



THE PLACE OF FARMERS, ECONOMISTS AND ADMINISTRATORS
IN DEVELOPING AGRICULTURAL POLICY

Address of
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This field has been plowed and harrowed and planted and cropped so often that no harvest of mine can hope to equal earlier yields even though I were to apply liberal quantities of fertilizer. It is a broad field, and I shall have to be on guard against the temptation to wander about in reminiscences of men we have all known, and the part they have played in the stirring events of the past two decades of unfolding agricultural policy.

Please bear with me while I survey the field in a few preliminary observations. Each man must tell of the world as he sees it from his own doorstep. Obviously what he describes does not coincide exactly with what another sees. It is not wilful misrepresentation, therefore, if what I have seen does not agree with what each of you has seen.

Agricultural policy is not summed up in one law or set of laws that directly affect agricultural production and marketing. It is expressed in a complex system of laws, administrative acts and attitudes that cover not farming alone, but other and wider ranges of international trade, taxation, monetary and credit policy, as well as special laws and policies with respect to non-agricultural industry and labor.

It is possible to attempt a general classification of the respective parts the farmer, the economist, and the administrator

play in shaping legislation that enters into agricultural policy. One important person needs to be added to the title list to round it out. That, of course, is the legislator.

The farmer's reaction to the pressure of economic conditions is the source and inspiration of such interest and action as has been developed in this field. He has developed important national and State farm organizations that represent him in councils away from home.

Individuals who are frequently professional economists have their attention drawn to special problems and needs by the spotlighting of farmer interest. They suggest lines of action which are developed and matured in the give and take of discussion with farm leaders, administrative officials and legislators.

Administrators are forced to apply the test of workability to all programs or plans, and to strive for their amendment and improvement once they are under way.

If a program requires legislative sanction, the legislators say what shall and shall not be done. They are generally responsive to expressions of farmer opinion if convinced they are genuine.

In other words, farmer interest and concern build up pressure like the mountainous weight of a pent-up flood; individuals, frequently economists, trace out in shallow ditches the new lines along which the flow will move; while the administrator's chief

concern is to keep the water moving once the flow starts, and to enlarge and straighten the channels. The legislator must sanction the details and their subsequent change and improvement.

These categories are not mutually exclusive. A farmer or a legislator, as well as an economist or a business executive may be the original idea man; the economist or the farmer may become the administrator. But these elements are generally present in the genesis and the continuous evolution of any phase of national agricultural policy. I am not able to say of our own policy that in its evolution the part played by the economist has been of greater or lesser importance than that of the farmer, the administrator, or the legislator, because all have been essential.

When I refer to the work the agricultural economists have done, I am talking about individuals, and not a group or class. They have not thought or acted as a class. The trail-blazing economists who have made their marks on the policies of this generation broke with the general tradition of their profession to do it.

On the whole, the present-day farm economist has become much more a man of action and much less the ivory-tower critic than his predecessor was. The change has not come about in smooth and regular stages. Most of it came in two definite spurts. Henry C. Wallace brought on the first when he asked the professional men who had been studying farm problems to show him what could be done about them. The second came with the New Deal when nearly every farm economist of

standing in the country was given a chance to advise and help shape farm programs, or to help administer them in AAA, FCA, FSA, FSCC, CCC, and the rest of the alphabetical permutations.

Most of the farm economists sat through the yeasty decade from 1921 on like Buddhas contemplating their respective navels. For years after the post-war crisis had shaken the American farmer's world, the great land grant colleges and their economic staffs remained stodgily unconcerned. The exceptions, however, were important and brilliant, and they made history.

To paint the full panorama of the making of agricultural policy since the war, assigning to each actor his proper size and perspective calls for a better artist than I can ever hope to become. To make even a respectable attempt in this short talk demands an ambition matching that of the fellow who conceived the re-enactment of creation as a side-show for tourists at the Natural Bridge. I am not that ambitious. At most I can point out some high lights of performance which may illuminate the subject I have undertaken to discuss. Since this is a meeting of economists, and since I cannot cover the whole field, I think it will be appropriate to speak mainly of certain individuals among you and trace their contributions to the present pattern of national agricultural policy.

First of all, I want to emphasize the importance of the man who shocked farm economists out of their self-complacency, and hung up a bold green light in the Department of Agriculture for venturesome

souls with a yen for crusading - Henry C. Wallace, the Secretary of Agriculture from March 4, 1921 to his death in 1924. I cannot think of him and of those years without thinking also of the agricultural economist who stood at his side while the first important drive for post-war farm legislation was taking form - Dr. Henry C. Taylor, organizer and first chief of the Bureau of Agricultural Economics.

Those who knew the first Secretary Wallace recall clearly his baffled disappointment when he realized that, in a situation which he considered as desperately demanding remedy, the economists had no positive help to offer. He used to complain that something was wrong either with the men or the system that had trained and produced them, if after a lifetime of study of agricultural problems, economists were unable to respond to a crisis except by giving reasons why action could not be taken. He did not ask for perfection, but for advice as to which was best of admittedly imperfect courses - constructive advice, and the courage to make a start. His views were published in dress-parade language in the Journal of Farm Economics in January, 1924:

"Confronted with national problems, agricultural, economic and political, of greater magnitude than ever before encountered, would that more economists might attune their ears to the Macedonian cry that comes up from the open country, give up for a time their detached seats of observation from which they view domestic and world activities with cold gray eyes and make records which may enable future economists to explain what happened, and why it happened, and take an active interest in those who struggle with the definite purpose of helping them work out their problems, not alone for their benefit but for the benefit of the nation."

It is of great interest to me that the roster of Presidents of the American Farm Economic Association contains the names of so many economists who have made important contributions to our agricultural policy. There are 29 names on that list. More than one-third of them are indelibly associated with some definite idea that has been incorporated in national policy. It may be interesting to mention a few of these men, and note briefly how they have influenced their times, some as first advocates, others as nurses and feeders of some idea, some plan for farm relief.

I have mentioned Dr. Taylor. He was the ninth president of this association. His influence on the direction of the farm relief drive from 1923 to 1928 was profound. I first came in contact with him when he took that famous trip through the northwest in the early fall of 1923. Some have been so unkind as to say the purpose of that trip was to arouse interest in and support for the program of farm relief later embodied in the McNary-Haugen bills. If Dr. Taylor advised or advocated any particular program on that trip I never heard of it. But perhaps the art of putting an idea across by asking questions did not die out completely 2300 years ago.

To go back to the beginning of this association: its first president, W. J. Spillman, published in 1926 and 1927 a farm plan complete with farm allotments, processing taxes and benefit payments, though all of the terms were not to be coined until 1933, when some who as younger men had discussed these ideas with Spillman took a hand in the formation of the Agricultural Adjustment Act.

Dr. Spillman's views influenced John D. Black who was later to become a president of this body. They appeared with modifications in the chapter on the Domestic Allotment plan in Dr. Black's book on Agricultural Reform in the United States, published in 1929.

M. L. Wilson, your president in 1925, continued the study of the Domestic Allotment plan as outlined by Spillman and Black, and was largely instrumental in enlisting farm and public interest and support. Later, as an administrator, he had the chance to develop the first commodity program in the Triple A, embodying many of the principles of the plan.

The second president of this body, Dr. George F. Warren, powerfully influenced farm thought and public policy. He helped focus attention on price ratios, and on the field of monetary action and price levels. Men who sat at his feet later occupied high places in Government. One who was also at one time your president, W. I. Myers, became an outstanding administrator as Governor of the Farm Credit Administration during the formative years during which the Production Credit Associations and the Banks for Cooperatives developed as important parts of farm credit machinery.

Merely to mention other names of men who have headed the American Farm Economic Associations is to call to mind ways in which agricultural policy has been affected by their work. You think of Taylor, and Stine and Tolley and Wilson in connection with the Outlook reports, and the developing concept of balanced agricultural output; of

Gray and land utilization policies that are fundamental in so many Government programs of today; of Tolley in connection with marketing agreements and State and regional pro rata plans; of Elliott and county and regional planning.

I think of these men as having directly influenced action. Others from your roster of presidents have contributed brilliantly in the field of knowledge and thus indirectly to policy itself.

The impossibility even to mention all the economists who deserve mention as having influenced importantly the development of agricultural policy in recent years should be apparent by now. Perhaps it was unwise to single out the few who can be referred to within our time limits today, because names come crowding on me with every right to their place. Dr. Charles L. Stewart developed the export debenture plan of the twenties, which, though never enacted into law in its original form, has been given another dress in one of the amendments to the Agricultural Adjustment Act.

The thread of influences and events that reach through from Stewart's first export debenture proposal to Section 32 of the amended Agricultural Adjustment Act illustrates clearly the persistence of thought in the field of farm policy. Dr. Stewart's plan took several legislative forms. Basically it would have issued to exporters of specified farm products, debentures which were to be accepted at face value by the Treasury in payment of duties on imports. To the extent that debentures were issued and used, the total of customs revenues

collected by the Government would have diminished. Farm groups took up and provided public backing for the plan. One of the leaders in Congress who became interested was Marvin Jones. In 1933 he became Chairman of the House Committee on Agriculture. It was he who secured adoption of the provision which sets aside 30 per cent of the annual revenues from customs, and authorizes their use to pay bounties on exports, or losses incurred in diverting surplus farm products into new domestic uses or for relief distribution. It is the offspring of the export debenture plan.

The field for direct action by farm economists has been extended almost infinitely in recent years. The nation has been combed by old and new Federal agencies seeking seasoned timber for administrators, and promising young men for assistants in executive work and program planning. Triple A, Farm Security, Surplus Commodities Corporation, the Farm Credit Administration, and many others have brought farm economists into new action fields.

This could go on indefinitely but it has proceeded far enough for purposes of illustration. It is of utmost importance to realize that no one piece of legislation can express the whole agricultural policy, and even within its scope, no legislation is complete and finished. It is constantly being amended, expanded, replaced. In other words, farmers, economists, legislators and administrators working together haven't solved the farm problem. They never will solve it. But they will forever be trying with measurable success to improve the economic

status of men and women on the farms. Theories discussed by a few today may be put to the test tomorrow. Experience gained yesterday is the foundation of the program of today. The conservation of ideas is truly remarkable. Most of the positive thoughts that have appeared in the millions of pages and years of words devoted to discussion of farm problems have influenced in one way or another the present pattern of agricultural policy.

The continuous change that is taking place in the pattern is the result of the reaction of farmers to present programs, the response of members of Congress to what they believe the farmer reaction in their respective States or districts to be, and the experience of the administrators. It is in this stage that the influence of the administrator reaches its greatest importance. Again I turn to personal illustration. A man like Jack Hutson, who combines economic training and administrative experience with an unusual capacity to work out action programs to meet problems as they arise, cannot fail to exert considerable influences on the direction of farm legislation. A man whose training and experience have been that of the present AAA Administrator, "Spike" Evans, must because of his training and experience apply to every proposition the question: "How will it work out in the country?"

Right at this moment the farm leaders and officials who are concerned with the continued success of the farm programs have a tough problem on their hands. The aims of the program would not be

wholly satisfied by achievement of parity of farm prices with other prices and costs. They include the building up of reserve stocks of farm products, considerably larger than normal carry-over, to meet the accidents of drouth and pest, or of sudden abnormal demand. Ordinarily, the existence of abnormally large stocks depress prices to the farmer more than proportionately. Yet it is desirable for the general welfare that they be built up and maintained. Therefore, it is essential that means be found to relieve the farmer of the full shock of stored surpluses on his prices. This cannot be done unless a general conviction is established that after the reserves have reached certain proportions -- after the ever-normal granary is filled -- seeding and other uses of the productive plant will be adjusted accordingly. The public has to know that we will not continue to pile surplus on surplus until a disastrous liquidation from stored supplies becomes inevitable.

The necessary adjustment in the productive plant can be assured only if farmers who cooperate in the general program have an economic advantage over those who do not. This advantage can be given if adequate appropriations are made by Congress, or if some device is offered to compensate the cooperating farmer.

The conferences that are now going on over the so-called certificate plan illustrate very well the preliminary stages of the legislative process. Incidentally, they tend to illustrate what I believe is an important weakness in the mechanism through which

democracy functions in the United States.

The Department of Agriculture is trying to convince other departments which are primarily concerned with questions of taxes and revenues that the certificate plan should be adopted as partial substitute for the unbudgeted appropriations that were made last year but which it is feared may not be regularly forthcoming. Ultimately, the proponents of the plan hope to line up the President of the United States on their side. The legislative branch of the Government does not participate in the discussions at this stage.

Even if all the interested executive departments, including the President, agree on a program, it still cannot be considered the Government's plan. It cannot even be properly called the Administration's plan. Because leaders of the majority of both Houses of Congress who are, after all, important cogs in the Government, or in the Administration, have not participated in the early stages that are shaping legislative forms which sooner or later will reach Congress.

This is not anybody's fault. The trouble is that our own peculiar form of democratic Government does not draw the executive and legislative leaders together in a common responsibility in the enactment and the administration of laws. I think that, on the contrary, the operation of our particular machinery too often tends to drive a wedge between the executive and legislative branches of Government.

If legislative leaders had a continuing share and responsibility in the administration of laws they enact; if administrators had the duty and opportunity of standing on the floor of Congress to explain and defend their courses; and if important legislation could be advanced only after the responsible legislative and executive leaders of the Government had agreed upon it, then the process of making and carrying out laws, and amending and perfecting them as we go along would, in my opinion, be vastly more orderly than it can be now. A long-drawn-out dissension between executive and legislative branches on important questions of Government policy would be impossible.

Few can doubt that the future, like the present, will be crowded with issues that impose heavy responsibilities on the leaders of democracies. Problems will be constantly changing but they will probably not grow less. It is worthwhile to consider not whether the central Government needs more powers, but whether its forms are the best that can be devised to meet those problems by truly democratic processes as they arise.

By this time I have come to recognize that the broad subject Mr. Elliott assigned me so that I could roam at will has turned out to be too broad. It is impossible to get over it even inadequately without straining your patience beyond the breaking point.

In conclusion I want to point to one truth that study of agricultural history of the past twenty years reveals. An unbroken thread has run through all the efforts of Government to aid agriculture

in our complex modern economy. Into it are woven not only what past administrations have done, but also the lost causes for which devoted men have struggled even though their efforts at the time brought them only bitter disappointment. What has been true in the past will probably be true in the future. If this only were generally recognized then it might be possible for all interested elements to approach consideration of changes in agricultural policy with good humor and tolerance, above the level of bitterness engendered by partisan or class interest.