found it profitable to burn their corn for fuel rather than to sell it for ten cents a bushel (which amounted to $3.33 a ton). It was cheaper for many farmers in the northwest Corn Belt to burn food for fuel at those pitiful prices than to burn coal.

People who believe that we ordered the destruction of food are merely the victims of their prejudices and the misinformation that has been fed to them by interested persons. What we actually did was to stop the destruction of foodstuffs by making it worth while for farmers to sell them rather than to destroy them.

Agricultural Adjustment of the past two years has been a million times as warranted as the industrial reduction policy of the past five years. Why does not the minister attack the industrial reduction which was made possible by corporate and tariff laws? It was this reduction by industry that created the *unemployment* and destroyed the farmers' markets. Might it not be better for all of us to do what is possible to build up on the part of both agriculture and industry a situation which will result in greatly increased balanced output of those things which we really want? [*November 12, 1935.*]

V: 1936

In his first term as Secretary of Agriculture Wallace was forced to grapple with crisis after crisis. Some of these crises were predictable. Consumer resentment of increased prices brought about by the deflection of stores to relief purposes and by an induced reduction of sowings could, for instance, be foreseen.

Ironically, the drought of 1934 served, in a measure, to let the New Deal agrarian planners out of a plowdown of breadstuffs—"the staff of life." "Fortunately," Wallace wrote in 1934, "the proposal was hardly advanced before the crop reports showed a sensational reduction on winter-wheat prospects because of unfavorable weather. It would not be necessary to plow under growing wheat; nature had already done it—unequally, cruelly, to be sure, but decisively, and without provoking the resentment of consumers. Our press section breathed a sigh of relief; it would not be necessary to write about the logic of plowing under wheat while millions lacked bread. I say this, it should be understood, seriously, for our traditional economy is an economy of scarcity, and it so happens that the larger the piles of surplus wheat in Kansas, the longer are the breadlines in New York. Crazy, perhaps, but quite orthodox in a society which still plays the game according to the rules of scarcity."

Even so, that unpredictable act of God, the drought of 1934, did not in the end make things easier for an Administration seeking to justify an extension of relative-scarcity price tactics from industry to agriculture. It was a hard line to have to argue. Many who did so, logically (not excluding Wallace), still reveal emotional remnants of a guilt complex not wholly unlike that of Southerners seeking to explain the harsh compulsions underlying racial discrimination in the South. The defensive and apologetic line of argument for restraint of farm production—"sauce for the goose, sauce for the gander"—proceeds, when all is said, from an amoral basis, and exerts neither moral nor emotional appeal.

Drought, on the other hand, arouses in the urban and dependent part of a population, especially, a disturbance which (springing perhaps from racial memory of famine) generates indignation and fear that can amount to panic. The reductions ordained from Heaven in 1934, aggravating the adjustments that had been "planned," created in the public mind of 1935 frantic disturbance and widespread protest. Already, the cotton growers had moved to make participation in a continued acreage-control compulsory throughout the South. Now potato growers, from Florida to Maine to Idaho, put pressure on Congress and secured a similar Act. The Potato Act aroused gales of opinion. These gales blew both ways at once, with Wallace in the middle. A Philadelphia society lady put potatoes in her front lawn and dared this Wallace to come tear them out. The commercial growers roared against his declared reluctance to administer a measure plainly unenforceable. He had his troubles. In 1935 also there were "meat strikes" among consumers, sporadic but troublesome, with a campaign year coming up.

In 1936, drought hit hard again. Also, this was the year of the Roosevelt-Landon skirmish. Wallace made only a few campaign speeches, and these were certainly not among his more memorable speeches. He simply pointed out that, for all their shouting, the Republicans were declaring for a continuation or restoration of the farm program without substantial change, whereas the Democrats proposed continuation with definitely developing changes and improvements.

The need of such changes, for some years contemplated, had been abruptly precipitated by the Supreme Court decision of January 6. While that decision was neither unpredictable nor unforeseen, it came sooner and was far more sweeping than most partisans of the Triple-A anticipated. "It's as crude as Henry Ford's first flivver," Wallace used to say of the Agricultural Adjustment Administration's first model. He held nevertheless for this strange social contraption an affection comparable to that which many men of middle years recall for Mr. Ford's Model-T; and his reason rejected as unfair and fantastic certain aspects of the Court's decision. He had started the year before to put on the air weekly a brief report of the Adjustment program's progress and setbacks as part of the National Farm and Home Hour. Here are three talks he made in response to the Supreme Court decision of the sixth day of 1936:

UNCONSTITUTIONAL

Twenty-four hours ago, the Agricultural Adjustment Act was declared unconstitutional by a majority of the Supreme Court of the United States, three members of the Court dissenting.

Both the majority and minority opinions are epochal. I cannot urge too strongly that they be read in full and studied carefully in every American home.

As an immediate consequence of the Supreme Court's decision, processing tax collections have been stopped, benefit payments have been cut off, and the whole machinery of the Agricultural Adjustment Administration has necessarily come to a pause. Sign-up campaigns for the 1936 adjustment programs have been halted. For the benefit of those who are still owed money by the government on contracts entered into before the Supreme Court decision, the majority leaders of Congress have given assurance that they will do everything in their power to speed the enactment of special appropriations to enable the government to make good on these contracts. Meanwhile we are studying every possible avenue of approach to a sound, satisfactory farm program.

[*January 7, 1936.*]

We are enormously concerned about a workable substitute for the Triple-A, but in order to work this out with the greatest speed possible it does no good to be downcast or crushed, or to lash out with angry words as long as there is an opportunity for accomplishing something by cool and peaceful methods.

The great bulk of the farmers of this country have steadfastly endeavored to get for their purposes the moral, legal and economic equivalent of what the corporate form of organization and the tariff give to industry. Since 1921 they have worked steadily on this problem. It took them six years to convert both branches of Congress and another five years before they got a President who saw things their way. How much longer it will take to gain the approval of the third branch of government remains to be seen.

It seems to me that the time has come when long-suffering patience calls for practical and immediate action by the Congress and the Administration. I say this because of the news that processing tax collections impounded by the Courts are now to be immediately returned to the processors. The Supreme Court so ordered yesterday. This money, which

may total nearly two hundred million dollars, represents charges which had in most cases already been passed on to consumers or back to farmers. I do not question the legality of this action, but I certainly do question the justice of it.

Thus far the farmers, like many of the rest of us, are a good bit like the man who had just had the breath knocked out of him. When he comes to, he doesn't know whether to laugh, cry, or cuss. The Administrator of Triple-A, Chester Davis, and I decided to grin and go to work.

As a matter of fact, after the Schechter Decision on the N.R.A., we decided that we had better prepare for a possible unfavorable decision by the Supreme Court on the A.A.A. We had worked out a great variety of plans which could be presented to Congress in case Congress called for them, but the decision was so sweeping that the problem before us is a little more difficult than we had anticipated.

The important thing, so far as the farm leaders, Congress, and the Administration are concerned, is to do some cool, hard, and determined thinking as to what can best be done as soon as possible to repair the damage to farmers and conserve the general welfare. Triple-A is not dead, and, even more important, the farm sentiment which was built up in fourteen years of strenuous fighting for equality to agriculture is not dead. Farmers are slow to start, but once they start they keep on going.

[*January 14, 1936.*]

In previous remarks concerning the order of the Supreme Court which returned to the processors nearly two hundred million dollars impounded by the lower courts when they restrained further collection of processing taxes, I was careful to observe that the technical legality of this order by the Supreme Court was not in question, but that what I did question was the justice of it.

To the mind trained in legalisms, such an order may be perfectly all right; but to the layman, it doesn't make sense. This money, somewhere between one hundred eighty and two hundred million dollars, had already been collected from the public as processing taxes. The processors didn't bear the tax; they passed it on to the consumers in the form of higher prices or, as the packers contended in the case of hogs, back to farmers in the form of lower hog prices. Doubtless everyone in this audience paid part of that two hundred million in the form of higher prices for flour, bacon, and cotton goods, or in the form of lower market prices received for hogs.

In the Hoosac Mills case, the Supreme Court disapproved the idea that the government could take money from one group for the benefit of an-

other. Yet in turning over to the processors this two hundred million dollars which came from *all* the people, we are seeing the most flagrant example of expropriation for the benefit of one small group. This is probably the greatest legalized steal in American history.

There is one heartening note in all this; many of the processors themselves are extremely uncomfortable about the whole business.

It is a shame that because of legalistic theories, divorced from economic realities and social justice, the Court should have created such an embarrassing situation for farmers, consumers, processors, and the government. The problem now is to discover the best way out of this situation, not in any vindictive spirit, but in the spirit so clearly shown in the preamble of the Constitution—to "establish justice." Above everything, it seems to me that the essential spirit of the Constitution is to promote the general welfare.

[*January 28, 1936.*]

RE-ENACTMENT

There is a new piece of agricultural legislation on the statute books today to replace those portions of the Agricultural Adjustment Act declared invalid by the Supreme Court on January 6.

First let me mention some news which may have escaped your attention. I refer to the President's statement to the press on Friday that he would recommend to Congress the enactment of tax legislation, including taxes to recapture from the processors the processing tax money returned to them by the courts.

Already most, if not all, of the one hundred eighty million dollars of impounded taxes has been returned to the processors. The refunds are being viewed by a few processors as rightfully theirs, but the more general feeling among processors is that the windfall is "hot money." Taxes to recapture these refunds, by the way, are being labeled "windfall taxes." I believe it will interest you to know that several members of Congress have already introduced bills or resolutions bearing on this matter.

Turning now to the new farm legislation: I am reminded of the situation we faced three years ago this spring. Then, as now, we had an entirely new farm plan to operate. Then, as now, we were racing with time to get under way before the season was too late. There is this difference, however, that whereas three years ago farmers were broke and almost in despair, their financial position now is materially better and they look

forward to the future with hope. There is this difference, too, that farmers have the advantage of their three years of experience in operating the Agricultural Adjustment program.

The new law is called the Soil Conservation and Domestic Allotment Act. Its primary objective is wise land use. We hope, however, that as a result of the conservation of soil resources and the better use of land, supplies of the major farm commodities will be kept in approximate balance with demand, and we hope that the plan will have a favorable effect on farm prices and income. But any such benefits will be by-products.

As was true of the production control programs of the Agricultural Adjustment Act, the success or failure of this new plan will largely depend on the degree of co-operation given by farmers themselves. But inasmuch as more than three million contract signers did a magnificent job with the old production control programs, there is every reason to believe they will do as well with the new plan.

I believe that under this new program we can do a more constructive job of putting a firm physical base under our civilization than has ever been done by any great nation with a continental climate. I am confident that if we are able to overcome successfully the very real technical difficulties which now confront us because of the shortage of time, the new plan will be so universally accepted and appreciated by all interests in our society that it will continue for many years. [*March 3, 1936.*]

SOIL AND THE GENERAL WELFARE

Of all the circumstances which have combined to make this nation different from the nations of the Old World, rich soil and plenty of it, free or nearly so to all comers, stands first. Freeholders in a wide land of fabulous fertility, guarded by great oceans from foreign invasion, could erect separate strongholds of individual enterprise, free speech and free conscience. In no spread-eagle sense, but in plain truth, liberty and equality have been a natural outgrowth of our great gift of soil.

But the dynamic quality which characterizes civilized man does not leave such a gift unmodified. If nature was prodigal with us, we have been ten times more prodigal with her. During the past 150 years, we white men have destroyed more soil, timber and wild-life than the Indians, left to themselves, would have destroyed in many thousands of years.

It is easy to excuse the farmers of one hundred years ago for the way in which they mismanaged their farms. In the first place most of them didn't know there was such a thing as soil erosion. There was available very little scientific knowledge about methods of soil building or of avoiding soil depletion. In the second place, in a land so vast and with a population so thin, the easiest course oftentimes was to wear out a farm and then move on west. No one worries about conserving the air. Why should anyone give a thought to saving the land when there is plenty of it?

On the basis of their record it would be easy to indict the people of the United States as killers, looters and exploiters. Several species of wild life have completely disappeared, others have been greatly reduced, and fish cannot live in many of our streams because of pollution. We have wastefully slashed down our forests and have exploited our oil and mineral resources. Pastures and hillsides have been plowed. But in all of this I am convinced that the American people were thoughtless rather than willfully destructive. They were victims of the customs of the immediate past, when the important thing was to fill up a continent with people as rapidly as possible, even though the result might be exploitation rather than conservation.

Today we have come to a time when the continuation of the exploitive frame of mind can easily be disastrous. Already we have allowed erosion by water to destroy more than fifty million acres, representing an area equal to all of the arable land in New York and Pennsylvania. Another fifty million acres have been damaged almost to the point of ruination for productive use, and an additional 100 million acres have been seriously impoverished. The process of erosion is rapidly gaining headway on still another 100 million acres, some of it the most valuable farm land remaining in the United States. Wind erosion has nearly ruined four million acres and is active on about sixty million acres, largely in the High Plains regions. People who have not studied the results of investigations made at soil erosion experiment stations in central and western United States cannot appreciate how terribly real is soil erosion. At these stations arrangements are made for carefully weighing the soil which is removed from the land by the rain under different systems of cropping. On many slopes, one exceedingly hard rain will remove as much as an inch of soil from land in corn or in cotton.

Nearly half of our land is farmed by tenants who stay on the average only two or three years on the same farm and whose chief concern is getting together enough money to pay the rent this particular year. The landlords, on the other hand, are driven by the necessity of getting enough money out of the land to pay the taxes and interest on the mortgage and

they oftentimes have only slightly more interest in the land than the tenants. In other words, it would seem that on at least a million farms the landlords and tenants are forced by their economic situation to enter into a conspiracy which in effect promotes erosion rather than prevents it.

People in cities may forget the soil for as long as a hundred years, but mother nature's memory is long and she will not let them forget indefinitely. The soil is the mother of man and if we forget her, life eventually weakens.

When the cotton gin came into extensive use there began in the South an expansion of the cotton crop which resulted in the destruction of millions of acres of plow land in southeastern United States. When machinery was invented for the more rapid plowing, disking and cultivating of corn land, the farmers in parts of the Middle West entered upon a period of promoting soil erosion which put the farmers of the Southeast to shame as mere beginners in the art of soil exploitation. At the time of the World War tractors and combines came into the picture. Millions of acres of pasture were plowed. In the humid parts of the grain belt the sloping fields became greatly subject to erosion, and in the drier parts wind erosion became a serious problem, especially during March and April of the drier years. Drainage became an obsession, at the same time that the grass was plowed. Rivers were straightened, and the spring and summer rains were sent to the sea with the greatest possible speed. Lake levels and water tables dropped. Underground water reserves declined to a point which made it almost impossible to obtain well water in many farm areas when the dry seasons came along.

If the climate shifts to the dry side, dust storms, failing wells and lack of subsoil moisture will become an exceedingly serious problem in many areas. If the climate shifts to the wet side, the excess of drainage will not prove at all embarrassing but the planting of too much land in crops will result in sending the surface soil either to silt up the streams or to move on to the ocean.

Yes, the white man is learning that in a land with a continental climate of high winds and sudden dashing rains and rather violent extremes of weather from one year to the next, it is the part of wisdom to leave a higher percentage of the land in grass and trees than has been the custom in the United States so far.

The floods of March, 1936, made millions of city people conscious of the need for better management of the headwaters of our great rivers. Part of the problem is the erection of dams, reservoirs and levees; part of it is reforestation; and another important part is the holding of the soil in place on individual farms. In fact, engineering structures without simul-

taneous corrective action taken by the owners of land in the watershed may be made useless in a relatively short time because of the filling up of reservoirs through deposit of silt.

The life of a flourishing civilization demands recognition by landowners and the national government of the necessity of co-operating in behalf of the general welfare to prevent soil erosion and floods. This problem runs across state lines.

We may well take a lesson from northwestern China and Asia Minor. It took several hundred years for the people of these lands to reduce them to deserts. We in the United States are moving faster because we have the advantage of machinery. Thus far the damage has not been completely ruinous, but in another thirty or forty years we may do irreparable harm.

Probably the most damaging indictment that can be made of the capitalistic system is the way in which its emphasis on unfettered individualism results in exploitation of natural resources in a manner to destroy the physical foundations of national longevity. Is there no way for the capitalistic system to develop a mechanism for taking thought and planning action in terms of the general welfare for the long run as represented by the conservation of soil and other natural resources which are being competitively exploited?

The experience of Sweden would seem to suggest that excessive exploitation can be avoided, if the competitive spirit is restrained by reasonable regulatory laws and if the nation does a certain amount of national planning for the general welfare. Sweden has long led the world in the care and maintenance of its forest resources, and more recently has pursued an enlightened policy with respect to other natural resources, such as mines and water-power. Its forest laws require that all industries and persons engaged in timber cutting must replace the timber removed within a reasonable length of time and that no forest lands be left bare or unplanted with good new stock. In the case of mining industries, Sweden requires that private companies look to the long-time welfare of the people dependent on these industries by establishing welfare funds which can take care of workers and their families after the mines have been exhausted in any given locality. Sweden's efforts prove that a nation's natural resources may be used with regard to the long-time general welfare, rather than exploited merely for temporary profits. The United States is many years behind Sweden in this respect and might well profit from its example.

So far as soil resources are concerned, however, the problem is related to the business cycle and to unemployment in the cities as well as to practices of farming in themselves. For example, between 1930 and 1934

about two million young people were raised on the farm who normally would have gone to the cities but who stayed at home to go into the farming business. Largely as a result of these two million young people backed up on the farm, five hundred thousand new farms came into existence between 1930 and 1935. Many of these new farms are on hilly land and poor soil. The young people are certain to eke out a miserable existence on this poor land and the land is certain to be harmed.

Thus the soil problem is urban as well as rural. If city industry were to proceed at its normal rate of activity, it could absorb the excess young people from the farms and put them to work doing things much more profitable for the general welfare of the United States than the cultivation of land which ought to be in grass and trees. Nevertheless, I am convinced it is better for the young people of the farms to eke out a miserable existence on poor soil than to come to the cities to burden the relief rolls or sit around in idleness.

But it is not only the desperate farming of poverty-stricken individuals, burdened by the necessity of selling crops at low prices to pay rents, taxes or mortgages, that destroys the land. Large scale lumbermen, cattle-men and grain farmers are almost equally responsible. Big men as well as little men are soil destroyers. Sometimes the local or state taxation policy forces exploitation, especially in timber. Yes, we are all of us guilty in one way or another of neglecting the soil or fostering its exploitation in a manner which may prove to be exceedingly embarrassing for our children and grandchildren. Should regulatory methods be adopted? In some cases, yes, but in other cases it may be necessary to offer financial incentive to induce individuals to act in the public interest.

Under the Agricultural Adjustment Administration there were financial incentives for shifting millions of acres of farm land producing crops no longer needed (crops which were hard on the soil) into soil-enriching legumes and soil-binding grasses. The new Conservation and Allotment Act, we believe, will promote such shifts on an even broader and more permanent basis. Under the Soil Conservation Service needed experiments are being carried out and technical aid and services given to help farmers in 41 States to prevent erosion and remedy soil wastage on 141 damaged watershed areas. The Resettlement Administration is making readjustments of the use of land too poor for farming and helping families to find better land or occupation. The Tennessee Valley Authority is trying to control erosion and bad land practices in the entire watershed of the Tennessee River which embraces parts of seven States. These various programs are steps in the direction of wiser use and protection of our resources. But all of these efforts will be inadequate until we solve the prob-

lem of farm tenancy and the problem of unemployment, the twin problems of human erosion which strike so deeply into the heart of our national life. It is no mere figure of speech to say that we will not get rid of soil erosion until we also get rid of human erosion. . . .

[*Chapter VIII of* WHOSE CONSTITUTION?, *Reynal & Hitchcock, 1936.*]

FLOOD

To anyone who takes joy in the sight of rich and well-kept farms, as most Americans do, the wrong that has been done our land strikes home particularly.

After the March flood here in Washington, good earth lay in a muddy slime on the lower streets along the river front, and covered the tidal basin. In some places it was four inches deep. Some of us tried to figure how many farms had been deposited here where they were not wanted, only to be swept and sluiced away by the street-cleaning department, and sent on the way to the sea again. We gave it up. It was too disheartening. Yet this was only a very small part of the waste and damage that occurred that week throughout the country.

Such disasters bring home the fact that we have been thus far in our history a spendthrift people, squandering our natural resources. It is time that we developed a sense of thrift in these vital matters, and a sense of shame. There are present here today, I know, technicians much better equipped than I am to speak on controlling high water and its sediment at the far end, after the flood has been gathered together and is surging to the sea. In these few minutes I want to suggest possibilities of a considerable degree of control before the flood gathers—ways of slowing down the run-off of rainfall and soil, in the uplands, on the farms. [*Remarks before the National Rivers and Harbors Congress, Washington, D. C., April 27, 1936.*]

Throughout 1936, with drought searing the yield over a great expanse of our land again, Wallace earnestly renewed proposals for an ever-normal granary.

JOSEPH, CONFUCIUS AND THE FARM BOARD

Joseph was one of the earliest economic statesmen of history. During seven years of good weather, according to the 47th Chapter of Genesis, he stored up the surplus crops to be used when the drought years came. Then, in exchange for stored grain, he accepted from the drought-stricken farmers first, their money; second, their livestock; and third, their land. Apparently he put the farmers on the relief rolls until the drought was over and then gave them back the use of their land in exchange for a very low rent. It was a plan which worked well in ancient Egypt because behind Joseph stood Pharaoh.

In ancient China the followers of Confucius worked out a modification of the same idea which they called the ever-normal granary, and which provided that in the good years the government should buy up a certain percentage of the crops to be stored away until prices had advanced beyond a certain point and the crop had declined below a certain point. The plan was used with moderate success and occasional intermissions for more than 1400 years.

The Mormons, and especially the Mormon women, in the early days of Utah worked out a system of storing the surplus of their wheat against a time when the crops might be unusually short. The system was still operating in Utah in a modified form at the time the World War broke out.

The Federal Farm Board operations brought about considerable storage of wheat and cotton, but the storage was started in response to political pressure and there apparently was little thought as to when or how the surplus would be sold. The experience of the Farm Board was disillusioning both to the farmers and the Farm Board itself. The more the Farm Board dipped into the market to sustain the price of wheat and cotton, the lower the price seemed to sink; and the lower prices went, the less the farmers bought from the people in the cities. So we had the strange paradox of bread lines lengthening almost in proportion to the increasing surplus in storage. The more farmers produced, the less the city people produced.

Today, there is in the United States an unusual opportunity to take advantage of the experience of Joseph, the ancient Chinese, and the Farm Board. Some people who are more interested in the welfare of the specu-

lators than they are in the welfare of the farmer and the consumer, say, "You cannot regiment nature." Doubtless after Joseph had been storing grain for two or three years and had found it necessary to build more warehouses, his critics became numerous and loud. Doubtless the Egyptian fore-runners of those respectable citizens who act so hopelessly when confronted with the variability of nature said: "This fellow Joseph is crazy. We have had unusually good weather now for three years and Pharaoh must be crazy too for still believing in Joseph's foolish dream. It is labor thrown away to build warehouses to store up mountains of grain which will turn to dust and never be used." Of course, Joseph didn't mind people of this sort because he had despotic authority.

Fortunately for us in the United States, we are not under the despotism of a Pharaoh. We carry all our responsibility under a democratic form of government. But the droughts of 1930, 1934 and 1936 must by now have caused millions of people both on the land and in the cities to think about the advisability of some modern adaptation of the Joseph plan to the United States.

"You cannot regiment nature," say the reactionaries. True enough; but neither can you regiment death or fire or windstorms or earthquakes. We cannot regiment nature, but we do not have to let nature regiment us. The things which cannot be regimented by individual man are the very things which become the concern either of government or of such great co-operative institutions as insurance companies. The cry, "You cannot regiment nature," while true enough, is the cry of little men lost in primitive superstition. Joseph had a bigger vision than they. He didn't regiment nature but he did prepare for the whims of nature. [*Talk at Great Lakes Exposition, Cleveland, Ohio, August 19, 1936.*]

VI: 1937

Two of Wallace's earlier addresses in 1937 dealt with a situation which until recently few up-and-coming Land Grant College graduates cared to contemplate: Rural Poverty. In his weekly radio talk on January 22, "To triumph over the evils of farm tenancy," he said, "will be to achieve a national ideal that has stirred the hearts of the American people since our beginning as a nation." And if, he told a General Assembly of State Governments in Wash-