

Annals

A PR ~~INT~~ POLITICS: THE PUBLIC
C/ HENRY A. WALLACE

ward L. Schapsmeier
Illinois State University
And Frederick H. Schapsmeier
Wisconsin State University (Oshkosh)

As a political figure, Henry A. Wallace was one of the most colorful and controversial personalities to emerge out of the New Deal. With a distinctive agrarian argot, he often sounded like some latter-day prairie prophet summoning a lost generation to the Promised Land.

This unique idealist from Iowa preached reform and predicted the day would come when all Americans would live in affluence. His optimistic outlook brought hope to millions who were poverty stricken during the most dismal period of depression the nation had ever endured. Wallace was an audacious apostle of abundance in a decade when the people were unaccustomed to the pleasures of prosperity. He was labeled by some a dreamer of dreams and a misguided zealot, sincere but impractical. Critics overlooked the fact that he was the architect and successful administrator of massive farm programs. The Triple-A and the Ever Normal Granary were effective measures to raise rural income; they were neither chimerical nor utopian. The confused image of Henry Wallace, compounded by his ill-fated Progressive Party campaign in 1949, arose because of the dual nature of his political activity. As a knowledgeable agricultural economist, Wallace was both realistic and imaginative; but simultaneously he possessed an Edenic vision of a new America. His magnificent rhetoric of reform, punctuated by religious fervor, sought to initiate a transformation of society. The immediate objective was to render assistance to farmers, while the ultimate goal of his endeavor was the attainment of universal social justice.

As the third generation scion of the Wallaces of Iowa, agricultural leadership was part of the family tradition inherited by Henry A. Wallace. His grandfather, a former

HISTORY & ARCHIVES
Historical Building
DES MOINES, IOWA

Presbyterian clergyman, was known affectionately throughout the Midwest as "Uncle Henry." He founded the *Wallaces' Farmer* in 1895 and acquired an outstanding reputation as a farm leader. The first Henry Wallace was appointed to the Country Life Commission in 1908 by President Theodore Roosevelt. This investigative committee discovered and reported a host of deficiencies existing in the rural sector of the economy. It suggested federal legislation to regulate railroads, curtail speculation relative to farm products and proposed means for implementing conservation programs on a vast scale. The report reflected the Progressive philosophy of its members, since it was calling for the use of positive government to aid in the development of a "scientifically and economically sound country life."¹ Some of the findings of the Country Life Commission prompted Congressional action during the Wilson administration, but the floodtide of federal intervention on behalf of the farmer did not come until 1933.

When the venerable Uncle Henry died in 1916, leadership of the family devolved upon Henry C. Wallace. Leaving his post as a professor in the Agriculture Department at Iowa State College (now Iowa State University), Ames, he assumed the editorship of the *Wallaces' Farmer*. The second Henry Wallace, a prominent layman in the Presbyterian Church, was thrust into public service during World War I. Upon the request of Herbert Hoover, the Food Administrator, Wallace assisted in the formation of a Swine Commission to devise a price formula to increase the production of pork and lard.²

In 1920, Henry C. Wallace wrote campaign speeches for Senator Warren G. Harding and, after the Ohioan's victory, became the Secretary of Agriculture. Once in the cabinet, Wallace established the Bureau of Agricultural Economics

¹U. S. Country Life Commission, Report of the Country Life Commission, 60th Cong., 2nd Sess., Senate Document No. 705, pp. 13-20 (Washington, 1909), as quoted in Wayne D. Rasmussen, ed., *Readings in the History of American Agriculture* (Urbana, 1960), 191.

²See the Herbert C. Hoover-Henry C. Wallace correspondence and the Report of the Evvard Commission, Food Administration File, Herbert C. Hoover Archives, Hoover Institution On War, Revolution, And Peace (Stanford University).



**Henry C. Wallace Taking Oath of Office as Sec. of
Agriculture, Succeeding Edwin T. Meredith;
R. M. Reece Administering Oath.**

and was instrumental in securing administration backing for a considerable amount of remedial legislation.³ The advent of Coolidge to the presidency brought an end to federal aid for

³Legislation which was beneficial to agriculture included: extension of the War Finance Corporation, increased capital for the Federal Land Banks, an agricultural representative was placed upon the Federal Reserve Board, Packers and Stockyards Act, Grain Futures Act, cooperatives were exempted from anti-trust prosecution and the Intermediate Credit Act. See the cabinet papers of Henry C. Wallace in the Warren G. Harding Papers (The Ohio Historical Society, Columbus).

the farmer. The unexpected illness and subsequent death of Henry C. Wallace in 1924 deprived the rural populace of an important spokesman within an administration whose interest was focused on fostering private enterprise—and not upon rendering government assistance to agriculture. Even though the Farm Bloc in Congress twice passed the McNary-Haugen Bill to set up a federal agency to dispose of surpluses in overseas markets, the effort was sternly rebuked with vetoes from the White House.⁴

It was during this arid era of Coolidge that the young Henry A. Wallace made the *Wallaces' Farmer* into the most influential farm journal in the nation. The third Wallace was, perhaps, the best qualified of the trio. He was the legatee of the family's heritage and continued the practice of fusing agrarian idealism with agricultural realism. As a student at Iowa State College, he had majored in agronomy—but made a serious study of economics. At that time Wallace came under the influence of Professor Benjamin H. Hibbard, who was to impress upon him a fact he would never forget, namely, that high tariffs were harmful and not helpful to agriculture.⁵

In an effort to broaden his knowledge, Wallace took additional courses at Drake University and read widely in history and economics. His scholarly pursuits led him to the works of Thorstein Veblen. The iconoclast and erratic genius, whom Wallace met only once, became his mentor in economics. Wallace embraced institutional economics as though it were divine revelation. It provided him with a conceptual framework and also confirmed his suspicion that the farmer was the victim of a price system controlled by businessmen whose only interest was private gain. He became aware of the adverse effect of competition, individualism, and *laissez faire*

⁴The position of Henry C. Wallace was a precarious one. Wallace supported passage of the McNary-Haugen Bill, whereas the administration opposed it. Had death not intervened, he may well have been forced to resign his cabinet position. See Case File 1-1A1, Calvin Coolidge Papers, Library of Congress and Department of Commerce, Agricultural Files, Herbert Hoover Archives (West Branch, Iowa).

⁵Henry A. Wallace, "Seminar In Economics," in Russell Lord, ed., *Democracy Reborn, Selected from Public Papers and Edited with an Introduction and Notes* (New York, 1944), 96; Benjamin Horace Hibbard, *Marketing Agricultural Products* (New York, 1921), 281.

economics as it pertained to the farm population. So profound and pervasive was Veblen's impact upon Wallace's thinking, institutional economics became a basic tenet of his political philosophy. When Veblen died in 1929, Wallace penned the following eulogy for his economic tutor: "One hundred years from now people will read Veblen's books and realize that he was one of the few men of the early twentieth century who really knew what was going on."⁶ In 1937, as the Secretary of Agriculture, he was still confident that *The Theory of the Leisure Class* and *The Theory of Business Enterprise* were two books which had to be classified "among the most powerful produced in the United States in this century."⁷ Wallace believed Veblen's work so valuable, he even recommended to President Roosevelt in 1940 that he read *Imperial Germany And The Industrial Revolution* and *An Inquiry Into The Nature Of Peace And The Terms Of Its Perpetuation*.⁸

While at college, Wallace developed a keen interest in mathematics and the use of statistical studies as a scientific tool. His prowess as a geneticist was proven even as a teenager and, during his college years, he continued to experiment with hybrid corn. His genius in this field assured ultimate success to the Pioneer Hi-Bred Corn Company, a commercial venture he started in 1926. The company prospered, ultimately becoming a multi-million dollar concern.

After his graduation in 1910, Wallace persuaded Iowa State College to establish a statistical laboratory. Wallace's private research covered a wide range of interests. They included price analyses in the cost of production of agricultural commodities, ascertaining the relationship of weather factors on crop yields and studies relating to the effect of extra-terres-

⁶HAW, "Odds and Ends," *Wallaces' Farmer*, vol. 54 (August 30, 1929), 1167. The "O & E" was a signed article that appeared in each issue of the paper. Hereinafter the *Wallaces' Farmer* will be cited as *WF*.

⁷HAW, "The Power Of Books," Address at the *New York Times* Book Fair, New York City, November 4, 1937, RG 16, National Archives.

⁸Letter, HAW to FDR, April 1, 1940 with enclosure: "Review Of The Book 'Imperial Germany and The Industrial Revolution' Written By Thorstein Veblen In Early 1915" By Henry A. Wallace and "Postscript to Review"; Letter HAW to FDR, March 30, 1940, PSF, Franklin D. Roosevelt Library (Hyde Park, New York).

trial bodies upon the earth's climate.⁹ As early as 1915, the *Wallaces' Farmer* began publishing his corn-hog ratio price charts and in 1925 he co-authored, with mathematician George Snedecor, the work *Correlation and Machine Calculation*. Wallace sought to inform farmers of the importance of economics and in so doing relate to them the significance of tariffs, wage levels, consumer demand, foreign markets and land values. It was in this area, as a publisher, that Wallace performed his greatest service to rural leaders, for he also enlightened them on such matters as war debts, reparations, currency exchange rates, international credit and monetary reform.¹⁰ He, unlike the heads of many farm organizations, viewed agriculture in its totality. His scope was international. He tried to rid farm leaders of their narrow provincialism. Farms were not isolated units, Wallace kept insisting, but were collective parts of world production.

In a scholarly work, *Agricultural Prices*, Henry A. Wallace arrived at some startling conclusions. This study, issued in 1920, was based upon the analyzation of market receipts at Chicago, records of bank clearings, and a tabulation of cost

⁹HAW, "Mathematical Inquiry Into The Effect Of Weather On Corn Yield In The Eight Corn Belt States," *Monthly Weather Review*, vol. 48 (August, 1920), 439-446; Tape Interview-1960, HAW interviewed by Dorothy Kehlenbeck, Iowa State History Collection (Iowa State University, Ames); Letter, Dr. R. E. Buchanan to authors, February 28, 1964; *Annual Report, 1962-1963*, The Statistical Laboratory, Iowa State University, Ames, Iowa, p. 3; Interview with George W. Snedecor, April 18, 1964; HAW, "The Moon And The Weather," *WF & IH*, vol. 53 (May 31, 1930), 1032; "Hot Weather And The Planets," *WF & IH*, vol. 55 (July 26, 1930), 1270; HAW, Review of *The Corn And Hog Surpluses Of The Corn Belt*, by Alonza E. Taylor, *Journal of Farm Economics*, XIV (July, 1934), 510. The *Wallaces' Farmer* merged with the *Iowa Homestead* in 1929, hence the designation *WH & IH*.

¹⁰"Board Of Trade Speculation," *WF*, vol. 53 (November 30, 1928), 1636; "Tariff And The Farmer," *WF*, vol. 53 (December 28, 1929), 1812; "The New Tariff And Agriculture," *WF*, vol. 54 (June 14, 1929), 873; "Cancelling The War Debts," *WF & IH*, vol. 55 (December 27, 1930), 1976; "Let Us Have More Nation Planning," *WF & IH*, vol. 56 (June 6, 1931), 270; "Cutting Down The Surplus," *WF & IH*, vol. 55 (April 5, 1930), 678; "Governor Of The Bank Of England," *WF & IH*, vol. 56 (April 18, 1931), 540; "Time For The Reserve Banks To Act," *WF & IH*, vol. 57 (January 9, 1932), 37; "Ending The Depression Of Plenty," *WF & IH*, vol. 57 (April 16, 1932), 220; "Farm Debts And The Price Level," *WF & IH*, vol. 57 (January 23, 1932), 32.

factors in commodity production. He claimed the so-called free market operated to the disadvantage of the farmer. First, agricultural products were dumped on the market in such a way as to drive prices down and secondly, he discovered the market was actually manipulated in favor of the buyers. Impaled upon the cornucopia of overproduction, the individual farmer could do nothing to help himself. Wallace advised organized effort among farmers. "They will find it necessary," he predicted, "to practice sabotage in the same scientific businesslike way as labor and capital." In addition to deliberate curtailment of production to sustain high prices, he called for an abolition of the "speculative or market price system." The price-fixing authority granted to the government during World War I, Wallace pointed out, was federal intervention for the purpose of managing the economy. Why could it not be done again? No system was sacred and reforms were urgently needed. The farmer received inadequate remuneration for his labor and some change had to be made to assure tillers of the soil at least the cost of their production. Reflecting the influence of Veblen upon his own thought, Wallace cited the need for institutional reform and the necessity for specific economic "machinery." The former meant an alteration of attitudes and habits (e.g. competition and individualism), while the later invited the creation of special agencies to assist the farmer. Such guidance of the economy, Wallace insisted, would stabilize the "violent fluctuations in supply and demand" and would remove personal profit as the "sole motive" for incentive. The primary criteria for controlling the productive capacity of both the farm and factory would be the nation's general welfare. Private exploitation would, in effect, be supplanted by the superior needs of the masses. Needless to say, this type of thinking was equated with Bolshevism in 1920.

The plight of the farmer worsened during the twenties and thirties. The plague of surpluses continued. Technology, such as the tractor and improved farm machinery, increased the output of food and fiber; while domestic consumption diminished and overseas markets disappeared. President Hoover

¹¹HAW, *Agricultural Prices* (Des Moines, 1920), 1-17, 27-28, 109-110.

approved the Agricultural Marketing Act of 1929, but the Federal Farm Board it established had no mechanism for preventing excess production. What little assistance was rendered in efficient marketing was negated by other factors. Tightened purse strings due to the severity of the depression, the Hawley-Smoot Tariff and the tangled war debt-reparations problems all served to reduce the demand for agricultural commodities. Wallace used his farm journal to agitate for measures geared to stimulate buying. He urged a lowering of the tariff, cancellation of war debts, drastic reduction of reparations, loans to foreign countries, international monetary agreements, devaluation of the dollar, and an easy credit policy on the domestic scene.¹² As the national economy ground to a halt and showed signs of stagnation, Wallace urged public works, a moratorium on debts and public relief for suffering people.¹³ Herbert Hoover, however, remained faithful to his economic dogma. He acted—but with a cautious timidity.

The suffering caused by the depression, and the cruel paradox of poverty amid plenty, served as a catalyst. Henry A. Wallace, while proffering practical solutions, could not refrain from preaching the need for economic reforms leading to a more equitable distribution of the nation's wealth. Compelled by conscience to speak out, he believed the time had

¹²Future Price Trends, Gold And The Farmer," *WF*, vol. 52 (October 28, 1927), 1396; "For An Honest Dollar," *WF & IH*, vol. 56 (January 17, 1931), 66; "Tariff Insanity Is World-Wide," *WF & IH*, vol. 56 (May 9, 1931), 332; "Support Hoover's Program On Moratorium," *WF & IH*, vol. 56 (November 14, 1931), 1176; "Two Roads Lead Up; One Down," *WF & IH*, vol. 57 (March 19, 1932), 158; "Foreign Trade And The Depression," *WF & IH*, vol. 55 (January 31, 1930), 130; Wallace was a long-time vice president of the Stable Money Association and vigorously supported the commodity dollar idea. See Irving Fisher, *Stable Money, A History Of The Movement* (New York, 1934); Letter, HAW to authors, August 4, 1963; Interview with Irving Norton Fisher, Jr., June 27, 1963; Correspondence between HAW and James Harvey Rogers, Papers of James Harvey Rogers (Yale University); Collection of Regional History and Papers of George F. Warren, Olin Research Library (Cornell University).

¹³"Out Of A Job," *WF & IH*, vol. 55 (June 14, 1930), 1104; "To Bring Back Prosperity," *WF & IH*, vol. 55 (December 20, 1930), 1954; "Sending Grain To Drouth Sufferers," *WF & IH*, vol. 56 (February 21, 1931), 250; "Deal Thy Bread To The Hungry," *WF & IH*, vol. 56 (April 11, 1931), 508; "Depression And The Churches," *WF & IH*, vol. 57 (September 17, 1932), 485.

come for a total social transformation. The "prophets of both the Old and the New Testament," he affirmed, had a "firm grasp of the fundamental essence of all economics and sociology, namely, justice."¹⁴ To Wallace it was a social sin to tolerate a condition where "whole classes of our people are impoverished at the same time as other classes are made rich."¹⁵ The spectacle of want and privation moved Wallace to editorialize: "So far as the economics of the situation is concerned, Isaiah, 'Uncle Henry' and the modern economists who talk about increasing the consumer's purchasing power are recommending the same cure for hard times. This cure is simply that a greater percentage of the income of the nation be turned back to the mass of the people."¹⁶

By 1932, Wallace and most of the farm leaders were completely disenchanted with the G.O.P. As the paladin of rugged individualism, Herbert Hoover's impotence in dealing with the calamitous events brought disrepute to his economic philosophy. Franklin D. Roosevelt, well aware of agrarian discontent, took the initiative in making contact with Henry Wallace. The Governor of New York encouraged insurgency and realized he must first win over the farm leaders. A fine reception was accorded to Henry Wallace as he met with the Democratic nominee at Hyde Park. The Iowa editor told his rural readers that Roosevelt revealed a surprising "knowledge and sympathy" for agriculture. "He is better fitted than most," he concluded, "to draw the right kind of men to him."¹⁷ With the favorable image of Roosevelt still in his mind, Wallace informed his friend, William Hirth (editor of the *Missouri Farmer*), that the Democratic nominee was a "most charming gentleman with the right kind of spirit and an open mind."¹⁸

¹⁴"Biblical Denunciation Of Hoarders," *WF & IH*, vol. 57 (September 3, 1932), 460.

¹⁵HAW, "O & E," *WF & IH*, vol. 58 (February 4, 1933), 49.

¹⁶"Deal Thy Bread To The Hungry," *WF & IH*, vol. 56 (April 11, 1931), 508.

¹⁷HAW, "Sizing Up Eastern Attitudes, Editor Talks With Governor Roosevelt At Luncheon Meeting," *WF & IH*, vol. 57 (September 3, 1932), 460.

¹⁸Letter, HAW to William Hirth, August 20, 1932, Papers of William Hirth, Western Historical Manuscripts Collection (University of Missouri).

F.D.R. cemented the allegiance of Wallace by asking him to assist in the drafting of a major farm speech. The address, given at Topeka, Kan., on Sept. 14, 1932, committed Roosevelt to the Voluntary Domestic Allotment Plan.¹⁹ This proposal, as codified by M. L. Wilson of Montana State College (now Montana State University), represented the cumulative efforts of many economists.²⁰ Wallace had been its vigorous champion since 1930. It was a plan to curtail excess production by utilizing acreage allotments with federal supervision. Wallace viewed it as a practical way to cut surpluses and regarded it as a valuable social tool to foster a sense of cooperation among independent farmers.²¹ It was the very mechanism he had written about in 1920. The VDAP became the essence of the first Triple-A program in 1933.

The leadership displayed by Roosevelt during the campaign struck a responsive chord within Henry Wallace. The Iowan once wired F.D.R., "It is heart warming to work for appreciation such as yours."²² In order to win the farm vote for the New York Governor, Wallace wrote an unequivocal endorsement: "Roosevelt is progressive and definitely sympathetic to the farm program. . . . The only thing to vote for in this election is justice for agriculture. With Roosevelt, the farmers have a chance—with Hoover, none."²³

Following Roosevelt's convincing triumph, he asked Wal-

¹⁹FDR, "A Restored and Rehabilitated Agriculture," *The Public Papers and Addresses of Franklin D. Roosevelt, with a Special Introduction and Explanatory Notes by President Roosevelt*, Samuel I. Rosenman, collator, (13 vols., New York, 1938-1950), 1932 volume (New York, 1938), 699ff.

²⁰The VDAP was the cumulative product of William J. Spillman, John D. Black, Howard R. Tolley, and Milburn L. Wilson. See William J. Spillman, *Balancing The Farm Output, A Statement of the Present Deplorable Conditions of Farming, Its Causes and Suggested Remedies* (New York, 1927); John D. Black, *Agricultural Reform In The United States* (New York, 1929); Letters, HAW to M. L. Wilson, March 24, 1930 and MLW to HAW, April 21, 1930, Papers of M. L. Wilson, Montana State University, Bozeman); Howard R. Tolley, Oral History Collection (Columbia University, New York City).

²¹HAW, "Voluntary Domestic Allotment Plan," *WF & IH*, vol 57 (December 24, 1932), 669, 678.

²²Telegram, HAW to FDR, August 30, 1932, PPF 41, Franklin D. Roosevelt Library.

²³HAW, "O & E," *WF & IH*, vol. 57 (October 29, 1932), 565.

lace to join his cabinet. With an intense desire to participate in an administration pledged to action, Wallace accepted the position of Secretary of Agriculture. With zeal and speed, he set about getting a farm bill written so as to take advantage of the emergency session of Congress. His first fight was to repel the onslaught of rural representatives, who were eager to enact every Populist panacea ever enunciated. The final product, the Agricultural Adjustment Act of 1933, was the handiwork of professors, not that of neoPopulists. Wallace and administration supporters thwarted wild schemes that included total price fixing (tantamount to nationalizing the land) and mandatory inflation laws (including the printing of paper money).²⁴ Economists conceived and carried out the Triple-A program. Its aim was threefold: control of production, elevation of farm income and the inducement of cooperation among the total farm population. The AAA worked with County Committees, set quotas, and enforced compliance.²⁵

As acreage allotment payments and government loans began to flow into the farm belt, the rural revolt subsided and threats of violence diminished. The AAA raised income levels of commercial producers while preserving the family sized farm. Little, however, was done to aid the downtrodden sharecropper of the South until Congress passed the Bankhead-Jones Farm Tenancy Act in 1937. A stunning blow came on Jan. 6, 1936, when the Supreme Court declared the AAA unconstitutional. Appalled by the legal logic of the justices,

²⁴Rexford G. Tugwell, *New Deal Diary*, Franklin D. Roosevelt Library; Testimony of HAW, U. S. Senate, Committee on Agriculture and Forestry, *Hearings on H.R. 3835, Agricultural Emergency Act to Increase Farm Purchasing Power*, 73rd Cong., 1st Sess., 1933 (Washington, D. C., 1933, 129; Letter, John A. Simpson (President of the Farmers' Union Division of Manuscripts University of Oklahoma, Norman); Elmer Thomas, "40 Years A Legislator," Unpublished Manuscript, 1951, 433 pp., Elmer Thomas Papers (University of Oklahoma); HAW, *New Frontiers* (New York, 1934).

²⁵Edward A. O'Neal, "Rebirth Of Agriculture," Radio Address delivered over N.B.C., March 10, 1934, Copy of Manuscript sent to Marvin H. McIntyre, March 13, 1934, PPF 1820, Franklin D. Roosevelt Library; Letter, George N. Peek to FDR, December 15, 1933, Papers of George N. Peek (University of Missouri); Louis H. Bean, Oral History Collection; Interview with Mordecai Ezekiel, December 19, 1963; Interview with Chester C. Davis, August 9, 1963; Letter, M. L. Wilson to authors, August 15, 1963.

Wallace hastened to secure a substitute measure to circumvent the high tribunal's ruling. The Soil Conservation and Domestic Allotment Act of 1936, primarily the work of Howard R. Tolley, was enacted as an interim program.²⁶ The permanent plan, which would come with the passage of the Agricultural Adjustment Act of 1938, was the product of Wallace's fertile mind.²⁷ It de-emphasized acreage reduction and stressed storage as a means of handling surpluses. The Commodity Credit Corporation was the instrument used to control the marketing of agricultural commodities. After the Farm Security Administration was established, to aid sharecroppers and tenants, and the Food Stamp program as inaugurated to assure adequate diets for low income families; Henry Wallace felt satisfied. He had helped agriculture while making it serve the general welfare.²⁸

When it became obvious the nation was slipping into a recession in 1937, Wallace tried to arouse the President into taking counter-measures to check the decline. "I know you will not let us get into a downward spiralling Hoover tail spin," he wrote to Roosevelt, "even though private capital

²⁶Letter, Homer Cummings to FDR, November 19, 1935, Franklin D. Roosevelt Library; HAW, "Unconstitutional," Radio Address, January 7, 1936, in Lord, ed., *Democracy Reborn, Selected Public Papers*, 108; HAW, *Whose Constitution, An Inquiry Into The General Welfare* (New York, 1936); Howard R. Tolley; Oral History Collection; Memorandum, HAW to Grace Tully, March 19, 1936, OF AD, Franklin D. Roosevelt Library.

²⁷"The Storage of Food," *WF*, vol. 43 (December 6, 1918), 1772; "The Ever Normal Granary," *WF*, vol. 51 (October 8, 1926), 1314; "Joseph, Confucius And The Farm Board," August 19, 1936, in Lord, ed. *Democracy Reborn, Selected Public Papers*, 117-118; HAW, Press Conference, February 10, 1937, RG 16, National Archives; HAW, "The New Agricultural Adjustment Act," *Prairie Farmer*, vol. 110 (February 26, 1938), 1-2.

²⁸*Food And Life, Yearbook of Agriculture 1939*, USDA (Washington, D. C., 1939); Interview with Milo Perkins, December 20, 1963; HAW to FDR, February 15, 1938, OF 1, Franklin D. Roosevelt Library; Will Alexander, Oral History Collection; Rexford G. Tugwell, "The Resettlement Idea," *Agricultural History*, vol. 33 (October, 1959), 159-164; Letter, Henry C. Taylor to HAW, March 22, 1937, Papers of Henry C. Taylor (State Historical Society of Wisconsin, Madison); Gladys Baker and others, *Century of Service, the first 100 years of the United States Department of Agriculture* (Washington, D. C., 1963), 211-213.

should become completely demoralized."²⁹ Wallace outlined a comprehensive economic program, which included: public housing, "maintenance of farm purchasing power," labor legislation to sustain consumption, "cheap credit," encouragement of "private capital," and the use of "government capital . . . in case of need."³⁰

Wallace not only played the part of an economic adviser; but with Roosevelt's assent, he assumed the role of ideologist for the New Deal. Using pen and podium, Wallace continued to call for basic reforms: The unholy alliance of social Darwinism, laissez faire economics and the Protestant ethic had created a set of institutions based upon scarcity, he claimed, and the time had come to alter the mores and mental attitude of the American people to fit contemporary conditions. The complexities of an industrial-urban economy had made humans the unwilling victims of unemployment. Faith in frugality, rugged individualism and self reliance did nothing to alleviate the basic malady, namely, an economy that failed to serve the needs of the people. Co-operation, concern for the general welfare and a spirit of altruism, Wallace asserted, would make it possible to have the blessings of an economy of abundance. Technology made universal affluence feasible, he was sure, if only economists would assist in creating the social machinery needed to distribute the wealth equitably among the population. Through regulatory and reform legislation, he argued, the New Deal was fostering social justice. Using the lexicon of the Social Gospel, Wallace enunciated this litany of hope: "The religious keynote, the economic keynote, the scientific keynote of the new age must be the overwhelming realization that mankind now has such control over nature that the doctrine of the struggle for existence is definitely outmoded and replaced by the higher law of co-operation . . . then the vision of Isaiah and the insight of Christ will be on

²⁹Letter, HAW to FDR, November 30, 1937, PSF, Franklin D. Roosevelt Library.

³⁰HAW, "Agriculture, Business, Labor And Government," Washington Star Radio Forum, December 6, 1937, PSF, Franklin D. Roosevelt Library.

their way toward realization."³¹ Conservative critics heaped scorn upon Wallace. Some labeled him a dangerous radical, while others lampooned his ideas as the apocalyptic day-dreams of an impractical visionary. President Roosevelt, however, regarded him as a political asset. Wallace's pronouncements were popular with the electorate. F.D.R. also viewed his Secretary of Agriculture as a knowledgeable, imaginative, and effective administrator. His record and rhetoric, the President reasoned, were merely proof of Wallace's "practical idealism."³² Thus he personally chose Henry A. Wallace as his running mate in 1940.

On July 30, 1941, President Roosevelt utilized powers granted to him by Congress to establish the Economic Defense Board. By executive order, F.D.R. made Vice President Wallace the Chairman. Soon after, Wallace was also designated Chairman of the newly created Supply Priorities and Allocation Board. In one stroke, Wallace became the most powerful Vice President up to that time.³³ The administrative power delegated to him by the President gave Wallace complete authority over "exports, imports, . . . preclusive buying, transactions in foreign exchange, . . . international investments and extension of credit;"³⁴ as well as discretionary power relative to the issuance of priorities for the "procurement, production, transmission of materials, articles, power fuel and other commodities."³⁵ After Pearl Harbor, the Economic Defense

³¹HAW, *America Must Choose, The Advantages and Disadvantages of Nationalism, of World Trade and of a Planned Middle Way* (Boston, 1934), 25.

³²FDR, Acceptance Speech, 1940, in *Official Report of the Proceedings of the Democratic National Convention Held at Chicago, Illinois, July 15th to July 18th, inclusive 1940*, 255; See also James A. Farley, *Jim Farley's Story, The Roosevelt Years* (New York and Toronto, 1948), 293-294; Frances Perkins, *The Roosevelt I Knew* (New York, Evanston and London, 1964), 133; Letter, Richard Wilson to authors, August 5, 1963; Letter, Samuel I. Rosenman to authors, August 7, 1963; Eleanor Roosevelt, *This I Remember* (New York, 1949), 216.

³³He utilized his position as a wartime administrator to enhance the war effort and to prepare for the postwar era. Many of his speeches were aimed at preparing public opinion for full international cooperation within the United Nations. See Henry Agard Wallace Papers, Library of Congress.

³⁴FDR, *Public Papers*, 1941 volume, 290.

³⁵*Ibid.*, 350.

FOR VICE-PRESIDENT



HENRY A. WALLACE



Wallace Campaign Poster

Board was converted into the Board of Economic Warfare and its duties were increased to "advise the State Department on Lend-lease arrangements" and to "conduct negotiations for a post-war economic settlement."³⁶ Cordell Hull, the Secretary of State, complained that Roosevelt was "virtually creating another State Department"³⁷ and succeeded in getting the President to reduce some of the powers of the B.E.W. From a pinnacle of power in 1943, Wallace was to plummet to a position of lesser importance. His public controversy with Jesse Jones caused his downfall. Jones, as Secretary of Commerce and Director of the Reconstruction Finance Corporation, regarded Wallace and the B.E.W. as a bunch of "socialist-minded uplifters."³⁸ The R.F.C. controlled the funds for the B.E.W. and when Wallace and Jones clashed over authorizations for expenditures—Roosevelt summarily removed the Vice President from leadership of the vast wartime agency.³⁹ In 1944, F.D.R. decided to have Senator Harry S. Truman as his vice presidential candidate. As a consolation prize, Henry Wallace was given a choice of cabinet positions (except that of Secretary of State). He chose Jesse Jones' job. After a stormy hearing, Wallace was confirmed as the new Secretary of Commerce only after the R.F.C. and the office of Federal Loan Administrator were removed from the department's jurisdiction.⁴⁰ Jesse Jones, before departing into political exile in Texas, gave vent to his anger by testifying against Wallace's confirmation.

Within a month after Henry Wallace assumed his new

³⁶*Ibid.*, 295-296, Letter, FDR to HAW, April 23, 1942, OF 4226, BEW, Franklin D. Roosevelt Library.

³⁷Cordell Hull, *The Memoirs of Cordell Hull* (New York, 1949), II, 1154.

³⁸Jesse Jones with Edward Angly, *Fifty Billion Dollars, My Thirteen Years With The RFC (1932-1945)* (New York, 1951), 491.

³⁹Letter, FDR to HAW, July 15, 1943, FDR, *Public Papers*, 1943 volume, 298; Letter, Leo T. Crowley to authors, March 3, 1964.

⁴⁰Edwin W. Pauley, "Why Truman Is President," as told to Richard English, unpublished memorandum, 37 pp.; Samuel I. Rosenman, *Working With Roosevelt* (New York, 1952), 438-439; Edward J. Flynn, *You're the Boss* (New York, 1947), 180; U. S. Senate, Committee On Commerce, *Hearings on S.375*, 79th Cong., 1st Sess., 1945, 24-84; U. S. *Congressional Record*, 79th Cong., 1st Sess., 1945, vol. 91, Part I, 693.

office, Franklin D. Roosevelt was dead. The mantle of leadership, which for a season seemed destined for Wallace, now passed to the man from Missouri. Wallace's devotion to Roosevelt was never transferred to Truman. As Secretary of Commerce, he proceeded to outline his own program for both domestic and foreign affairs. To insure post-war prosperity, Wallace proposed a plan whereby the government would commit itself to a policy of full employment. It was imperative, he asserted in his book *Sixty Million Jobs* (published in 1945), that Congress immediately "equip government with authority to act in immediate co-operation with private enterprise once incipient unemployment points to the danger of mass unemployment."⁴¹ Wallace envisaged an expanding economy, spurred on by federal programs to encourage higher consumption. Fiscal policies should be planned, he urged to promote prosperity. His primary concern was to see the national economy balanced—not the budget. In this same volume, Wallace made many proposals which were anticipatory of things to come. He suggested foreign aid programs, an attack upon domestic poverty, health insurance, guaranteed annual wages, government sponsored research, public works, federal aid to education and civil rights legislation.⁴²

Economists and academicians may have winced a bit at Wallace's reference to the "social ideas of the Sermon on the Mount,"⁴³ but *Sixty Million Jobs* was applauded by those of the Keynesian persuasion. Dr. Alvin H. Hansen, of Harvard University, praised the work as an "education in applied economics" and urged that it be "read and reread by every voter."⁴⁴ President Truman requested an autographed copy of the book, informing his Secretary of Commerce: "I have been reading the reviews and they seem to have really gone to town on them."⁴⁵ Truman assigned to Wallace the responsibility for overseeing that part of his legislative program dealing with

⁴¹HAW, *Sixty Million Jobs* (New York, 1945), 33.

⁴²*Ibid.*, 49, 111, 116, 126-133, 142, 185.

⁴³*Ibid.*, 208.

⁴⁴Alvin H. Hansen, *Economic Policy And Full Employment* (New York and London, 1947), 307.

⁴⁵Letter, HST to HAW, September 10, 1945, OF, Harry S. Truman Library (Independence, Missouri).

federal assistance to small business and government support for the construction of airports.⁴⁶ Wallace was zealous in his attempts to help small businessmen. He reorganized the Department of Commerce, which had been neglected by his predecessor (Jesse Jones was more interested in administering the affairs of the Reconstruction Finance Corporation), and sub-divided the Bureau of Foreign and Domestic Commerce into five major offices: International Trade, Small Business, Domestic Commerce, Business Economics, and Field Operations. He asked for a 1946 appropriation of \$163 million for his department that he might accomplish the following goals:

1. Promotion . . . of a large . . . foreign trade;
2. Specific services to business . . . in the fields of science, technology, management and marketing;
3. Basic statistical information for business . . . ;
4. To provide more adequate information on the economic situation . . . ;
5. Strengthening . . . the scientific and technical . . . functions of the Department.⁴⁷

Since he was fully aware of the importance of science and technology in the postwar era, Wallace urged the President to inaugurate immediate plans to secure the services of German scientists. In a memorandum to Truman, dated Dec. 4, 1945, Wallace wrote: "The transfer of outstanding German scientists to this country for the advancement of our science and industry seems wise and logical." He even warned the President unless quick action was taken the most talented Germans would be acquired by "our allies, especially the U.S.S.R."⁴⁸

Henry Wallace was privy to the plan of Senator James E. Murray (D-Montana) for the formulation and introduction of a Full Employment Bill. This bill, which became the Employment Act of 1946, received the wholehearted support of the Secretary of Commerce. It was a "mature document," he

⁴⁶Letters; HST to HAW, October 4 and 19, 1945, OF, Harry S. Truman Library.

⁴⁷HAW, "Program Of The Department Of Commerce," Statement by the Secretary of Commerce before a Subcommittee of the House Appropriations Committee, January 25, 1946, Papers of Alfred Schindler, Harry S. Truman Library.

⁴⁸Memorandum, HAW to HST, December 4, 1945, OF, Harry S. Truman Library.

asserted, since it sought to "eliminate the deadly threat of instability." This "solemn commitment" on the part of the government to insure full employment was only the first step, he claimed, since action programs would have to follow if needed.⁴⁹ Even though Wallace was disappointed over the deletions that had to be made to secure enactment of the bill, he viewed the establishment of the Council of Economic Advisers to the President as an excellent mechanism for fostering intelligent policy making. Democratic planning, rational management of the economy and federal intervention to stimulate buying power were the three pillars upon which Wallace erected his post-war plans for prosperity. During the brief time he held the position as the Secretary of Commerce, Wallace labored incessantly to assure implementation of policies that would prevent a recurrence of the tragic consequences of World War I.⁵⁰

Wallace's increased involvement in foreign policy affairs ultimately caused his dismissal from the cabinet. His apprehension over the deterioration of Soviet-American relations prompted him to criticize United States foreign policy. When James F. Byrnes, the Secretary of State, complained to Truman, the President asked the Secretary of Commerce for his resignation.⁵¹ Wallace became editor of the *New Republic* in 1946 and from that position launched his ill-fated third party movement. Wallace was sincere in his longings for peace, but his idealism ran rampant. With little comprehension of the aims of the Soviet Union, he more and more placed the onus for the Cold War upon his own country. "Those who put hatred of Russia in their feelings and actions," he wrote in the

⁴⁹Statement by Secretary Henry A. Wallace on the Employment Act of 1946, March 4, 1946, Schindler Papers, Harry S. Truman Library; Letter, Leon H. Keyserling to authors, February 18, 1964; Stephen Kemp Bailey, *Congress Makes A Law* (New York, 1964).

⁵⁰Interview with Mordecai Ezekiel, December 19, 1963; Letters to authors, Alfred Schindler, September 20, 1963; Philip Hauser, August 16, 1963; Bernard L. Gladieux, August 16, 1963; An Address by Henry A. Wallace, Secretary of Commerce, Before Triple-A Regional Meeting, St. Paul, Minnesota, January 10, 1946, Schindler Papers, Harry S. Truman Library.

⁵¹James F. Byrnes, *Speaking Frankly* (New York and London, 1947), 240, HST, Press Conference, September 20, 1946, Harry S. Truman Library; Harry S. Truman, *Memoirs* (Garden City, 1955), I, 560.

New Republic, "do not believe in peace." Wallace acted from deep convictions. He was motivated by a pacifistic hatred of war and a belief that international amity could be fostered by the application of Christian principles to international relations. "Peace, to endure," he avowed, "Must be built, not on force and deceit, but on understanding."⁵² Unfortunately for Wallace, the Progressive Party of 1948 attracted Communists as well as sincere advocates of peace. Thus the taint of disloyalty rubbed off on Wallace and his quixotic crusade for peace ended his political career. A retroactive shadow of doubt, red in hue, was cast over all of his former ideas and activities. Even though he repudiated the Progressive Party in 1950 and supported the United States action in the Korean conflict, he could not undo the damage to his reputation caused by his futile campaign of 1948.⁵³

During his long career in public life, Henry A. Wallace had matured from a rural rustic into an astute agricultural economist. Imbued with the Christian idealism of his grandfather and introduced into farm politics by his father, the youngest of the Henry Wallaces evolved his own religio-economic philosophy. Driven by an inner compulsion, he was relentless in his endeavors to bring about the attainment of universal social justice. In the realm of economics, his ideas were sometimes clear and realistic—but at other times were vague and impractical. He was always the conscience of the

⁵²*New Republic*, vol. 116 (January 20, 1947), 3.

⁵³Progressive Party Papers, Special Collections Library (University of Iowa); Papers of Helen Cahagan Douglas, Division of Manuscripts, University of Oklahoma; Papers of Robert Kenny, Bancroft Library, University of California, Berkeley; Curtis D. MacDougall, *Gideon's Army* (New York, 1965), 2 vols.; Jack Redding, *Inside The Democratic Party* (New York, 1958); Karl M. Schmidt, *Henry A. Wallace: Quixotic Crusade 1948* (Syracuse, 1960); Harold Lavine, "Progressives Last Stand," *Newsweek*, vol. 35 (March 6, 1950), 22-25; HAW, "How I'd Stop the March of Stalin," *Coronet*, vol. 29 (November, 1951), 103-108.

New Deal. As an unrelenting crusader, he never let the American people forget that social reforms were both necessary and possible. The moral precepts of the Sermon on the Mount were guides, economics a tool, and politics the means of implementing his ideals. Throughout his tumultuous career he sought to serve humanity. He never waivered from this pursuit, even though forced to endure political pillorying because of his beliefs. With faith in the future, he envisioned a world without war or want. In 1949, Henry Wallace spoke from the pulpit of the Community Church of New York City. In his sermon, he summarized his political philosophy:

The Kingdom of Heaven here on earth can only be attained when men in their politics, their daily work, their science, their art, their philosophy, and their religion are reaching out continuously for an even higher manifestation and appreciation of that blissful, unmanifested reality which we call God . . . The best way to praise God is right here on earth by helping Him to unfold his joyous plan for all humanity.

Henry A. Wallace spent his last years at Farvue Farm in South Salem, N. Y. The rural atmosphere of his home provided a quiet retreat from the turmoil of politics, but more important to him it was a welcome return to the open countryside. Wallace loved to work with plants and now he had the opportunity to resume his long neglected experiments in genetics. Each passing year was a thrill for him as he observed new and improved varieties of plant life emerge from the soil. A strange muscular affliction, amyotrophic lateral sclerosis, cut short his scientific endeavors. Death came on Nov. 18, 1965, at the age of 77 years. Before succumbing to this incurable malady, however, he allowed his pain wracked body to be used for medical experimentation. Realizing his own case was hopeless, he died knowing he had tried to help future sufferers of this dreadful disease. It was his last gesture of good will to mankind.

Copyright of Annals of Iowa is the property of State of Iowa, by & through the State Historical Society of Iowa and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.