops. Others feared that they were being tricked, or that the extension agents were underestimating the value of their land. Resistance even came from farm animals, as many of them refused to plow up the cotton, having been habitually conditioned for years to avoid trampling the precious crop. Yet it was not cotton alone that was to be destroyed. Millions of heads of livestock animals were also to be slated for destruction at hands of the Federal Government. Here, too, the government sought to drastically reduce the supply of goods going to the market. And so, like the cotton plow up, livestock was to be destroyed (Volanto, 2005). In Nebraska alone, more than 470,000 cattle and 438,000 pigs were destroyed. This was usually accomplished by simply lining the animals up in front of a deep ditch and shooting them. Milk and other dairy products were simply dumped down the drains, and, at one point, Secretary of Agriculture Henry Wallace ordered the destruction of six million baby piglets. Following this piglet “mega-death”, a public outcry erupted. In a time when so many were going hungry, and in some cases almost starving, the idea of purposefully destroying and wasting so much food was simply abhorrent (Reinhardt, n.d.).

In response to this public outcry, the Federal Government, through the AAA, created the Federal Surplus Relief Corporation (FSRC) which would purchase and process the “excess” livestock, along with many other commodities, to distribute to the poor. The FSRC along, and in conjunction with the Federal Drought Relief Service (DRS), purchased many hundreds of thousands of cattle and hogs and distributed them to those who could not provide for themselves. In a stroke of ironic dumb-luck, the FSRC and DRS actually prevented the needless deaths of thousands of animals by buying up many of those that were threatened by the great Dust Bowl. The most anemic of these drought plagued animals were still killed outright, yet the rest of the healthy animals were slaughtered and donated and, in the process, saved from simply wasting away in the water-starved West. Of course, aside from luck and the aid that many farmers received, the AAA inflicted much pain and suffering on the community immediately dependant on the farmers (Reinhardt, n.d.).

Of those people hurt, probably none suffered more than the often destitute and dirt-poor sharecroppers of the cotton-producing South. Sharecropping, developed and adopted in the post- Antebellum South, was largely a replacement for the outlawed practice of slavery; and truth be told, wasn’t much different from slavery. For the vast majority of the South, sharecroppers served as the backbone of the largely agricultural based economy. What separated a sharecropper from a farmer was ownership. There were really very few actual farmers in the South; that is to say, there were few who actually farmed the land and simultaneously owned it. Instead, wealthy landowners, who had virtually no connection to the land, used the dirt-cheap labor of the sharecroppers to do all of the planting and harvesting, so that they could, in turn, reap the majority of the profit. Thus sharecroppers were little more than low-wage workers for the landowners and were far removed from the position of the traditional farmer. (Volanto, 2005).

Yet the willful disregard that most land owners held for their sharecroppers wasn’t fully displayed or expressed until the AAA was implemented in the South. The AAA, of course, guaranteed that farmers, cotton or otherwise, would be compensated for the reduced acreage that they agreed not to plant. Sharecroppers, though, were in a unique position. They were not fully farmers, but they did do the actual work that the farm required. And as it turns out, the AAA recognized the niche that sharecroppers occupied and attempted to deal justly with them. According to the rules and regulations that governed the dispersal of Federal funds to farmers, sharecroppers were required to receive a portion of the funds as compensation. Yet, here again, the sharecropper was left defenseless (Volanto, 2005) (New Deal Agriculture, n.d.).

It was the local extension offices and local government that determined such things as acreage reduction, compensation, and that directly interfaced with the Department of Agriculture and Washington DC. But unfortunately for many of the sharecroppers, it was the landowners who dominated these local councils, boards, and positions of authority. Thus, the very people to whom the sharecroppers could have turned were the same people who were abusing them. Realizing their absolute monopoly on the sharecroppers, many landowners simply (and illegally) cut their sharecroppers out of the compensation that came from the Federal Government. Left without compensation and little to farm following the acreage reductions, many sharecroppers were simply turned-out by their landowners/lords. As a last resort, many sharecroppers attempted to plea directly to the Federal Government, through half-literate and heartbreaking letters. Despite these desperate calls for help, the Federal authorities largely ignored the problem and looked the other way. The Roosevelt administration wanted to see an end to the practice of sharecropping, one way or another, even if it came at the expense of the sharecropper himself. But it was not only the destitute sharecroppers who were marginalized by the AAA and its programs; many other industries and people that were directly dependant on the farmer and his produce were also significantly hurt by AAA policies (Volanto, 2005) .

It was largely the processors on whose shoulders the entire financial viability of the AAA rested. These millers, ginners, and handlers were the atlases on whom the Government and farmers depended, and frankly, they were getting tired of shrugging. It wasn’t enough that processors had to pay special taxes to support the farmers; they also had to deal with the reduced agricultural output under the AAA and, thus, reduced business. Feeling cheated and left out of the rewards of the AAA, many producers started banding together to formally file suit against the Federal Government and the AAA in Court on the claim that the legislation was unconstitutional. One processor in particular, the Hoosac Mills Corporation, had an employee named Butler who was responsible for making the processing tax payment and yet refused to do so. Butler was soon taken to the District Court where the case was decided in favor of the Federal Government. Yet upon appeal to the Circuit Court, the decision was reversed in favor of Butler. Following this rebuke, the Federal Government quickly appealed the case to the Supreme Court, the highest judicial authority in the nation, an authority that had proven to be far less progressive than its executive branch counterpart, the Roosevelt Administration (Folsom, 2008).

When the suit of *US v Butler* finally did reach the Supreme Court, it was received by a very conservative panel of Justices who had already shown their willingness to strike down much of the progressive New Deal legislation that had reached their docket. Delivering the opinion of the Court was Justice Owen Roberts, a man who would prove decisive in more than one New Deal case.

In his opening statement, Justice Roberts identified the purpose and constitutional scope of a tax. A tax, he asserted, was really only meant to be an instrument to raise revenue for the *Government*. The Agricultural Adjustment Act’s tax on processors did not fit this description as it was really only meant to take money from one group and redistribute it to another. Labels aside, Roberts described the faux tax as the key element of the AAA, in that it helped the government achieve the scarcity and subsequent parity prices that it desired. Pushing back against Roberts and other conservative members of the Court, the Federal Government argued that the tax could be easily upheld under Article 1, Section 8 of the Constitution. This, realized Roberts, would be the crux upon which the case was decided, and thus had to be approached with a great deal of respect. The Constitutional clause in question gave Congress the right to collect taxes to provide for the “common defense” and the “general welfare”.

The Government contended that the taxes that it collected for the AAA served this “general welfare”. It further contended that only the Congress could determine what constituted the general welfare, and not the Court. Addressing this argument, Justice Roberts contended that the general welfare clause had always been a contentious issue in American politics. There had essentially been two very different views of the clause at the founding of the nation. One had been Madison’s view of the clause which held that providing for the general welfare could only be accomplished through the enumerated powers within the constitution. On the other side of the spectrum had been Hamilton’s view, that the general welfare conferred powers on the Congress that were outside of the enumerated powers, and thus provided an expansive grant of Federal power. Yet, while Justice Roberts agreed with Hamilton’s interpretation of expanded Federal power pursuant to the General Welfare, he did not think that the scope of that Constitutional power extended to cover the AAA.

The regulation of agriculture, concluded Roberts, was a power reserved for the states, respectively. Grasping for straws, the Government’s final argument posited that the AAA could still be upheld due to its purely voluntary nature. And yet, here again, the Court found that the amount of compensation that farmers received for acreage reduction was enough to be considered coercive, and thus the AAA was still unconstitutional (US v Butler, 1936).

In the aftermath of *US v Butler*, the Roosevelt Administration, and especially Roosevelt himself, was left shocked and angry. Years of work and effort to shore up commodity prices and save the American farmer had seemingly been invalidated and eviscerated in a single opinion. And yet despite having been robbed of their most valuable tool, the Government still had to find a way to accomplish the same ends with different means. One of these alternative means was a stopgap measure known as the Soil Conservation and Domestic Allotment Act (Volanto, 2005).

Ostensibly passed to protect and conserve farm soil, the Soil Conservation Act was, in reality, used to accomplish essentially the same thing as the AAA…. only with a different name. With a not-too-unfamiliar objective, the Soil Act sought to pay farmers to reduce their acreage in order to promote and practice soil conservation techniques. Farmers were encouraged to plant soil-friendly crops, such as grasses and legumes that tended to replenish and preserve the soil instead of depleting it, like some many commercial crops did. In the post -*US v Butler* legal landscape, the Soil Conservation Act was only *technically* legal because its funds were obtained directly from the treasury, as opposed to taxes on processors. Oddly enough, the Soil Conservation Act seemed to come at just the right time, as the Midwest was in the deepest throes of the Dust Bowl, and many of the techniques and policies implemented actually did have a positive impact on the environmental health and vitality on the farms where they were practiced. Nevertheless, the Soil Conservation Act was left wanting. It provided the Government with few effective production controls, and the payments made to the farmers were inadequate at best. Clearly, the administration needed something more; they needed the AAA (Volanto, 2005) (Time, 1938).

From the moment that the original AAA had been struck down by the Supreme Court, administration bureaucrats in both the Department of Agriculture and the Agricultural Adjustment Administration had been working furiously to find a suitable replacement that could accomplish the original AAA’s objectives, but do so with the blessing of the Supreme Court. The best replacement would be to craft a new AAA, one that could survive the crucible of the Supreme Court. This bold objective was accomplished in two different ways. The first part was obvious enough: the new AAA would have to be tailored in such a way as to thread the narrow qualifications set forth by the Court in its *Butler* decision. Like the Soil Conservation Act, the new AAA would draw its funds directly from the treasury as opposed to a tax on processors. And yet, this was not good enough (Folsom, 2008).

The AAA had not been the only New Deal casualty of the Supreme Court. Many other progressive pieces of legislation had been skewered by blind Lady Justice and her sword. Roosevelt, though, did not appreciate these decisions, nor Justices who made them, so he set out to find Justices who *would* support his legislation. Of course, he could not simply bypass the Court, but he could, perhaps, dilute it. FDR’s radical new scheme was, in short, a plan to expand the membership of Court to accept several new Justices. These Justices would, of course, be aligned with FDR’s view of the Constitution and would thus uphold the legislation that he favored. The plan was never implemented, but it didn’t need to be. The Court saw the writing on the wall, and Justice Roberts of all people, soon began to sing a different tune. In the landmark case of *West Coast Hotel Co. v Parish*, Roberts took a decidedly progressive stance, thus signaling his willingness to cooperate. This so called “switch in time that saved nine”, cemented the viability and permanence of the new AAA, guaranteeing that it would not be overturned (Folsom, 2008).

And it wasn’t overturned, not even when the Supreme Court had the chance. In the historic case of *Wickard v Filburn*, the Supreme Court, using a new and controversial interpretation of the Commerce Clause, upheld the Federal Government’s right to regulate agriculture under the auspices of the new and improved AAA (Folsom, 2008). Now the Federal government’s ability to regulate agriculture was more powerful than it had ever been in its hundred-fifty plus year history, and the future of agriculture would be inseparably linked to government intervention and regulation in a way that Jefferson would never have imagined.

The path that had taken the American farmer from colonial independence to the bureaucratic oversight and regulation, seen in acts such as the AAA, had been a long and circuitous one. Federal land-grants for agricultural colleges continued to tie the federal government to agriculture and helped to spur scientific approaches to agriculture that advocated for methods different than the “slash and burn” practices that ultimately led to the great Dust Bowl. These new scientific practices, coupled with the great technological advances of the early 20th Century, and the incredible surge in demand during the First World War, led to an agricultural output that had never before been seen in human history. Unfortunately, the “bread basket” of America was producing too much bread, and consequently suffered as a result of lowered prices. It was here that the Federal Government, through revolutionary Congressional Legislation, sought to remedy the situation through the McNary – Haugen farm relief bill. But history, and America, wasn’t yet ready for that kind of legislation. A decade later, the American people voted to adopt more progressive leadership and, thus, the age of government involvement in agriculture began. We must question though, was it worth it? Did the AAA and its myriad of agencies and programs, and the resulting web of regulations and rules, actually accomplish anything good?

It is a difficult question to answer, and one which is best approached using a sort of net cost-benefit analysis. First, the benefits. Although many times they were unintentional, the AAA and the Federal Government did effectuate several positive outcomes. Even though it began as a gross waste of resources, the slaughter of livestock by order of the AAA did eventually and, perhaps unintentionally, save thousands of cattle and hogs from dying needlessly in the droughts that consumed many farms. This reclaimed meat did, in fact, go to feed some of the poorest and most desperate Americans. Likewise, legislation and programs- such as the Soil Conservation and Domestic Allotment Act -greatly improved the quality of farmland. Even though the bill had originated as an end-run around the Supreme Court, it did ultimately help to reclaim and restore farmland that had been degraded by poor farming practices and drought. Of course, positives aside, the AAA was, in some ways, worse than the ailments it tried to cure.

Our sharecroppers offer us a grim reminder of this. Even though mandated to reimburse their sharecroppers, many landowners shut their sharecroppers out of the benefits of the AAA, often evicting them due to the decreased workload that reduced acreage allowed. And though many sharecroppers desperately appealed to higher levels of the Federal Government, they went unheard by an administration that really didn’t mind facilitating their demise. And in a grand exodus reminiscent of John Steinbeck’s *Grapes of Wrath*, many dispossessed sharecroppers migrated to the West Coast in the futile attempt to find work doing the only thing they knew.

Producers, too, initially bore the brunt of the AAA and its redistributive policies. Faced not only with taxes on the products they processed, but also with reduced flow due to the acreage reductions, many companies found it necessary to lay off workers in order to stay afloat. Added to that, most of the tax was simply passed on to the consumers who were already suffering financial hardship from the Great Depression.

And so, it seems that the AAA was, in many ways, kind of a wash. In fact, the entire program has been described by some as simply a “holding action” (Volanto, 2005). That is, it did not really improve the overall lot of farmers as a whole; it simply prevented the majority of them from going out of business. And it did so by prohibiting them from doing what they did best: growing crops. Surely there could have been a better way to save the farmers than to have had them stunt their full capabilities. Of course, hindsight is 20/20, but even in Roosevelt’s day there were many who saw the retardation of an entire industry as a ridiculous solution.

Writing in the December 1934 edition of the Congressional Quarterly, University of Wisconsin President Glenn Frank decried the methods of the AAA and proposed a significantly different solution to the agricultural crisis. The idea of restricting production, lamented Frank, was anathema to the spirit of adventure and boldness that had birthed the modern age. So many of our ancestors had struggled and died in environments of disease and famine, often barely scraping by. And now, in a world filled with need and a nation capable of supplying all those needs as well as the wants, the United States was to adopt a policy of intentional underproduction? This, asserted Frank, was a cowardly and misguided solution. Frank maintained that the economy in general and, specifically the farmer, needed instead to be running at full capacity, with no thought of regressing to an earlier age of want and scarcity. The question remained, of course, as to who would consume all of these goods (Frank, 1934).

The entire problem of overproduction could be solved at once, if only a large enough market were discovered that could absorb the considerable output of the industrial and agricultural sectors. This market would not be found overseas, as no foreign market was developed and or open enough to meet the needs of America. Instead, the market that America needed was America itself. The nation had, explained Frank, at the height of the roaring 20’s, about 30% of its population in poverty. The Depression had only made this statistic worse. These people, at best, only met their most basic needs of food, clothing, and shelter, with no thought to buying any luxury or comfort goods. This, then, was the solution. Poverty had to be eliminated in the United States. Famine, too, said Frank, had to be eliminated. By famine, Frank did not mean the traditional famine where thousands starved to death. Instead, this new kind of famine was one where the individual wasted away from a lack of a sufficient quantity and quality of food. This, like poverty, could only be alleviated by raising the incomes of the poor and rescuing them from poverty (Frank, 1934).

This rescue, though, could not come from the government. As Europe was proving at the time that Frank wrote his article, economic uncertainty and desperation was the mother’s milk on which dictators thrived. Because of this, it was the business community that would have to stimulate the American consumer and worker and provide the path out of poverty. Of course, as visionary and forward thinking as Glenn Frank’s idea was, it never did come to pass, at least not in the way that he envisioned. America did emerge from the Great Depression, but only because a second World War - not a post-poverty America - demanded the full productive capabilities of the United States. Frank’s new “market” was created as millions of soldiers gobbled up the production of the United States in their quest to defeat the tyrannical powers of Germany and Japan.

As the second world war took hold all across the globe, “over-production” was once again eliminated overnight from the lexicon of the American farmer, as the produce of his farm was shoveled into the furnace of the Allied war machine. After the war was finally over, the “middle class”, of which Frank had written, did finally emerge and, with it, came one of the greatest periods of peace and prosperity in human history. Much changed during that time and so, too, did the farmer. Just as they had in the 1920’s, post-WWII farm practices were rapidly changing and improving. Computers, chemicals, and bio-technology all advanced agricultural production to the point where every last bushel and peck possible was wrung out of every last acre. This increased efficiency, as it had in the 20’s, produced an economic situation where not as many farmers were needed. Throughout the 70’s, 80’s and 90’s, droves of farmers left their farms forever, and today less than 3% of the population is directly involved in farming (New Deal Agriculture, n.d.).

It seems then, that perhaps the only thing the AAA did was to have kicked the can down the road. The problem was not really over-production; it was, instead, an over-population of farmers. The AAA sought to artificially raise prices and, in doing so, kept the majority of farmers from leaving the farm- for a time. And though this approach was well-intentioned, it was a tactic which ultimately hurt thousands of people and wasted thousands of tons of goods, all to preserve the fantasy of the status quo. Like Jefferson’s Agrarian Utopia, this dream proved to be unobtainable and quickly vanished. Today, dilapidated and collapsing barns bear testament to this mass and dramatic exodus from the agricultural lifestyle. An occupation which had once employed the majority of the American population, now barely supports a fraction of a fraction. It is clear, then, that the grand schemes of the Roosevelt and subsequent administrations did little to stop this historic sea change. And so, as the echoes of the AAA fade into history, we see that it did little to stem the trends and tides of history. The farmers did leave the farm, and no amount of government intervention or spending could stop them.

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1. It used to be that the farmer had to set aside a portion of his crops in order to feed his horses during the course of a year. Tractors, obviously, did not require this provision. Thus the farmer could sell more of his crop and in the process, make more money. [↑](#footnote-ref-1)
2. “Dumping” refers to the economic practice of unloading excess products on a marketplace, usually foreign. Firms (or governments) that engage in this behavior usually do so to either simply get rid of excess, or, in more strategic moves, to put the competition out of business by selling at below market prices. Thus, this practice is often viewed as a predatory one, and has, consequently, been outlawed by many nations and treaties. [↑](#footnote-ref-2)
3. Both the Agricultural Adjustment Act and the Agricultural Adjustment Administration are abbreviated as AAA, and can be used almost interchangeably, as they essentially refer to the same thing. [↑](#footnote-ref-3)