

New Era Agrarian Radicalism

Smith W. Brookhart and the Populist Critique

GEORGE WILLIAM MCDANIEL

THE NEW ERA was a period of modernization, marked by rapidly expanding technology, corporate consolidation, social experimentation and change, and, at least until the crash, popular idealization of the virtues of businessmen. In 1925, when Calvin Coolidge proclaimed that "the business of America is business," many Americans nodded their heads in collective assent. The American business system had given most Americans a level of prosperity they had never dreamed possible, and few were willing to criticize it.

Despite the prominence of corporate values and their influence on public policy in the 1920s, however, other value systems and perspectives remained alive and would regain some of their previous influence in the 1930s. One of these was populism. Populists viewed corporate structures as "monopolies" and "tyrannies" and tended instead to idealize "the people," people's associations, and a people's government that could smite their enemies, serve as their advocate, and preserve the "independence" of citizens and communities. One of the most vocal exponents of the populist critique in the New Era was Iowa's junior senator during the period, Smith Wildman Brookhart. This populist critique had its roots in the political populism of the late nineteenth century, which was represented by the 1892 presidential campaign of another of Iowa's best-known political figures, James Baird Weaver.

Weaver and the Populists looked back to a simpler time, a time of the Jeffersonian ideal of yeomen farmers working their land, a time of decentralized government, a time that probably existed only as a romanticized myth. Their heroes were Thomas

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Jefferson, with his belief that it was the "distribution" of powers, not their "consolidation," that marked good government; and Andrew Jackson, who fought against the centralizing tendencies of a national bank. The Populists believed that their ideal was enshrined in the Declaration of Independence and its proclamation that "all men are created equal," that governments derive "their powers from the consent of the governed," and that they are instituted to secure the rights of the people. This statement of ideals, said Weaver, was "the most wonderful political enunciation in any language."¹

Throughout the nineteenth century, however, this ideal of equality, the Populists claimed, had been eroded by a series of laws and Supreme Court decisions that had created corporations and given them special favors. In a further quest for power the growing corporations had organized themselves into trusts. This "corporate rapacity" had combined with a "federal machinery" that was supposed to have secured individual equality but instead had created a society best represented by the characters of "dives and Lazarus," a society filled with the contrasts of "bountiful harvests accompanied by ever-existing destitution."²

As enunciated by Weaver, the Populist vision promoted the individual citizen's opportunity to make his or her own way. The goal was not equality of results but rather a society where each citizen had an equal opportunity to advance using his or her own abilities. What had once been a "fairly free field [for] individual enterprise" had allegedly been transformed into a "centralized government . . . administered by great capitalists." For Weaver and other populists the great cry had become, "Equal Rights to All; Special Privileges to None."³

As a political force, the Populists of the 1890s drew strength from a heritage of organizational activity among southern and northern farmers. In the years following the Civil War, agrarian

1. James B. Weaver, *A Call to Action* (Des Moines, 1892), 435. The general outline of Weaver's thinking in those days can be found in this book. Written in 1891, it was sold the next year as a means of raising campaign funds. See also John L. Thomas, *Alternative America: Henry George, Edward Bellamy, Henry Demarest Lloyd and the Adversary Tradition* (Cambridge, Mass., 1983), 365.

2. Weaver, *Call*, 248, 362, 439.

3. Edward Bellamy, "The Programme of the Nationalists," *The Forum* 17 (March 1894), 82; "If Elected . . .": *Unsuccessful Candidates for the Presidency, 1796-1968* (Washington, D.C., 1972), 272.

reformers had organized as Grangers, Anti-Monopolists, or Greenbackers; and beginning in the 1880s the Farmers Alliances had appeared, urging farmers to organize cooperatives to enable them to take matters into their own hands. But organizational failures and lack of capital had doomed such efforts to apply cooperative principles. Nevertheless, working together in cooperatives, people had allegedly learned that "though the hour was late, the people could be rallied to defend the democratic idea. . . . Here, perhaps, was the heart of the Populist belief: though the democratic heritage was imperiled by the demands of the industrial culture, the people were not yet helpless victims."⁴

On these matters, Smith Brookhart came to believe that the Populists had been right. They had identified the threat to a democratic order, which they defined in Jeffersonian terms, but they had rejected Jeffersonian solutions. Instead, they had championed the idea that when a system of special privileges developed, the people had the right to band together to demand justice from their government and equal access to the benefits of commerce and society.

BROOKHART HAD FIRST MET JAMES WEAVER in the early 1890s, and he often visited the Weaver home before and during Weaver's 1892 presidential campaign, but at the time he was unimpressed with Weaver's ideas.⁵ Brookhart had begun his political life in the 1890s as a county seat town lawyer in rural, Republican Iowa. A lifelong dry, in 1894 he was sought out by the conservative Republican organization to run for county attorney on a platform pledged to enforce Iowa's local option liquor laws. Re-elected in 1896 and 1898 he remained a loyal member of the party and seemed headed for a successful political career.⁶

By the turn of the century the Republican party in Iowa was in a turmoil. Standpat, old-line conservative Republicans and

4. Lawrence Goodwyn, *Democratic Promise: The Populist Moment in America* (New York, 1976), 272. See also Solon Justus Buck, *The Granger Movement: A Study of Agricultural Organization and Its Political, Economic, and Social Manifestations, 1870-1880* (Cambridge, Mass., 1913), 261.

5. *Congressional Record*, 67th Cong., 4th sess., 1922-23, 2129.

6. For an account of Brookhart's start in politics, see George William McDaniel, "Prohibition Debate in Washington County, 1890-1894: Smith Wildman Brookhart's Introduction to Politics," *The Annals of Iowa* 45 (Winter 1981), 519-36.

progressive Republicans were fighting for control of the party. The principal economic force in the state was the railroads, and through their economic grip on the state the railroads also effectively controlled the political process. Standpat Republicans tended to support the railroad interests. Through a series of reforms the progressives, led by Governor Albert B. Cummins, sought to free the political process from railroad control. The progressives also sought to control the railroads and other large economic interests through regulation.

Brookhart initially supported Cummins and the aims of the progressives. In time, however, he came to believe that, at least in the case of the railroads, regulation was not sufficient; he supported government ownership of the railroads, instead. During World War I the federal government did take over operation of the railroads. Once the war was over, however, Senator Albert Cummins cosponsored a bill to return the railroads to private ownership. Brookhart believed that Cummins had abandoned progressivism, and in 1920 he unsuccessfully challenged the incumbent for his Senate seat.

The farm depression that began in late 1920 served as the catalyst for yet another transformation of Smith Brookhart. As the farm crisis of the 1920s took shape and persisted, he began to see the wisdom of Weaver's ideas.⁷ He applied a populist critique to the new situation and urged Iowa farmers to rally to defend the democratic idea and to take matters into their own hands by joining together in cooperatives.

During World War I and the immediate postwar years agricultural prices rose dramatically. As a result of the higher prices and a favorable credit structure, farmers expanded their operations, bought more land and equipment, improved their farms, and invested in new farm machines as well as automobiles and other consumer items. Then, beginning in mid-1920, prices began to fall; in the second half of that year average prices of ten leading crops fell 57 percent, and by the following spring prices were one-third of what they had been the previous June.⁸

The chief villain, as farmers saw it, was the Federal Reserve Board. In May 1920 it had met with the Federal Advisory Coun-

7. *Congressional Record*, 67th Cong., 4th sess., 1922-23, 2129.

8. James H. Shideler, *Farm Crisis, 1919-1923* (Berkeley and Los Angeles, 1957), 46.

cil and Class A Directors of the Federal Reserve banks from across the country and surveyed the credit situation. Alarmed at the continuing increase of speculative activity fueled by easy credit, it had raised the rediscount rate and urged member banks to curtail credit and "discourage loans for capital and speculative purposes."⁹

In late 1921 and early 1922 the squeeze on farmers became even more acute. Brookhart reacted strongly. At a Farmer's Union meeting in Fairfield in October 1921, he asserted that the "control of credit is the source of economic power," and argued that farmers in the past had been "systematically robbed" because they were not organized with the same intelligence as big business. Then at a meeting of the Conference of Farm and Labor Organizations in November, he urged a joint effort to legalize cooperative banks in Iowa.¹⁰ And when one of Iowa's Senate seats became available in early 1922 Brookhart seized the opportunity to take his message to a larger forum.

Two years earlier Brookhart had entered the Republican senatorial primary in an unsuccessful attempt to unseat the incumbent, Albert B. Cummins. Brookhart not only lost that election, but his challenge of the party structure earned him a reputation as an outsider. Now openly opposed by the Iowa Republican party, Brookhart took his program of governmental aid to agricultural cooperatives directly to the people. He won the Senate seat by a wide margin, but his victory widened the rift between himself and the party. Moreover, the statist implications of his program, coupled with his longtime advocacy of government ownership of the railroads, allowed his opponents to paint him as a dangerous radical flirting with Bolshevism. Those allegations and his reputation as an outsider would continue to hamper his efforts to achieve his legislative goals.

Following his election to the Senate in 1922, Brookhart began to push for governmental aid to agriculture. According to Brookhart, there were ample precedents for having the federal government play a role in the recovery of agriculture. The gov-

9. *Federal Reserve Bulletin* (Washington, D.C., 1920), 556. See also George Soule, *Prosperity Decade, From War to Depression: 1917-1929* (New York, 1947), 96-106.

10. *Homestead*, 3 November 1921; *Iowa Union Farmer*, 16 November 1921.

ernment, after all, had assisted other sectors of the economy. For example, it had created a commercial bank system that had not served agriculture well. It had compounded that with a Federal Reserve system that had been the principal cause of the depression. And following a period of wartime operation, it had subsidized the railroads in ways that had required farmers to pay higher freight rates. Farmers, Brookhart said, were "entitled to some consideration at the hands of the government." The kind of "consideration" that Brookhart had in mind was government aid that would allow farmers to form national marketing cooperatives, assist them in recouping their cost of production plus a reasonable profit, and provide special funds to cover any losses incurred in implementing such guarantees. His farm bill, he said, would accomplish those ends; it would give agriculture the same "economic chance" that other businesses and industries had enjoyed under the "laws enacted by our government."¹¹

Although Brookhart introduced his farm bill a number of times, he never got much of a hearing for it. Part of the problem was that it challenged basic assumptions about the American business and banking system. Besides, it was Smith Brookhart's program, and his reputation as a radical and a legislative loner offset any chance for serious consideration of his program. But his analysis of governmental and corporate structures, whose actions he believed had led to the depression, took him back to his earliest political education—the populism of James B. Weaver.

BROOKHART SHARED THE POPULISTS' FAITH in the notion of equality. He took the Declaration of Independence and the Constitution literally as documents that enshrined equality of opportunity as the very foundation of Americanism, and he saw the Jeffersonian world of yeomen farmers as the best example of how that equality was to be achieved. So when Brookhart fought for equality for agriculture, he meant not only parity in the marketplace and the political arena but also the preservation of small individual farmers on their own land. Writing in 1927, he declared that he was "unalterably opposed to corporation own-

11. *Congressional Record*, 68th Cong., 1st sess., 1923-24, 1085, 1086.

ership of land." What he would later term the "chain farm" was opposed to the very nature of Americanism.¹²

Brookhart applied a similar argument in critiquing the growth of chain stores. In his view, small independent merchants stood alongside their neighbors, the small farmers, as co-heirs of the Jeffersonian idea. Yet increasingly in the 1920s small, independent, locally owned stores found themselves competing with units of statewide or nationwide mercantile chains. As early as 1922 Brookhart had urged small businessmen to organize lest the "chain-store idea" force them onto the "rocks of disaster." As he saw it, the chain store was an "evil" monopoly, similar to the other monopolies that he had long fought. Like them, it had taken advantage of the "vicious system of corporation laws" and was now in the process of taking business away from local merchants and destroying the "civic life of the small communities." As a defense against chain stores, Brookhart urged that local merchants form cooperatives similar to the cooperatives he had long urged for farmers. They might do so as "home defense leagues" or "community builders," and he noted that some had already been established. In Des Moines, for example, about seven hundred independent grocers were engaged in cooperative purchasing that was helping them to compete with chain grocers.¹³

Brookhart also sought to assist independent motion picture theater owners. Their "enemies" at the time were the large motion picture companies, which had consolidated the production end of the rapidly growing industry and were trying to establish

12. *Des Moines Register*, 29 November 1927; U.S., Congress, Senate, Committee on Agriculture and Forestry, *Hearings on S. 1, 71st Cong., 1st sess.*, 25 March 1929, 9.

13. *Iowa City Press Citizen*, 27 March 1922; Smith W. Brookhart, "The Retail Merchant and Community Development," *National Grocers Bulletin* (Special Convention Edition, 1928), 53-54; Smith W. Brookhart, "The Chain Store Monopoly," Speech, Institute of Public Affairs, University of Virginia, 10 July 1931, Manuscripts Department, University of Virginia Library, Charlottesville; Smith W. Brookhart, "On Chain Stores," *The N.A.R.D. Journal* 49 (3 October 1929), 36; *Congressional Record*, 71st Cong., 3d sess., 1930-31, 3924-26. Brookhart spoke on the chain store issue before the following groups: National Convention of Retail Grocers, National Association of Retail Druggists, Retail Meat Dealers Association. See also Rowland Berthoff, "Independence and Enterprise: Small Business in the American Dream," in Stuart W. Bruchey, ed., *Small Business in American Life* (New York, 1980), 28-48.

control over the exhibition end, partly by opening their own theaters but also through a block-booking system that forced independent exhibitors to take all or much of a studio's output in order to obtain the pictures they wanted to exhibit. This had both economic ramifications and a social or moral dimension. Economically, it meant that exhibitors had to pay to lease movies that they could not or would not show, or that they knew would not be patronized in their communities. Morally, it encouraged theater owners to show movies that undermined the community's moral structure. It was another example, Brookhart believed, of the evil exercise of monopoly power.

Between 1927 and 1932 Brookhart introduced three bills aimed at preventing "restraint upon free competition" through the practice of block-booking. In remarks accompanying his third movie bill Brookhart urged the Senate to see the "wisdom of dissolving . . . chains of theaters and leaving the field . . . to the independent operators." But in speaking about the bills he also stressed the social and moral aspects of block-booking. Movies, he said, were second only to homes, schools, and churches in their influence for "good or evil" on the "culture, habits, and morals of the public."¹⁴ Despite his efforts on behalf of independent merchants and theater operators, his bills met with strong opposition, and like so many of his proposals they languished in committee.

THE FIGHT to preserve small farmers and small businessmen was just one manifestation of Brookhart's abiding populism, which had as its general theme the belief that economic opportunity ought to be a universal characteristic, that each individual ought to be in control of his or her own life. As a corollary, he held that sovereignty lay in the people and was to be exercised through

14. *Congressional Record*, 72d Cong., 1st sess., 1931-32, 4500, 4493. Brookhart seemed to stop just short of calling for prior censorship. He would rather have the community make the decision as to whether a movie would be shown. At about the same time he discussed the same question as it related to printed matter. Speaking about the importation of books alleged to be obscene, he said that the legislature ought to define what was obscene and then have the courts try cases based on the legal definition. He was opposed to having the courts, or clerks in the same office, make the decision about obscenity. See *Congressional Record*, 71st Cong., 1st sess., 1929, 4455-56; 71st Cong., 2d sess., 1929-30, 5248.

their elected representatives. As James B. Weaver had put it in 1892, "elective control" was the "only safeguard of liberty," and representatives of the people should therefore work to bring institutions like the Senate, the executive, and especially the Supreme Court under this kind of popular control. The Supreme Court, according to Weaver, had acquired a power—the power of judicial review—that the founders had never intended it to have, and it had used that power to shield and protect such enemies of democracy as the slave power and big business corporations. The way to advance democracy was to return to the intent of the founders, make the legislature the "supreme power," and put the judiciary back in a "subordinate" role.¹⁵

Brookhart agreed with Weaver's analysis. In 1912, in a series of articles on the issue of judicial recall, he echoed Weaver, arguing that the courts were the "last refuge of the big interests and the jackpotters." Their power to set aside legislative actions was in his view a "great menace" to liberty. As a remedy, he advocated the recall of judges by election. This, he wrote, was "merely re-clothing the ballot box with the power it extended to the judiciary in the first instance. There is no power, in a republican form of government, that should be higher than the ballot box as a last resort on any question."¹⁶

It was not surprising, then, that in 1930 Brookhart should use the occasion of the nomination of Charles Evans Hughes to be chief justice for a renewed attack on the Supreme Court. The court, he noted, contained some progressives willing to put "human rights" ahead of "property rights."¹⁷ But historically it had served the latter and had helped to produce a government engaged in unequal treatment of its citizens. Confirmation of Hughes, who had a background as a corporation lawyer, would add to the court one more justice committed to maintaining the status quo.

In conjunction with this attack, Brookhart also advocated judicial election and recall, and he introduced a Senate resolution in favor of requiring a unanimous decision for the Supreme Court to declare a law unconstitutional. If anyone was to decide the constitutionality of a law, he thought, it should be the peo-

15. Weaver, *Call*, 70, 73, 132.

16. *Washington County Press*, 18 January, 11 April, 22 February 1912.

17. *Congressional Record*, 71st Cong., 2d sess., 1929–30, 3505.

ple's openly elected representatives, who were "just as honest" as any court and just as capable of following the Constitution. They had been elected by people who were competent to govern themselves and to select representatives who would follow the Constitution. The basic principle should be that "the Constitution made by the people should be construed by the representatives of the people."¹⁸

Brookhart's attacks on chain stores, movie moguls, and the Supreme Court came late in his Senate career and were logical extensions of his populist critique. But these new targets had not made him forget his original foes, Wall Street and the Federal Reserve system. In July 1929, in an article entitled "Has the Federal Reserve Act Failed?" he warned that unchecked speculation in the stock market could produce "one of the gravest economic crises" in American history.¹⁹ In October, when the crash came, he quickly concluded that the Federal Reserve system had been a disastrous regulatory failure. It had allowed credit to collect in the large New York banks and to be used by them to fuel the speculative fever, an activity that was little more than gambling with the money that should have been available to farmers for credit. Now, not just farmers but the entire nation had suffered the consequences. With a vehemence that was strong even for him, Brookhart declared that Congress "ought to kill this gambling business. . . . I mean kill it; I do not mean compromise or regulate it or anything of the kind."²⁰

As might be expected, Brookhart found the solution in the kind of cooperative banking system that he had long advocated. In February 1928 he introduced a bill to establish federal cooperative banks and a cooperative reserve system, a bill that Secretary of the Treasury Andrew Mellon said would "impose upon the banking structure of the country a confusing duplication of functions and machinery" at "variance with the fundamental

18. *Ibid.*, 3647, 6227. He opposed the World Court for the same reasons. In a speech delivered in 1929 he asked, "who shall make the laws for this World Court? There is no legislative branch of this super-government for the making of laws. It will of its own volition make its own laws. This is a contradiction of the fundamental principles of Americanism." Speech, "The World Court," Brookhart Papers, State Historical Society of Iowa, Des Moines.

19. Smith W. Brookhart, "Has the Federal Reserve Act Failed?" *Plain Talk* 5 (July 1929), 1.

20. *Congressional Record*, 71st Cong., 2d sess., 1929-30, 595-98.

purposes of the Federal Reserve Act." In January 1930 Brookhart offered the bill again, found that Mellon was still opposed, and bemoaned the fact that the United States was "the only civilized country which prohibits the farmer and labor from organizing their own savings into a cooperative credit system under their own control." Brookhart submitted the bill again, and for a third time the Treasury Department opposed it. The bill died in the Senate Banking Committee, and with it died Brookhart's hope of cooperation as the solution to farm credit needs and speculative excess.²¹

In 1931 Brookhart again returned to his populist roots with criticisms of the gold standard reminiscent of those once made by the Greenbackers, the Populist party, and the William Jennings Bryan wing of the Democratic party. The gold system, Brookhart argued, should be ended, and in December 1931 he introduced a bill to bring this about. The system, he said, was not the sole or even the primary cause of the depression. But a better system more capable of preventing depressions could be developed. He could see no reason why the country should continue to "cling to this fetish" of gold. Its proponents had promised "eternal prosperity," but instead the country had got a "depression every few years."²²

The traditional Populist remedy of bimetallism, Brookhart thought, would be an improvement over the existing system.²³ But the real answer, he finally decided, was a dollar based on the value of all commodities rather than on precious metals alone, and a supply of dollars that would grow at a steady rate rather than being determined by the Federal Reserve Board. He proposed to calculate the aggregate value of all 550 commodities that entered into the Department of Labor's calculation of the consumer price index and to keep the value of the dollar at a fixed fraction of this aggregate value. The money supply should

21. *Congressional Record*, 70th Cong., 1st sess., 1927-28, 2502; 71st Cong., 2d sess., 1929-30, 1903; 72d Cong., 1st sess., 1931-32, 190; Andrew Mellon to Peter Norbeck, 15 March 1929, 22 January 1930, 26 January 1932, Record Group 56, "Records of the Department of the Treasury," Office of the General Counsel, Non-Tax Legislative History File, National Archives, Washington, D.C.; *New York Times*, 10 February 1930.

22. *New York Times*, 11 December 1931; *Congressional Record*, 72d Cong., 1st sess., 1931-32, 10846.

23. *Congressional Record*, 72d Cong., 1st sess., 1931-32, 2629-30.

increase by four percent per year, a figure that represented the long-term average annual increase in net national income. In effect, he would combine the commodity dollar plan advanced by various other monetary reformers at the time with the kind of fixed monetary growth rule advocated by both populist and conservative critics of the Federal Reserve System.²⁴

Brookhart hoped his scheme would stabilize the value of the dollar and keep enough dollars in circulation in a way that the gold standard could not. He proposed it in 1932, but few people bothered to comment since by that time, he was, for all practical purposes, a lame duck senator.

THE POPULIST PERCEPTIONS AND PRESCRIPTIONS that early became a part of Brookhart's mental makeup explain much about Brookhart and the political analysis and remedies he offered. John D. Hicks, the first scholarly historian of the Populist movement, wrote, "In formulating their principles the Populists reasoned that the ordinary, honest, willing American worker, be he farmer or be he laborer, might expect in this land of opportunity not only the chance to work but also, as the rightful reward of his labor, a fair degree of prosperity."²⁵ According to Brookhart, when the "rightful reward" of their labor was not forthcoming, farmers and laborers ought to join together in cooperatives to attain power for themselves. And like the Populists, Brookhart believed that there could be a people's government responsive to their needs for relief and justice and capable of acting as their advocate in the marketplace.

To some extent, Brookhart also embraced the Populist ideal of restoring a golden age when individual farmers had worked their own land and controlled their own destinies and had lived in harmony with small independent businessmen. But his Jeffersonian rhetoric should not lead one to believe that he was merely an agrarian Luddite railing against the machines of progress or the making of wealth. His main complaints were about industrial wealth made at the expense of farmers and the ar-

24. Smith W. Brookhart, "Let's Abandon the Gold Standard," *The Forum* 88 (July 1932), 10-12. See also *Congressional Record*, 72d Cong., 1st sess., 1931-32, 2629-30.

25. John D. Hicks, *The Populist Revolt: A History of the Farmers' Alliance and the People's Party* (Minneapolis, 1931), 405.

rangements that kept farmers from sharing in the economic rewards.

Drawing on his populist beliefs and perspectives, Brookhart expressed the predicament of agricultural depression in the midst of general prosperity. Iowa farmers responded by sending him to the Senate by large margins. In the end, however, he was unable to enact his populist programs, in part because they seemed to challenge too many basic assumptions of the prevailing corporate philosophy, but also because his reputation as an outsider and a radical made it difficult for him to form the political alliances necessary for success.

Nevertheless, in Brookhart and others like him, an older populist critique of big business and corporate development remained alive in the corporate-minded New Era. Brookhart's electoral successes showed that such a critique could appeal to distressed farmers as an explanation of and a remedy for their plight, and fed into a revival of populist thinking and prescriptions in the New Deal era. The rise of a bureaucratic order and a new organizational politics conducted by functional elites would have to accommodate the persistence of these populist ideals.

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