SOUTHERN CONGRESSMEN AND THE CRISIS IN AGRICULTURE, 1921-1929

A Thesis

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The South in Depression, Spring 1921

The United States in 1920 stood at the edge of a gaudy, fabulous decade, a time destined to be characterized by sounds -- the Jazz Age, the Roaring Twenties, the Great Boom, and the Great Crash. It was a giddy, self-indulgent era soaked in confidence and prosperity. History, for most Americans, still remained something that happened to other people. But one group of Americans faced this heady time with the sobering awareness of the reality of the past and the bonds it placed on the present. As it had done throughout the turbulent half-century since the Civil War, the South in 1920 still writhed in the capricious grip of King Cotton, and the tragic cycle of boom, over-production, and depression was again working to bring disaster to Southern agriculture.[1]

The Great War had been a noxious but invigorating tonic for cotton producers, and by 1918 flush times had come again to Southern farmers. The manpower needs of the American Expeditionary Force had drained the labor force of the South cutting the number of acres cotton farmers were able to plant. War demand increased the prices of other staples and enticed some farmers away from cotton, thus further reducing the number of acres given over to cotton. Finally the boll weevil, slowly creeping eastward from the Rio Grande, each year infested larger areas of the cotton South sharply reducing the expected yield per acre.[2] The confluence of these three factors led to a series of short crops which more than offset a potentially disastrous reduction in foreign consumption. The impact of wartime restrictions had, by the end of the fighting, brought a 12% drop in the overseas market for American cotton.[3]

Plainly the war years were difficult ones for Southern agriculture, but the consecutive short crops coupled with an increased domestic demand and a nationwide inflation that was raising the prices of most commodities sent the price of cotton soaring to dizzying heights. For the five years prior to 1914 cotton averaged 12.4 cents per pound, but on November 11, 1918, the price stood at 28.4 cents. Prices of other Southern crops were also improving in late 1918. The demand for tobacco rose tremendously toward the close of the war while the price of sugar skyrocketed due to an expected world-wide shortage.[4] As a result 1919 was one of the most prosperous years in the history of Southern agriculture. The price of cotton finally peaked just over 35 cents per pound bringing the South its first two billion dollar crop. Bright leaf tobacco reached 44 cents per pound and burley 33 cents. The price of raw sugar was an incredible 24 cents per pound.[5]

Once again, however, Southerners were unable to break the relentless cotton cycle, and the fine crops of 1919 bore the seeds of disaster for 1920. Cotton broke before the 1920 crop reached the gins. Prices had reached 41.75 cents on the New Orleans exchange in April, but trembled ominously near 40 cents through July, and then fell sickeningly to 13.5 cents in December. When Congress assembled in April, 1921, cotton was bringing less than a dime per pound. One month later the Georgia Bankers Association estimated that 50% of the 1920 crop remained in the hands of the producers because it was nearly worthless in the satiated market.[6]

The other major Southern staples also came crashing down. Bright leaf tobacco averaged only 21.1 cents for 1920 and burley only 13.4 cents. The price of sugar fell steadily throughout the year reaching 8 cents in October and 5 cents in December. Rice planters produced thirteen million pockets of clean rice for the year but were able to market barely half that amount. Even with half the 1920 crop stored in warehouses, the prices of Fancy Blue Rose rice was only $3.57 per one hundred pounds on the New Orleans market.[7]

This staggering collapse was largely triggered by overproduction, the traditional Southern response to a good commodity price. Stirred by the tremendous successes of 1919, Southern farmers planted an additional 2.3 million acres of cotton in 1920. The 1920 tobacco production, one and a half billion pounds, was by far the largest in history, while the rice crop of forty-four million bushels vastly exceeded the anticipated demand. This overproduction not only destroyed the 1920 prices but also threatened to ruin 1921 prices as well. Cotton, for example, had a five million bale carryover from the war years to add to the 1919 crop which had been the largest in several years. Low prices in 1920 meant this surplus would be carried forward to 1921.[8]

The cost of producing the 1920 crop had been extremely high, and with prices spiralling downward, Southern farmers were thrown deeply into debt. Production costs for cotton had begun rising before the war, and the rate sharply increased between 1917 and 1920. In 1918 the cost of producing a pound of cotton was 22 cents, or approximately

85% of the price. In the boom year of 1919 the cost was 35 cents, while the price averaged barely a third of a cent more. Clearly the signs of impending disaster were available for those who would read them, but cotton farmers, seemingly oblivious to the dangers of the enormous surplus left from 1919, prepared recklessly for 1920. They contracted for labor, fertilizer, and machinery at exorbitant rates, fully expecting a 40 cent crop. They made little effort to cut expenses. Instead of the anticipated $200 return per bale, the farmers received $120. Similarly, rice, a crop that had cost $2.50 per bushel to produce, brought only 60 cents in the marketplace.[9]

The failure of Southern producers to recover the European cotton market, which they had dominated before the war, also contributed to the woes of Southern agriculture. The South usually exported some 65% of its cotton crop, but during the years 1920-21 cotton exports from the United States were cut in half. This drop was largely due to the inability of Western Europe, economically prostrated by the war, to meet the high price of the American staple. Instead, European textile manufacturers were looking to cotton-producing countries with a cheaper currency than the American dollar. These foreign competitors had grown less cotton during the war, but after the Armistice they began to increase production at a rapid pace. This large supply of cheap cotton, in nations without the trade barriers the United States had erected, was crowding Southern cotton out of the world market.[10]

Moreover by 1920, the boll weevil was having a devastating impact upon the cotton crop of the South. Prior to that year the weevil had served to retard production, particularly in the Southwest, without actually playing havoc with the crop, but by 1921 the insect had reached Georgia and South Carolina and was ravaging a large part of the South. Greene County, Georgia, ginned 20,030 bales in the peak year of 1919 but only 13,414 in 1920, 1487 in 1921, and 333 in 1922. Orangeburg County, South Carolina, ginned 84,311 bales in 1920 and 18,082 in 1921. In Lee County production fell from 42,621 to 19,350, and in Williamsburg County from 29,457 to 7,432. The destruction caused by the weevil is even more sharply reflected in the drop in production per acre. During the period 1909-1913 South Carolina averaged 230 pounds of cotton per acre, but in 1921 the cotton farmers averaged only 140. Georgia had averaged 193 pounds per acre in the pre-war period but averaged only 90 in 1921. Secretary of Agriculture Henry C. Wallace, in his survey of American agriculture in 1920, estimated that the weevil was destroying two hundred million dollars worth of cotton each year. Rupert Vance put it best a few years later when he observed, "Today the world's largest consumer of raw cotton is the boll weevil."[11]

By late autumn 1920 the outlook for Southern agriculture was extremely bleak. In a region 74% rural the impact of the farm depression was especially severe. Caught between relentless forces they did not understand, Southern farmers fought back with weapons that they did understand, the knife and the torch. Nightriders appeared throughout the South warning farmers not to pick and buyers not to gin until the price of cotton reached 40 cents. Rarely giving direct threats, the terrorists instead left a symbolic box of matches with the offender.[12]

When threats failed, violence frequently followed. Nightriders left the Earle Compress Company in Earle, Arkansas, a pile of smoldering ashes after that company persisted in ginning. The fire destroyed fifty-six hundred bales of cotton worth six hundred thousand dollars. Taylor and Bernett in Hanceville, Albama, was also put to the torch for refusing to cease operations. Several gins in Atlanta hired armed guards after a rash of burnings struck the gins in that city. Five men were killed in North Carolina when a bomb exploded in the boiler of a gin that had refused to close. Fear of marauding farmers caused warehousemen in Owensboro, Kentucky, to refuse to receive cotton until prices improved. The tobacco auctions in Lexington, Kentucky, ended in a riot with producers drawing knives on buyers who did not offer what the farmers considered a fair price, and nightriders thundered through Bath and Fleming counties, Kentucky, in late January threatening farmers with fire if they hauled their tobacco to market.[13]

The Southern economy, heavily dependent upon agriculture, was plainly facing a most severe crisis. The historic cotton cycle had once again run its course bringing economic disaster to the land and its people. The tremendous success of 1919 stimulated a sharp increase in production, as good staple prices always had done. The overburdened market collapsed, and Southerners, who had gone more deeply into debt than usual to finance the planting of the 1920 crop, found themselves caught once again in a credit squeeze. Competition from foreign producers was growing sharper, and the boll weevil loomed as a deadly menace. Other Southern staples were also coming under severe pressure. The Louisiana sugar plantations, in decline for several decades, continued to lose ground. Rice and tobacco were both burdened with enormous surpluses which had already destroyed the 1920 prices and threatened to undercut the 1921 price as well. With this sort of situation at home, the Southern Congressional delegation assembled in April, 1921, for a special session of the 67th Congress.

FOOTNOTES

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13 Gilbert Fite, George Peek and the Fight for Farm Parity (Norman, 1954), 20. Shideler, Farm Crisis, 49. New York Times, October 7, 1920, 1; October 16, 1920, 23; December 10, 1920, 5; January 24, 1921, 1.

The Divided Mind of the South

With the election of Woodrow Wilson in 1912 Southerners, for the first time since secession, found themselves "in the house of their fathers."[1] During the eight years of the Wilson presidency they held prominent leadership positions and profoundly affected the course of the New Freedom.[2] But in 1920 the Republican Party swept back into power, riding the crest of one of the most overwhelming victories in American political history. The Democrats could hold only thirty-seven seats in the Senate and one hundred thirty-one in the House. Plainly Southerners would not figure as conspicuously in the new Administration as they had under Wilson, but for two reasons they remained an important part of the power configuration. First of all the small number of Democratic Congressmen gave the staunchly Democratic South virtual control of one of the two major parties. Southerners occupied twenty-two of the thirty-seven Democratic seats in the Senate and ninety-eight of the one hundred thirty-one Democratic seats in the House. The leaders of the respective caucuses were Senator Oscar W. Underwood of Alabama and Congressman Claude Kitchin of North Carolina. When Kitchen's poor health forced him to be absent for a long period, Finis Garrett of Tennessee and John Nancy Garner of Texas replaced him in the House leadership.[3]

Control of the party machinery in Congress enabled Southerners to cluster themselves around the pressure points that would shape the kinds of legislation in which the South was interested. In the Senate they occupied five of the six minority places on the Agriculture and Forestry Committee, and in the House, three of the six minority places on the Agriculture Committee, five of six on Banking and Currency, two of four on Rules, and six of eight on Ways and Means. As a result Southerners often had an important voice on committees that passed on legislation concerning the farmer.[4]

Yet Southerners were deeply uncertain as to how best to deal with the agricultural crisis. Southern political thinking in the 1920s was arranged along a continuum, The extremes were set by two of the major trends in post-Reconstruction politics, the radical agrarian movement and the ideal of the "New South." The Agrarians believed it was the duty of government to intervene directly in the economic shpere to protect groups that were being exploited. For Southerners, this primarily meant farmers. The South remained overwhelmingly rural, and most Southerners had little concern for the grave social problems brought on by industrialization and urbanization.[5]

The advocates of a "New South" were also convinced that government had a role to play in the economy, but they felt its resources should be used to encourage industrial growth and development. Equating business with progress, they took a viewpoint similar to that of Eastern businessmen. They wanted the South to turn away from the agricultural past and to place its faith in an industrial economy. As Monroe Billington observes, ". . . the term 'New South' became the equivalent of 'industrial South'."[6]

Few Southerners in 1921 stood at either limit of this continuum. The New South impulse had been blunted by the "Wilsonizing" which the Southern Democratic Party underwent during its years in power. Southern progressives had been instrumental in securing Wilson's nomination, and his election was a boost for the forces of liberalism in the South. Conservative Southerners found it awkward to oppose Wilson once he reached the White House because of the need for a party record of achievement, the pressure of party regularity, and their need of patronage. Only by cooperating with Wilson could Southerners refurbish the political image of the South and secure the benefits of being the majority party.[7]

At the same time, however, the President was unwilling to risk his legislative program by attempting a purge of Southern Congressional leaders. The party thus continued to have a fundamentally conservative power structure. Moreover the South in the days after World War I was experiencing, in Dewey Grantham's words, "an increasing faith in industrial progress." This renewed confidence in the "business ethic" prompted many Southern farm groups to seek a "business-like" solution to the problems of Southern agriculture. They hoped to solve the woes of the farmer with the tools of business. Theodore Saloutos writes, "The businessman's and the industrialist's philosophy of how to run an establishment had been injected into the farm problem . . . ."[8]

The leadership of Woodrow Wilson had gently nudged the center of gravity of the Southern Democratic Party to the left. But the impact of Wilson's efforts was countered by a post-war resurgence of the New South spirit. The net result of this interaction was to temper the extremes of Southern politics and to crowd Southern Congressmen toward the middle of the continuum. The New Southerners frequently joined in supporting legislation favorable to agriculture, while the heirs of the radical tradition, the Agricultural Reformers, often showed sympathy for the cause of Southern industry.

The differences between these two groups were more of degree than of substance. Indeed these were not discrete political factions, but rather two general attitudes, common to many Southerners, that helped to shape the way they perceived the domestic problems of the 1920s. Because most of them were receptive to both traditions, it is difficult to identify specific congressmen with either of these outlooks. Men like Senator Duncan Fletcher of Florida, Senator Morris Sheppard of Texas, and Senator Thaddeus Caraway of Arkansas had acquired well-earned reputations as friends of the farmer, but even they occasionally deserted to the cause of business. Representative James B. Aswell of Louisiana was a stout advocate of the New South, but he served on the House Agriculture Committee and played a major role in forming the farm program of the early twenties. The majority of Southerners in Congress, as represented by such men as Furnifold Simmons of North Carolina, Senator Claude Swanson of Virginia, and Senator Joseph Robinson of Arkansas, were grouped closer to the center of the continuum, their votes changing with the issue and the conditions in their home states.

The distinction between Agricultural Reformer and New Southerner was, then, far from being a rigid one. Each had some degree of appeal for virtually every Southern politician. The Agrarian themes were still popular among Southerners at all points along the continuum, and the pages of the Congressional Record are dotted with angry attacks upon the old enemies. Senator J. Thomas Heflin of Alabama characterized

Wall Street as a ". . . vampire that seizes upon the agriculture industry and sucking its lifeblood is getting all the money it wants." Senator Furnifold Simmons repeatedly charged the "outrageous restrictions" the Federal Reserve Board placed upon credit with destroying Southern farmers. Southerners blamed the Federal Reserve Board for failing to alleviate the tight money situation, and Ellison D. Smith's rather quixotic crusade to put a "dirt farmer" on the Board won a great deal of backing. High freight rates and the manipulations of speculators also were sometimes blamed for the violent fluctuations in cotton prices and the farmer's continued inability to break the cotton cycle.[9]

Southerners of both viewpoints also continued, with some justification, to blame the exchanges for the low prices of cotton. Cotton was priced on the basis of quality with "middlin" set as the standard. Over the years exchange buyers occasionally downgraded their assessment of a farmer's crop, thus lowering the price the exchange had to pay him for it. A Cotton Futures Act passed during the Wilson Administration had helped to eliminate such abuses in the futures market, but the law did not apply to "spot" transactions. On February 5, 1923, Congress passed the Cotton Standards Act drawn up by Congressman Hampton Fulmer of South Carolina. This act established federal standards for "spot" cotton and permitted farmers dissatisfied with the grading of their crop to appeal to a federal examiner.[10]

The virtues of a lower tariff was another Agrarian theme that remained a popular position among Southern politicians. No matter how vigorously they played the logrolling game of tariff revision, Southerners still paid lip service to downward reform and voted overwhelmingly against the final bill. Southern representatives voted 17-70 against the Fordney Emergency Tariff in 1921 and 15-88 against the Fordney-McCumber Tariff of 1922. Southern senators cast three votes for the Emergency Tariff and two votes for the Fordney-McCumber Tariff.[11]

If no Southerner was completely impervious to the agrarian tradition, by the same token some aspects of the "New South" appealed to even the staunchest Reformer. As a consequence, men of both persuasions sometimes took stands that advanced the "New South" at the expense of agricultural reform. A judicious concern for the businessmen of the "New South" prompted the first significant break between the South and the Farm Bloc. In the spring of 1921, Senator George W. Norris presented a plan to improve the prices of farm products by extending credit to European purchasers of American surpluses. Norris suggested a one hundred million dollar public export corporation to buy the surpluses for cash and then sell them overseas to persons not buying through existing credit institutions. Southerners opposed the bill at least partly because they feared it would revive foreign textile plants and make them competitive with their plants. The Harding Administration was able to exploit this weakness in the bloc and thereby replace the Norris bill (S. 1215) with the more conservative and less effective Kellogg substitute.[12]

A similar interest in local industry caused Duncan Fletcher to oppose an increase in the tobacco schedule of the tariff because it would raise the prices Tampa cigar factories paid for their raw materials. The Tampa cigar makers were using imported Cuban tobacco, which was cheaper than tobacco grown in the state of Florida. The Florida

Tobacco Growers Association hoped to end this practice by raising the duty on the Cuban import. Deaf to the pleas of the growers, Fletcher sided with the manufacturers and appeared with their representatives at the tariff hearings held before the Senate Finance Committee.[13]

Clearly both the Rural South and the New South had considerable influence upon Southern Congressmen. Not surprisingly, therefore, the Southern response to the agriculture crisis represented a blend of the two traditions. Drawing on the farmer unrest of the late nineteenth century and the concepts of government regulation established under the New Freedom, the South sought to construct a farm program that would function in a "business-like" manner. Southern legislators thus became more concerned with improving the credit and marketing apparatus already available to the farmer than with bringing about a fundamental reassessment of the agriculture policy of the United States.

During the early twenties, Congress finally enacted one of the most treasured goals of the Agricultural Reformers, a bill extending long-term credit to farmers. Every important farm group that had arisen in the South since the days of Ben Tillman had emphasized the need for credit on easier terms over longer periods. Congress had taken steps to satisfy these demands during the Wilson Administration, but many Southerners hoped to broaden and expand these new facilities. Yet if Southerners drew upon their agrarian heritage in advocating this type of legislation, they were also determined that it be established and administered in an "efficient" manner. The Agrarian tradition bore the germ of the idea, but the business ethic shaped its application and its limits.

These two considerations were paramount in determining the Southern response to the Emergency Agricultural Credits Act of 1921. Some of the more ardent agricultural reformers such as Duncan Fletcher and Joseph Ransdell preferred the Norris proposal for an export corporation to finance marketing overseas, but most Southerners were happy to accept the Kellogg substitute which the Harding Administration offered as a means to side-track Norris's far-reaching plan. The Kellogg substitute was based primarily upon the expansion and extension of the War Finance Corporation. It was primarily a credit-relief and orderly marketing scheme and was much more compatible with Southern sentiments than the surplus disposal and price-support arrangement offered by Norris.[14]

The Agricultural Reformers hailed the passage of this tepid piece of legislation as the deliverance of Southern agriculture. Ellison Durant Smith, already proudly bearing the nickname "Cotton Ed," called it the "best solution that has been presented to this Congress for the immediate relief of the distressing conditions that confront agriculture." William J. Harris stated his certainty that ". . . a bill has never passed Congress that will give greater relief to the farmers and merchants and bankers of the country." Other senators, including Thaddeus Caraway of Arkansas, Furnifold Simmons of North Carolina, and Park Trammell of Florida, expressed their delight with section 24, the provision enlarging the operations of the WFC in the area of farming.[15]

In the House, Southerners strongly backed two amendments designed to further ease credit. The first, a proposal to allow the WFC to make direct loans to individuals, had little chance, but Southerners staged a strong fight to permit WFC loans to foreign governments who sought to buy American farm products. The South, which sold sixty-five percent of its farm products abroad, had a clear interest in this amendment, and voted 79-5 on a motion to recommit the bill with instructions to add the provision. The motion was defeated 137-198.[16]

As Theodore Saloutos points out, Southerners were quite satisfied with the Emergency Agriculture Credits Act, because it embodied substantially all the legislation most of them wanted. The bill addressed itself to one of the great needs of Southern farmers, but simultaneously showed a "business-like" concern for efficiency and sound financial management. The conservative practices of the business interests were in this fashion wedded to the need for agricultural reform.[17]

The Southern reaction to two amendments to the Federal Farm Loan Act also reflects their concern for a "business-like" approach to agricultural reform. The first one boosted the interest rates on the bonds issued by the Farm Loan Board. The action was taken largely because Secretary of the Treasury Andrew Mellon had raised the interest rates on bonds issued by the Treasury Department, and thus the Loan Board bonds were no longer competitive. Some Southerners grumbled that the higher rates amounted to little more than "a bill for the relief of the New England investor," but most of them fell willingly into line. Congressman Henry Steagall of Alabama caught the tenor of the debate when he described the readjustment as "simply a practical common-sense business proposition."[18]

Southerners were also active in support of the second amendment, an attempt to increase the revolving fund of the Federal Land Banks.

The original act had allocated six million dollars to serve as a loan source, but the demand had completely outstripped this meager sum. The Farm Bloc wanted to raise the amount to fifty million. The bill easily passed the Senate, but it encountered stiff opposition in the House. The South, a region that depended heavily upon the government to supplement its own limited credit reserves, stubbornly fought efforts to cut the appropriation in half. Indeed some of the more stalwart Agricultural Reformers like Steagall and Percy Quin of Mississippi suggested the amount should be one hundred million rather than fifty million. Southerners voted 7-85 against the amendment to cut the appropriation, but it passed 219-104. As with the Emergency Credits Act, the South supported these two amendments largely to secure a more efficient functioning of the Wilsonian system.[19]

The dual nature of the Southern approach to the farm crisis was most pointedly exposed by the long and complicated maneuverings that produced the Intermediate Agricultural Credits Act, the capstone of the drive for agricultural reform. Several bills designed to provide easier credit to the farmer were introduced late in 1922. Of these, Southerners, by and large, preferred the Norbeck-Nelson bill which would authorize the WFC to extend two-hundred fifty million dollars in credits to assist the sale of American farm products abroad. This bill faced tough administration opposition, however, and the Farm Bloc decided to center its efforts around the Lenroot-Anderson bill.[20]

Most Southern amendments to the various forms of this bill involved attempts to expand its provisions. One version, introduced by Senator Arthur Capper of Kansas, lengthened the rediscount period of agriculture paper to nine months, but several Southerners wanted a twelve-month period of maturity. "Cotton Ed" Smith presented an amendment providing for a twelve-month period, but it was defeated 33-36. The South supported it 15-4.[21]

Southerners were also eager for a wider definition of collateral, and those who opposed the final bill did so mainly out of dissatisfaction on this point. Senator Simmons sharply attacked the restrictions placed upon the use of warehouse receipts as collateral for loans. The bill permitted banks to make loans only on receipts for non-perishable goods. As a consequence of this, according to Simmons, banks could not make loans to grow crops, nor could they base loans on land, equipment, or personal integrity. Even agriculture paper would be unacceptable unless secured by warehouse receipts. Simmons offered an amendment dealing with these criticisms, but it was rejected. A similar amendment by Park Trammell of Florida to permit farmers to borrow up to fifty percent of the value of real estate secured by a mortgage was also defeated 23-47 despite a 14-0 Southern vote. Simmons was disappointed in the final version, and he and six other Southerners voted against it.[22]

Senator Pat Harrison of Mississippi proposed a sweeping amendment to increase vastly the operations of the WFC. He sought to authorize the commission to make loans to foreigners who wished to buy American commodities, to enable it to purchase directly from individuals, and to permit it to take the notes of individuals. The amendment lost 21-40, but it received eight votes from the South, reflecting that region's continuing infatuation with contrivances to encourage orderly marketing.[23]

The Intermediate Agricultural Credits Act marked the fulfillment of the Wilson farm program. The farmers' long campaign for credit, launched in the 1890s with the fight for the subtreasury scheme, was at last complete. As Frederic Paxson has written, "Short of lending public money unsecured by prudential collateral the gap in the banking structure was for the time filled." In a real sense, the bill was a hybrid of the concepts of agricultural reform and the New South. The problems of Southern agriculture were to be solved by making the cotton farmer a "businessman." Beyond this rather limited legislation, very few Southerners of either persuasion were willing to go. Congress had erected an elaborate mechanism that fulfilled the credit needs of the farmers. It had done all it could short of initiating major federal intervention in the farm economy. President Harding himself pronounced the benediction:

> . . . there is thus created at last a complete farm credits system which . . . will be capable of furnishing the American farmers, for the first time in the history of agriculture in any country, adequate investment and working capital on terms as favorable as those accorded to commerce and industry.[24]

The Intermediate Agricultural Credits Act is a watershed in the Southern response to the agricultural legislation of the 1920s. Uniting agricultural concerns with business methods, it drew almost solid support from the Southern delegation. The act represented an equilibrium between the Agrarian and the New South philosophies. In 1924, however, two bills were introduced in Congress which challenged this equilibrium. These bills, Norbeck-Burtness and McNary-Haugen, were based on the idea that the power of the government should be used to produce changes in the farm economy. The farm program advocated by most Southerners sought to use the resources of government to reinforce and to make more equitable the existing system, not to attempt to guide it in new directions. The Norbeck-Burtness and McNary-Haugen bills were a strong departure from this limited view of government action, too strong for most Southerners to accept. The New Southerners did not approve of this type of government intervention in the farm economy, and the Agricultural Reformers, enchanted by the notion of a "business-like" solution to the farm problem, were also unwilling to support it. As a result, the Southern delegation in both the House and the Senate stood firmly against these bills. The lack of Southern support was perhaps the most important single factor in their defeat.

The Norbeck-Burtness bill was introduced in the Senate early in 1924. It proposed to use fifty million dollars in government loans to encourage diversified farming in the single-crop wheat regions of the Northwest. Government loans had always been quite palatable to credit-hungry Southerners, but under the provisions of this bill, the loans, and the refusal to grant them, would be used as a carrot and stick to prod farmers into planting other crops besides wheat. Southerners were in an uproar from the moment the committee reported the bill. One of the leaders of the Agricultural Reformers, Senator Duncan Fletcher, warned

> It is going to the extreme limit of any power we may have, if indeed it does not transcend any authority that vests in Congress, to make appropriations for the purposes named in the bill. It is too much like a sort of patronizing generosity extended toward particular interests or an industry, a generosity in the use of other people's money. The Congress has no right to appropriate the money of the taxpayers of the country in order to serve some particular local interest.

Instead Fletcher urged that government, ". . . simply provide the machinery for them /_the farmers/ to serve themselves and accomplish good through their own efforts, unhampered and not discriminated against." He concluded with the somber admonition, "I think we are launched upon an extreme effort to accomplish things by legislation which in my judgment can never be accomplished.[25]

The conservative Nathaniel Dial of South Carolina attacked the bill in language strikingly similar to Fletcher's. He described the proposal as "paternalism run mad," calling it "unsound," "dangerous," and "unconstitutional." Dial was confident that the agricultural credits legislation and the WFC were adequate to meet any farm emergency. "What the farmer needs," he explained tartly, "if I may be allowed to say so, is not so much regulatory laws as to be let alone and to have no unjust legislation pressing down upon the price of the commodity he grows."[26]

Southerners, led by Pat Harrison, repeatedly tried to defeat the bill by attaching unacceptable amendments to it. This mainly involved an effort to enlarge the bill to encourage diversification in all one-crop areas. It is a measure of the opposition to the principle behind Norbeck-Burtness that Southerners voted only 8-6 in favor of this amendment despite its obvious appeal to cotton farmers. On the final vote Southerners stood 3-15 against the bill, which lost, 32-41. Without Southern support the West could not overcome the opposition from the industrial states.[27]

Shortly after the Senate disposed of the Norbeck bill, the House began debate on one of the most important pieces of legislation to appear in the 1920s, the McNary-Haugen bill. Introduced five times during the next four years, the battle over McNary-Haugenism became the focal point of American politics in the latter half of the decade. But in 1924, it was still a new and, some thought, radical proposal. George Peek and Hugh Johnson of the Moline Plow Company were the originators of the idea. They suggested that a government export corporation be established to buy up specified agricultural commodities on a scale designed to bring the domestic price up to a ratio-price. This price was set by comparing the price of the commodity to the overall price level in the period just prior to World War I and then setting the new price for that commodity so that it bore the same ratio to the current overall price level. Government authority, in essence, would be used for price-fixing.[28]

As originally proposed, the bill included cotton on the list of crops to be assisted, but a caucus of Southern Congressmen led by the powerful James B. Aswell of Louisiana voted unanimously to ask that it be deleted. Cotton farmers were again prosperous in 1924, and cotton was selling above the projected ratio-price. The first McNary-Haugen bill had very little appeal to Southern agriculture.[29]

It seems doubtful, however, that any kind of concessions to the South could have disrupted the almost hysterical campaign Southerners waged against the measure. Aswell, who as the ranking Democrat on the Agriculture Committee acted as floor leader for the opposition, shrilly described McNary-Haugenism as the beginning of the inexorable descent into socialism:

> It would set the precedent of socializing and nationalizing the industry of agriculture, which would lead directly to the nationalization of all industry including the railroad, overriding economic laws by statutory laws and thus place our Government squarely in the class of the bolshevistic Government of Russia, which has disappointed the Russian people and is now collapsing. . . . I have been forced to the deliberate judgment that this bill is unsound, unworkable, full of Bolshevism, purely socialistic, indefensibly communistic.[30]

Other Southerners, if less emotional, were hardly more constructive. Congressman Thomas Blanton of Texas delivered the observation that the ideal solution was to place a low tariff on goods the farmer bought and a high tariff on the things he produced. Congressman Joseph Deal, on the other hand, blithely reassured the House that no emergency whatsoever existed in agriculture. The only problem, Deal said, was overproduction and the solution, of course, was simple. "The logical policy," he asserted, "is to stop raising that which is overproduced and apply the efforts in a more remunerative field."[31]

As an alternative to McNary-Haugen, the South offered the Curtis-Aswell bill. This was essentially a garden-variety cooperative marketing measure, a type of legislation frequently introduced during the early and mid-twenties. It was based on a plan for the relief of agriculture drawn up by a New York businessman named B. F. Yoakum. Aswell, one of the leaders of the New Southerners, assured the House Committee on Agriculture:

> It does not propose a temporary artificial price fixing scheme. Its proposals are sane, based on sound business principles. It in no way breathes the spirit of communism. It would not put the Government into business, but would enable the farmers to organize and successfully transact their own business.

The Curtis-Aswell bill was primarily introduced to draw attention from McNary-Haugen. It had little merit and after the latter's defeat simply vanished in the legislative shuffle.[32]

Just as with the vote on the Norbeck-Burtness bill in the Senate, Southerners played an important part in the defeat of McNary-Haugen. The measure lost 155-223 with the South voting 11-77 against it. Still quite satisfied with the Intermediate Agricultural Credits Act, neither Southerners who supported agricultural reform nor those who championed the New South were ready to move beyond such narrow legislation. McNary-Haugen, like Norbeck-Burtness, was based on a concept of government authority that the South was barely beginning to accept. Their reluctance disrupted the vital but precarious alliance with the West and sent both measures to defeat.[33]

The principal result of this business-agrarian dualism in Southern thinking was to weaken the Farm Bloc and thwart any truly significant legislation that could help the farmer. The South was willing to unite with the West to secure measures that would expand credit or provide for orderly marketing facilities, but they continued to insist that the only legitimate role for government was to make available to the farmer the tools that would enable him to run his farm like a business. Surplus-disposal and price-fixing schemes involved efforts, not to make the economy more efficient, but to reshape it. This was a use of government power that few Southerners of either persuasion were ready to accept in 1924. The West was much more willing to move in this direction, but it could not pass such measures without Southern votes. Southern recalcitrance split the Farm Bloc and weakened its ability to secure the kinds of legislation needed to meet the farm crisis.

A few Southerners did support the Norris proposal for an export corporation, but most of them did not, partly because of their notions of limited government and partly because of their concern for local textile mills. The Norbeck-Burtness bill and McNary-Haugen bill were both defeated largely because of Southern opposition. Here again their objections were based upon their belief that these proposals unjustifiably used the power of government to alter the economy. Moreover, when the Norbeck and McNary-Haugen proposals were defeated in 1924, the price of cotton was nearly twenty-five cents per pound, and Southerners had little reason to question the conservative policy which apparently had worked so well.

As early as 1924, then, such astute observers as Secretary of Agriculture Henry C. Wallace already realized that the Farm Bloc, despite all the controversy that surrounded it, had failed to meet the heart of the farm problem. Instead of seeking the roots of the crisis, it had contented itself with treating its symptoms. Historians of the period generally concur in Wallace's assessment. Arthur Link has noted that while the Farm Bloc greatly strengthened the agriculture program begun by the Wilson Administration, the bloc's overall program was based upon strictly short-term measures. Gilbert C. Fite, the leading student of twentieth century American agriculture, is blunter. The legislation passed in the early twenties, he says, "did very little to relieve the basic difficulties confronting agriculture." Southerners, of course, do not deserve all the blame for this failure, but the divided mind of the post-war South was clearly a vital factor in the inability of Congress to respond adequately to the needs of the American farmer.[34]

The Southern approach to the agricultural crisis of the early twenties was deeply influenced by two political traditions that had been prominent in the South since the end of Reconstruction. The first of these was the Agrarian movement and its central tenet that government had an obligation to intervene in the economy to protect groups that were being exploited. The second was the New South ideal of industrial growth and development with the businessman representing the social hero. Both of these concepts were modified during the Wilson years. The President's leadership did much to encourage Southern liberalism, but his willingness to work with, rather than to attempt to purge, the existing leadership left the Southern Democratic Party in fundamentally conservative hands.

During the early twenties, most Southerners nursed a divided allegiance to the causes of agricultural reform and the New South. Both concepts had a varying appeal for virtually every member of the Southern delegation. Not surprisingly, the kind of legislation Southerners advocated as a solution to the farm problem was a blend of these two viewpoints. Southerners wanted to use the government to make the tools of business available to the farmer. This was achieved with the passage of the Intermediate Agricultural Credits Act in 1923. Southerners opposed, however, attempts to use government power to influence the operation of the economic network itself. Easier credit and orderly marketing laws merely extended the privileges of the system to everyone, but federal price-fixing and surplus disposal involved dangerous tampering with the workings of the apparatus. The South refused to cooperate with Western proposals to expand government authority into these last two areas. Their refusal split the Farm Bloc and destroyed any chance for meaningful legislation to meet the farm problem.

FOOTNOTES

[1] Tindall, New South, 3.

[2] Arthur S. Link, "The South and the New Freedom," American Scholar, XX (Summer, 1951), 314-24.

[3] Congressional Directory, 67 Congress, 1 Session, 129-30, 131-38 (May, 1921). Bascom Timmons, Garner of Texas (New York, 1948), 87-88. New York Times, March 5, 1921, 6.

[4] Congressional Directory, 182, 197-207.

[5] Link, "The South and the New Freedom," 316-17.

[6] Monroe Lee Billington, The American South: A Brief History (New York, 1971), 250-55.

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[13] United States Senate, Hearings before the Committee of Finance of the United States Senate on the Proposed Tariff Act of 1921, Schedule 6, Tobacco and Manufactures of, 67 Congress, 1 Session, 1921, 2510-14.

[14] Shideler, Farm Crisis, 159-60. Congressional Record, 67 Congress, 1 Session, 4245, 4309.

[15] Congressional Record, 67 Congress, 1 Session, 4165, 4345, 4530, 4533, 4567, 4640.

16 Congressional Record, 67 Congress, 1 Session, 4966, 4968-9, 4973, 5084, 5448.

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19 Congressional Record, 67 Congress, 1 Session, 2990, 3042-4, 3055.

20 Shideler, Farm Crisis, 182, Congressional Record, 67 Congress, 4 Session, 1802, 1807.

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25 Shideler, Farm Crisis, 269. Congressional Record, 68 Congress, 1 Session, 3470-1. New York Times, March 4, 1924, 16.

26 Congressional Record, 68 Congress, 1 Session, 3601-4.

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28 Murray R. Benedict, Farm Policies of the United States, 1790-1950: A Study of Their Origins and Development (New York, 1953), 213.

29 Fite, George Peek, 64.

30 Congressional Record, 68 Congress, 1 Session, 9200-02.

31 Congressional Record, 68 Congress, 1 Session, 9933, 10059.

32 Fite, George Peek, 89-90. United States House of Representatives, "Curtis-Aswell Cooperative Marketing Bill," Hearings before the Committee on Agriculture of the United States House of Representatives, 68 Congress, 1 Session, 30-1, 35.

33 Saloutos, Farmer Movements, 265-6. Congressional Record, 68 Congress, 1 Session, 10340-1.

34 Henry C. Wallace, Our Debt and Duty to the Farmer (New York and London, 1925), 102. Arthur S. Link, American Epoch: A History of the United States since the 1890's (New York, 1967), II, 328. Fite, George Peek, 17.

The South and McNary-Haugenism

If the first half of the 1920s gave Southerners reason for stout optimism concerning the future of agriculture, then the second half of the decade brought again bitter failure and deep self-questioning. Between September 8 and October 7, 1926, the price of cotton plummetted thirty dollars per bale on the Oklahoma City Exchange. While the 1925 crop had returned twenty cents per pound, the 1926 crop drew barely half that amount. The cost of production was approximately fifteen cents per pound, putting cotton farmers in the red for the third time in seven years. Economists estimated the producers would need an average price of 18.5 cents for their income to equal that of the previous year, but the 1926 crop averaged only 12.47 cents.[1]

The seemingly endless cotton cycle had once more betrayed the superficiality of Southern prosperity. The good price of 1925 stimulated over-production in 1926, and the satiated market collapsed. Prospects for a prompt recovery were bleak. In February, 1927, a United States Department of Agriculture Miscellaneous Circular warned, "a burdensome supply of American cotton for the next twelve to eighteen months seems inevitable." Despite the elaborate credit arrangement erected by Congress, the department indicated that cotton farmers could anticipate considerable difficulty in securing loans, and flatly predicted disaster in the event of another year of over-production.[2]

The depressed cotton market boded ill for the South's other major staple product, tobacco. Many farmers, ruined by cotton in 1926, were apt to turn to tobacco in 1927. The same Department of Agriculture circular which warned so sternly against over-production in cotton also observed, ". . . it would seem that the stage is set for a landslide from cotton to tobacco in 1927." Tobacco was already having over-production problems of its own and a large shift to that crop would destroy the delicate balance in the market. The department expected serious problems in this regard and predicted over-production in eight of the nine types grown in the United States.[3]

In February of 1927 Congress passed the McNary-Haugen bill for the first time. Support from the Southern delegation was the difference between defeat in 1926 and victory in 1927. Yet the South remained deeply divided over the measure. Southern representatives approved it only sixty to forty, and Southern senators only eleven to nine. Repeatedly during the debate Southerners expressed their reluctance to accept this proposal. They rallied behind it largely because something had to be done, and McNary-Haugenism was the only standard in the field. One of the earliest and most willing converts, Congressman Hampton Fulmer of South Carolina, hinted at this in 1926, when he reversed his earlier opposition to the bill, stating,

> Had we passed this kind of legislation, as under the Haugen bill, so as to have been ready, then when cotton began to decline, and when it had gone below a fair price the farmers could have made agreement with the cooperatives or a buying and selling agency would have stepped into the market. . . .[4]

Others were decidedly more reluctant to make the switch. Senator Morris Sheppard of Texas fought the 1926 version but, confronted with the disastrous state of Southern agriculture, and the failure of the relief system he had played an active part in constructing, voted for the 1927 bill explaining, "Whatever doubt I still have as to its effectiveness I shall resolve in its behalf. The hour calls for action." His Texas colleague Senator Earle B. Mayfield also lamented his earlier opposition to the bill:

> If the McNary-Haugen bill had been the law last September, the board undoubtedly would have retired a sufficient volume of surplus cotton to have removed the pressure upon the market, and cotton would probably not have sold below sixteen cents a pound, and the farmers and businessmen of the South would not be in the terrible financial distress in which they find themselves.

Congressman Eugene Black told the House of a similar conversion:

> Two times I have voted against the McNary-Haugen bill because I had hoped that this situation would be corrected without the intervention of the government. I voted against it because I hesitated to cast my vote for the government to embark upon this uncharted sea. But the situation has not improved.[5]

Such unwilling support can be highly volatile, and many Southerners voted for McNary-Haugenism only after attempts to delay or replace it had failed. This was especially true in the House, where John Aswell continued his implacable opposition. He excoriated the 1926 bill as "uneconomic, unsound, and socialistic legislation," and portrayed the 1928 bill as the "most wicked" of the five Haugen bills, giving the proposed board "monstrous, bureaucratic, and autocratic powers." As floor leader of the opposition, Aswell conducted a skillful and effective campaign against the measure.[6]

Thus in 1927 McNary-Haugen did not come to a vote until the bill's proponents had successfully negotiated a series of parliamentary hurdles designed to delay consideration of the measure until the Sixty-ninth

Congress expired on March 3. These Fabian tactics were virtually the only ones available to opponents because, as they were well aware, they did not have the votes to win a showdown on the issue. Their last ditch effort came before a packed gallery in the late afternoon of February 17. The House had been considering the bill in the Committee of the Whole and rose to report S. 4808 to the entire chamber. As the formal body convened, the opponents seized the floor and moved for adjournment. On a roll call vote, unusual for a procedural question, the House defeated the motion 171-198. For this critical test of support for the bill, Southerners split 47-50. As a last gambit, Aswell offered a cooperative marketing amendment as a substitute for the bill. The McNary-Haugenism forces held firm, and the substitute was defeated 175-215. Southerners again defected in large numbers, voting 55-45 in favor of it. At 9:30 that evening the House passed the McNary-Haugen bill to the delight of a partisan, cheering gallery. The Southern delegation, which had rejected the motion to adjourn the House by only 3 votes, and embraced the Aswell substitute by 10, approved the bill itself by a 20-vote margin, 60-40.[7]

Again in 1928 Aswell was able to exploit the fundamental Southern opposition to the bill and this time very nearly brought it to grief with some astute parliamentary maneuvering. Before the House votes upon a bill, it is read section by section for amendment. After the reading of the first section Aswell moved to strike it out and to substitute what amounted to a separate bill. Aswell's proposal was similar to the Haugen bill but did not contain provisions for marketing agreements or equalization fees. Catching the Haugenites off guard, the Aswell substitute carried 141-120. This stratagem considerably complicated the situation because the question before the House now involved two antagonistic and possibly inseparable bills. After substantial debate on the inevitable point of order, the speaker finally ruled that Aswell would now have to move to strike out each section of the Haugen bill as it was read. Alarmed by their unexpected loss on the first vote, the Haugenites stiffened and defeated each of Aswell's subsequent amendments.

The Aswell and Haugen bills, therefore, remained side by side in the final version as it stood before the House. At this juncture members may ask for a separate vote on any amendment to the original bill, and Aswell demanded a separate vote on his amendment. The amendment lost 146-185, but Southerners, by a vote of 45-38, opted for the Aswell substitute over the McNary-Haugen bill.[8]

The Senate, traditional stronghold for the Agricultural Reformers, was only slightly less antagonistic toward the bill. In 1927, when McNary-Haugen first passed the Senate, Southerners divided on the question 11-9. Moreover, the 16-3 vote Southerners gave in favor of the 1928 bill is misleading because many senators voted for it in anticipation of a presidential veto. This covert opposition is suggested by the diminished Southern support for the motion to override that veto. The South voted 14-4 in favor of the motion, but there were four absentees on what had promised to be a close and important roll call. One senator, Duncan Fletcher, switched sides.[9]

Southerners were indifferent to the fate of the McNary-Haugen bill because the most controversial parts of the measure were of little value to cotton farmers. McNary-Haugenism was based on a two-price system, a domestic or "American" price and the price on the world market. A government corporation would buy crop surpluses at the American price and then "dump" them abroad at the world price. The corporation's loss was to be compensated by the equalization fee, a tax on each unit of the commodity brought to market. A two-price system was worthless to cotton producers, who already sold two-thirds of their product on the world market. Southerners were much more interested in the bill's provisions for orderly marketing, but political considerations forced them to accept the equalization fee also. As C. O. Moser, general manager of the American Cotton Growers Exchange, wrote,

> The Mid-Western group are unalterably opposed to any kind of a loan plan. It appears that they are accepting nothing except the equalization fee with the right to raise the American price of food stuffs to the world price, plus the tariff, to what they designate an American price. Of course, in cotton we have no such views. We only want to take off of the market temporarily unneeded surpluses, and are not thinking of the American price as being higher than the world price. . . . However, we are in this difficult position. . . . and that is, we can get no legislation that will be of any great benefit to us if, at the same time, wheat is not benefitted equally, and the Mid-Western farmers claim that nothing will help wheat except an effective tariff added to the world price. You will, therefore, observe that we are in a most embarrassing position. They do not want a loan bill and say it will not serve their purpose--we can not get anything less without their approval and the support of their legislative representatives.[10]

The McNary-Haugen bill was an effort to make the tariff effective for American farm products, but its basic mechanism, the equalization fee, would not achieve this for a commodity like cotton, which was raised primarily for export. As a result Southerners took little interest in the bill. The South rallied solidly, however, behind efforts to insert an export debenture provision into the 1929 Agricultural Marketing bill.

This scheme was also designed to extend tariff protection to farm products, but, unlike the equalization fee, it would also work for export crops. An export debenture system for American farmers was first suggested by Professor Charles L. Stewart of Illinois. He proposed that exporters be given government debentures with a face value equal to all or part of the difference between the value of the commodity in the world market and a domestic value amounting to the world market value plus the tariff. The exporter would be able to sell these debentures to importers of foreign goods, and the importers could present the debentures as payment for the tariff. Theoretically, exporters would then be able to pay above world market prices for exportable surpluses to the extent of the debenture.[11]

The export debenture received nearly unanimous support from the Southern delegation because, quite unintentionally, it amounted to a compromise between the two Southern political attitudes. For the New Southerners, the plan, constructed around import duties, seemed to give tacit approval to the principle of the protective tariff. At the same time, it spoke to the old agrarian complaint about buying in a protected market and selling in an unprotected one. In pressing the debate for the debenture provisions, Southerners almost invariably touched on both of these themes.

Carter Glass of Virginia, the unreconstructed rebel, who at the age of seven defiantly disputed the right of way with a Yankee cavalry officer the very morning Lee surrendered, proved somewhat less stubborn in his opposition to the tariff. Snarling out the side of his mouth in his peculiar manner, Glass demanded of the Senate,

> May the debenture be rationally defended as something to be economically desired? No; it may not be, but it may just as well and thoroughly be defended as the high protective tariff. . . . The debenture simply enables the American farmer. . . to the degree of fifty per cent, to equalize the useless tariff on exportable farm products.[12]

Other Southerners followed Glass's lead. Senator Walter George of Georgia augued,

> So we come, Mr. President, to this: If our Republican friends are in earnest when they say they want to give to the American farmer the benefit of the tariff. . . where is the logic or consistency in voting against the debenture plan?

In the House, Marvin Jones, a long-time advocate of the debenture, patiently explained, "It is not a subsidy, it is merely returning to the farmer what is taken away from him under the tariff system, in the form of increased prices for the supplies he must buy." Percy Quin angrily supported Jones, saying,

> We all know the man behind the plow is forced to pay tribute to the manufacturer. He is bound to reach in his pocket and pay out this amount, multiplied by five, that you call a tariff, in the things he must consume, while the products that he raises must go into an open market. Two-thirds of his cotton goes across the sea to be manufactured into fabric. He is prevented, unless you have the debenture plan, from receiving the same advantages that the man who sells the steel that he uses to plow the ground.[13]

The fact that the export debenture system would raise the price of cotton a projected two cents per pound was another important reason why the plan drew such broad Southern support. The price of cotton in 1929 was still not up to the cost of production, and the additional two cents could mean the difference between solvency and bankruptcy for a great many farmers. Senator Heflin spoke the views of many when he said,

> Of course we export half of our cotton crop; but in order to make this protection principle, which you say is so beneficial, apply not only to American industry but to agriculture we provided that the farmers of the United States should have two cents a pound on the cotton exported.[14]

In view of these facts it is little wonder that Southerners in both chambers waged an intensive and nearly unanimous campaign to save the debenture provisions of the marketing bill. In the Senate, Southern support was decisive in keeping that section in the Senate version. An amendment to strike it was barely turned back 44-47. A classically "solid" Southern vote tipped the balance 1-21. Only Ransdell of Louisiana voted yea. With this kind of backing for the debenture, the Senate twice rejected House bills without that section.[15]

But from the outset, the House opposed the debenture and even with strong support from the South, the friends of the farmer were simply unable to pass it. On May 17, 1929, the House, after approving its own bill, voted on a Rules Committee resolution to disagree with the Senate version and to request a conference. The only real difference in the two bills was the debenture provision. The rule was adopted 249-119, but the South was arrayed overwhelmingly against it, 10-85. The Conference report struck the debenture at the insistence of the House conferees, but the Senate rejected the report and asked for a new conference. Before the second conference met, the House approved a motion to instruct their conferees to refuse to accept the debenture. The motion carried 250-113, but Southerners still resisted 14-71. The next day the House accepted the second and final conference report without the debenture. The Senate helplessly acquiesced, and on June 14, the Agricultural Marketing Act was sent to President Hoover for his signature.[16]

Clearly, then, through 1929, Southern Congressional leaders were still thinking of the problems of agriculture largely in terms of the dominant business ethic. Their dual commitment to the principles of agricultural reform and the New South persisted to the onset of the Great Depression. Both the McNary-Haugen bill and the export debenture plan were chiefly attempts to make the protective tariff work for the farmer as it seemed to work for the businessman. McNary-Haugenism received only reluctant Southern support mainly because the equalization fee would not protect crops that were grown primarily for export. The debenture system, on the other hand, which sought the same goals through a different mechanism, received strong backing from the Southern delegation.

The concept of a protective tariff for agriculture, like the Intermediate Agricultural Credits Act of 1923, represents an equilibrium between the two extremes of Southern political thinking. The South's long and bitter hatred of the tariff had, by some curious psychological device, been transformed into envy, and the workings of the debenture plan meshed neatly with this attitude. If the price collapse of the mid-twenties represented an estrangement between agricultural reform and the New South, the fight for the export debenture demonstrated a reconciliation. Four months later, the twenties, an era symbolized by sounds, vanished behind the most momentous one of all, the Great Crash. The Great Prosperity was over.

FOOTNOTES

1 Gilbert C. Fite, "Attempts to Reduce Cotton Acreage," Journal of Southern History, XIV (November, 1948), 482. Saloutos, Farmer Movements, 255, 268.

2 United States Department of Agriculture, "The Agricultural Outlook for 1927," Miscellaneous Circular 101, 10-11.

3 USDA, Miscellaneous Circular 101, 37-40.

4 John D. Black, "The McNary-Haugen Movement," American Economic Review, XVIII (September, 1928), 408-12, 426. Congressional Record, 69 Congress, 2 Session, 3518, 4099; 1 Session, 8933.

5 Congressional Record, 69 Congress, 2 Session, 3130, 3424, 4039.

6 Congressional Record, 69 Congress, 1 Session, 8836; 70 Congress, 1 Session, 7271.

7 Congressional Record, 69 Congress, 2 Session, 4080. Fite, Peek, 176-7.

8 Congressional Record, 70 Congress, 1 Session, 7672, 7725-71. Benedict, Farm Policies, 229.

9 Congressional Record, 69 Congress, 2 Session, 3518; 70 Congress, 1 Session, 6283, 9879-80.

10 Fite, Peek, 189.

11 Fite, Peek, 38-9, 161. Benedict, Farm Policies, 226-7.

12 Congressional Record, 71 Congress, 1 Session, 2873.

13 Congressional Record, 71 Congress, 1 Session, 158, 456, 995.

14 Congressional Record, 71 Congress, 1 Session, 2875.

15 Congressional Record, 71 Congress, 1 Session, 997-8.

16 Congressional Record, 71 Congress, 1 Session, 1454, 2788-9, 2894.

Summary and Conclusions

The response of Southern Congressmen to the agricultural crisis of the 1920s was conditioned largely by the interaction of two of the main themes of post-Reconstruction Southern politics, the Agrarian crusade and the vision of a "New South." The Agrarians believed government had a duty to intervene in the economy to protect groups, such as farmers, who were being exploited by large concentrations of power. The "New South" creed placed emphasis on business and "progress." Its proponents rejected the rural traditions of the South and sought to build an industrial economy. Their influence was substantial, and by 1931, H. C. Nixon, one of the foremost analysts of political trends in the South during this period, wrote, ". . . though still largely agrarian, the twentieth century South is not radical, but reflective of an increasing kinship with eastern economic orthodoxy."[1]

The leadership of Woodrow Wilson served to moderate these two positions and to squeeze Southern politicians toward a middle ground. Wilson's election enhanced the prestige of Southern progressives, and the "radical Agrarians" played a major role in shaping the course of the New Freedom. Conservative Southerners were drawn into the Wilsonian orbit by the pressures of party regularity, the need for a record of party achievement, and the need for patronage.[2]

This "Wilsonizing" of the party tempered the "New South" influence in its ranks, but Wilson was unwilling to attempt to purge the South's conservative congressional leadership. During the post-war years, the South experienced a renewed zeal for business and industrial development. These two factors balanced the impact of the Wilson years and balanced movements for the reform of agriculture.[3]

Both of these traditions had appeal for most Southern Congressmen during the twenties. Even the most ardent friend of the farmer felt the lure of the "New South" concept, while few exponents of business were ready to abandon the farmer completely. The product of the interaction of these two attitudes was a "business-like" approach to the problems of agriculture. The solution to the farmer's woes was to make him into a businessman. The main thrust of the farm legislation Southerners advocated in the first half of the decade was to provide the cotton farmer with the tools of the businessman. In alliance with Western Republicans, they formed the Farm Bloc, and "succeeded in enacting the most advanced agricultural legislation to that date, legislation that completed the program begun under Wilsonian auspices."[4]

But Southerners were not willing to move beyond schemes for easier credit and orderly marketing. In 1924, after the Intermediate Agricultural Credits Act had been passed, Southerners dissolved the alliance with the West and voted against the Norbeck-Burtness and McNary-Haugen bills. These were measures which sought to use government power to bring about changes in the economic structure. Norbeck-Burtness offered government loans to wheat farmers to be used for crop diversification, while the McNary-Haugen bill was essentially a price-fixing plan.

The South's steadfast adherence to the old Wilsonian policies greatly weakened the Farm Bloc and left it unable to deal with the basic problems of the farmer. Agricultural policy fell into the "same conservative groove that characterized the rest of the American economy in the 1920's." The core of the farmer's difficulties lay in surpluses and price disparities, but Southerners continued to urge easier credit and orderly marketing. Their opposition helped to doom any proposals to expand this program and bound the Farm Bloc to a limited approach to the problems of agriculture.[5]

Even the second cotton collapse in 1926 did not bring any fundamental change in the Southern viewpoint. They reluctantly supported the McNary-Haugen bills of 1927 and 1928 largely because they could get no farm bill without support from the West, and the West demanded the McNary-Haugen formula with the equalization fee. A majority of Southerners, at least in the House, preferred the Aswell substitute which was based on an orderly marketing system. McNary-Haugenism was essentially an effort to make the tariff work for agriculture as it did for industry. Southerners favored this principle, but realized that the equalization fee would not work to protect cotton because two-thirds of that crop was exported. Southerners thus remained indifferent to the McNary-Haugen bills but eagerly supported the export debenture scheme designed to achieve the same end by a different mechanism. The Southern delegation voted heavily to insert this plan in the Agricultural Marketing Act of 1929, but was defeated by the determined opposition of the administration.

Southern political leadership at the Congressional level had stagnated by the mid-twenties. The disaster that overtook cotton in 1926 should have made plain that the Wilsonian program was not adequate to resolve the deep agony of Southern agriculture. Yet Southern Congressmen continued to interpret the farm problem in terms of the Agrarian-New South dualism. The Southern delegation during these years was perhaps the most mediocre the South ever sent to Washington. Several members were little more than eccentric incompetents. J. Thomas Heflin of Alabama, a member of the Ku Klux Klan, was extremely paranoid about the Roman Catholic Church. He became convinced the priesthood intended to murder him and began looking under his bed and poking at his food. Cole L. Blease, a perennial candidate and a perennial loser in South Carolina after 1912, still managed to win election to the Senate in 1924. His record has been summarized by one writer as "exhibitionist rather than distinguished." T. Harry Williams describes Senator Joseph Ransdell of Louisiana as "one of the most ineffective members of Congress, practically a cipher in Washington's political community." Williams rates Arkansas Senator Thaddeus Caraway only slightly as a "colorful but not particularly able man."[5]

Others, such as Senator Furnifold Simmons of North Carolina and Senator Kenneth McKellar of Tennessee were political bosses and hacks who had come into their reward. Simmons virtually rebuilt the North Carolina Democratic Party after the Populist wars of the 1890s. Using the party as his personal machine, he won five terms in the Senate before being defeated in 1930. McKellar, never as competent or as effective as Simmons, became Senator from Tennessee through the courtesy of E. H. Crump and his "Memphis Machine." Capable politicians and men of some gifts, they were by no means outstanding political leaders.[6]

The Southern Congressional delegation in the 1920s lacked imaginative leadership. They were mediocre men offering stale prescriptions for a sickness that afflicted the very fiber of the Southern economy. No person or issue emerged to galvanize Southern politics and turn it in new directions. Unwilling, or unable, to recognize the bankruptcy of their program, the South's national leadership could only fumble ineptly with the persistent crisis.

FOOTNOTES

[1] H. C. Nixon, "The Changing Political Philosophy of the South," Annals of the American Academy of Political and Social Science, CLIII (January, 1931), 247.

[2] Link, "The South and the New Freedom," 314-324. Tindall, "Business Progressivism," 94.

[3] Tindall, New South, 17-18. Tindall, "Business Progressivism," 94.

[4] Arthur S. Link, "What Happened to the Progressive Movement in the 1920's?" in Barton J. Bernstein and Allen J. Matusow, eds., Twentieth Century America: Recent Interpretations (New York, Chicago, San Francisco, Atlanta, 1969), 127.

[5] Gilbert C. Fite, "Farmers' Dilemma," in John Braeman, Robert Bremner, and David Brody, ed., Change and Continuity in Twentieth Century America: The Twenties (Columbus, 1968), 80, 99-100.

[6] Francis B. Simkins, The South Old and New: A History, 1820-1947 (New York, 1947), 441-2, 446. T. Harry Williams, Huey Long (New York, 1970), 486, 613.

[7] Hugh Talmage Lefler and Albert Ray Newsome, North Carolina, the History of a Southern State (Chapel Hill, 1963), 515, 522-5, 532, 538-9, 571, 573, 575. William D. Miller, Mr. Crump of Memphis (Baton Rouge, 1964), 227, 306, 343.

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