

Who Is the Farm Bloc?

By Jonathan Stout

THE history books say ours is a two-party system of government. The Washington clique ignores the history books in describing ours as a government by lobby.

Between these two definitions lies the realistic explanation of what so frequently puzzles many who come to Washington for a first-hand look at the governmental three-ring circus. For instance, it explains how conic Democrats on Capitol Hill try to knife Democrats in the White House. It explains why southern Democrats are more reactionary, by and large, than most Republicans. It explains how Hoover, Willkie, McNary and Fish can all call themselves Republicans. How Wagner, O'Daniel, Glass and Roosevelt can all call themselves Democrats. It explains the anti-Roosevelt alliance between members of his own party and reactionary Republicans.

Foreigners get wise to the answer more quickly, sometimes, than Americans who are not familiar with European political patterns.

In Europe—on the continent particularly—most countries have a multitude of political parties. In many of these countries every group with a special interest and distinctive viewpoint generally channels its expression through a separate political party. As a result, Europeans are accustomed to a diversity of political groupings. And it seems natural to them that a diversity of economic interests, religious allegiances, and cultural ties should give rise to a complex of political parties for their precise expression.

According to the history books, we don't do that here. But according to the more realistic, albeit cynical, Washington clique, we do.

For that is the political meaning of government-by-lobby. Political potency in Washington does not reside in the Democratic and Republican parties. It actually resides in the Farm Lobby, the Tariff Lobby, the Silver Lobby, the Big Business Lobby, the Veterans Lobby, the Labor Lobby, the Power Lobby, the Liquor Lobby, the Dry Lobby, the Methodist Lobby, the Catholic Lobby, and so on almost endlessly.

These lobbies are comparable to the political parties in most European countries, for that, by any realistic definition, is exactly what they are. And regarded in that light, the homogeneity of the lobby makes a lot more sense than the heterogeneity of the Republican and Democratic parties, which in the final analysis actually represent a coalition of lobbies, and therefore coalition governments in the European sense of that term.

The Democratic Party which came to power in 1933 was a coalition government in which the Farm and Labor Lobbies were the dominant collaborators. This was important, because in the early '30s these two lobbies were mass organizations and were the only ones who really represented large numbers of voters. The Farm Lobby had a membership of about 1,500,000, the Labor Lobby represented some 7,000,000 organized workers; but the Farm Lobby spoke in the name of 10,000,000 farmers, and the Labor Lobby represented the aspirations of some 40,000,000 workers. No other lobby even claims to represent such numbers.

The New Deal was confident of its political power until 1940. In that year its perch became precarious due to the defection of the Farm Lobby. Why the Farm Lobby went into open opposition to the New Deal provides an interesting study in American politics.

The first interesting fact is the nature of the change the Farm Lobby underwent between the late '20s and the late '30s: it lost its mass following. For instance, the largest member of the Farm Lobby group is the Farm Bureau Federation. As late as 1929 it had a membership of 1,000,000. By 1934 that membership dropped to 146,000. The depression had squeezed the farmers out of the Farm Bureau!

INSURANCE COMPANY FARMERS

The depression accomplished one thing more. The life insurance companies became the biggest farmers in the United States.

At the end of last year the Metropolitan Life Insurance Company still held farm acreage worth \$71,711,000. The Mutual Benefit Life Insurance Company of Newark, N. J., held farm acreage worth \$41,022,000. The Northwestern Mutual Life Insurance Company of Milwaukee held farms valued at \$18,504,000. The Kansas City Life Insurance Company owned farms worth \$5,000,000, the New York Life Insurance Company held farms worth \$1,625,000.

The total value of farm land owned by all life insurance companies at the end of 1941 was \$597,796,000. On top of that the insurance companies held mortgages on additional farm acreage worth \$900,000,000.

The banks, too, became farmers. The Federal Land Banks last year owned farms worth \$92,000,000. The insured commercial banks at the end of 1941 still held farms valued at \$22,800,000.

The key to the role played in the Farm Lobby by the insurance companies and banks lies in what happened to the value of farm land between 1933 and 1943.

In 1933 when the insurance companies and banks got into the farm picture at the bottom of the market, the total farm valuation of the United States was 30 billion dollars.

Today that same land is worth 40 billion dollars!

By doing nothing more than simply sitting tight, and holding on to the farms they acquired, the insurance companies and banks saw their value go up 33 per cent without even planting a radish.

From that end of the picture, calling it the Farm Lobby is something of a misnomer. It would seem more accurate to call it the Landlord Lobby.

But that isn't all. In the Topsy Twenties under the impetus of Coolidge and Hoover prosperity, the Farm Bureau Federation operated under the leadership of Earl Smith, a wealthy business man who owned a farm supply company, and of the utterly reactionary Illinois Agricultural Association which chiefly represented the Midwest's big corn planters.

When the Farm Bureau Federation failed to help the farmers in the depression that hit the country in 1929 and its membership fell from 1,000,000 to 146,000, the astute Smith installed a Southern Democrat, Ed O'Neal, as president of the Federation in an effort to ingratiate the organization with the incoming New Deal.

Last month Ed O'Neal was chiefly responsible for engineering the Agricultural Appropriation Bill before the House of Representatives. Of that bill James G. Patton, president of the National Farmers Union, had this to say:

"The bill would deliver working farmers bound hand and foot into the power of the banks and insurance companies. It would cut off farmers from any and all government credit until banks and insurance companies had had exclusive opportunity to profit by their need. Only when private lending agencies had certified them to the government as bad financial risks, could their government come to their aid."

FARMER OR LANDLORD LOBBY

It would seem a fair question to ask whether Ed O'Neal is working for the farmers or the Landlords Lobby.

And the Farm Bureau Federation represents the largest mass group in the Farm Lobby. Summing up the whole of the lobby, it might well be described as a combination of bankers, absentee landlords and big planters. And the sole agricultural activity of the bankers and absentee landlords to alibi their presence in the Farm Lobby seems to be that of "farming" the farmers.

Another prominent member of the Farm Lobby is the National Cooperative Milk Producers Federation, which serves as a front for the Milk Trust, of which Bordens and National Dairies are the dominant figures. They have about as much identity with the real interests of the farmers as two crossed eyes. But they maintain one of the most powerful lobbies on Capitol Hill and they speak in the name of the farmers.

Another potent member of the Farm Lobby is the Associated Farmers of California, whose makeup represents a merger of California's giant packing, processing and industrialized farming interests. Behind this group looms the Bank of America, whose influence also plays a leading role in the National Association of Manufacturers. Which may be more fitting than it sounds when it is recalled that California's industrialized farms are sometimes described only too accurately as sweatshop factories-in-the-fields.

The Power Trust too maintains its liaison in the Farm Lobby. The chief job of its representatives is to fight the Rural Electrification Administration which supplies cheap power to farmers, to fight government electrification projects like TVA, Norris Dam, Grand Coulee, etc.

The Oil Trust is in it too. For the Oil Trust is very much interested in the new synthetic rubber processes and wants to keep the cheaper grain process out of the picture. It was this interest that led the multimillionaire oil man, J. Howard Pew, to buy the *Farm Journal*, which has the third largest magazine circulation in the United States. When the *Farm Journal* speaks it is the voice of Sun Oil.

These are the powers-that-be in the Farm Lobby. They're the works. The rest cut little ice. For instance, the National Grange is traditionally the organization of the "master farmers." It is small numerically, and lacking in decisive influence. There is also, the National Farmers Union, made up of America's "little farmers." This, perhaps, is the only genuine farm organization, yet it plays no part in the Farm Lobby.

Of all the lobbies that operate in Washington, the Farm Lobby is the least honest of the lot.

The Big Business Lobby is frankly made up of urban industrialists. The Labor Lobby is made up of labor people. The Dry Lobby is made up of prohibitionists. The Liquor Lobby is made up of distillers.

Only the Farm Lobby seems to be made up of anything but farmers!

WE'RE SORRY

But we did not have the space **this issue** for

**MY ABDUCTION BY THE
NEW YORK WORLD**

LITTLE TALES OF ROBBERY

**CIVIC AND ECONOMIC
AGENCIES OF FREEDOM**

And many announcements, book reviews
and letters received for publication.

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