THE ADMINISTRATION OF THE 1934 CORN-HOG PROGRAM IN IOWA

A STUDY IN CONTEMPORARY HISTORY

One of the major policies of the "New Deal" has been the restoration of the financial stability of agriculture; and, in Iowa, agriculture depends largely upon corn and hogs. To understand the difficulties faced by the corn and hog producers and the various plans proposed for their relief, one must consider the economic and political changes which have occurred in the past thirty-five years.

HISTORICAL SURVEY

Corn and hogs have been from the beginning two of the most important farm products of the Middle West and in their production Iowa early took a leading part, a position which has been maintained to the present day. The relation between the two is obvious: the Iowa farmer raises corn, feeds it to hogs, and sells the hogs. To a large extent, the financial well-being of the Iowa farmers has, therefore, depended on the price of pork. The market for pork has, however, been affected by political and economic conditions and trends which were often beyond any control by the farmers themselves.

One of the most important factors in the financial well-being of agriculture is the amount of the surplus produced and the market for it in other countries. In the years just before 1900, the United States was exporting a large proportion of the pork produced, sending abroad as high as 1,600,000,000 pounds annually.[1] About the end of the nine-

[1] *Yearbook of the United States Department of Agriculture*, 1910, p. 677.

teenth century came the industrial development of the cities and the end of free public land. Municipal populations increased, both by a movement from farm to city and by immigration. With this industrialization, food prices rose and the domestic market absorbed a large amount of the pork which had formerly been exported, and for the most part at higher prices.[2] Farmers were encouraged to increase the amount of pork produced and both the State and National governments emphasized experiments and education intended to increase production.

Then, in 1914, a shot from a peasant's gun changed the situation. The World War began and millions of European men were taken from their fields to serve in the armies. The European market outbid the domestic market of the industrial centers of the United States and the price of pork rose. After the United States entered the war, food production was a patriotic duty as well as a profitable occupation. President Wilson appealed to the American farmer to increase his production of wheat and pork, and farmers were, in some cases, granted special exemption from the draft. "Food will win the war" was one of the popular slogans. Sixty million acres of pasture and sub-marginal lands were brought under cultivation and the American farmer invested heavily in machinery and fertilizers. Exports of pork products soared to 2,700,000,000 pounds for the year July 1, 1918, to July 1, 1919 — a billion pounds more than it had been the preceding year and two billion pounds more than it had been in 1909.[3]

For five years after the signing of the Armistice, the European market continued to take the larger part of America's 1,700,000,000 pounds of pork exports. But the European farmers were steadily restoring their lands to

[2] *Yearbook of the United States Department of Agriculture*, 1910, p. 677, 1920, p. 826.

[3] *Yearbook of the United States Department of Agriculture*, 1934, p. 663.

cultivation, increasing their grain production, and building up their herds of livestock. For another five years (1924–1929), the American export of pork hovered around a billion pounds annually, but after 1929 the foreign market declined rapidly. By 1932 the sale of American pork abroad was negligible in proportion to the total production, amounting to only 686,462,000 pounds.[4] Europeans had become largely self-sufficient in pork production and were supplanting American exporters in other countries.

The drop in pork exports after the war was, of course, accompanied by a sharp drop in pork prices. Industry, too, suffered, but foreign loans, installment buying, and expansion of domestic credit opened new markets for industrial products. These markets were maintained until about 1929, but domestic consumption of agricultural products could not use the huge surplus. Farm machinery had replaced crop-consuming work animals and increased production.[5] At the same time the agricultural extension services continued to promote additional crop production without considering the ultimate economic effects of this program.[6] Farm income did not hold its own with industrial prices. In 1921, for example, the price level of commodities in the United States declined 37 per cent over those in 1920, while farm income dropped 50 per cent, and prices in the export crop area fell 85 per cent.[7] Farmers, who had received 18.5 per cent of the national income in 1919, received only 9.3 per cent in 1928, and between 7 and 8 per cent in 1931 and 1932. The cash returns of the American farmers declined 65.9 per cent between February,

4 *Yearbook of the United States Department of Agriculture*, 1934, p. 663.

5 *The Corn-Hog Problem* (Agricultural Adjustment Administration, C. H. —1), p. 3. See also report of President's Commission on *Recent Social Trends*, p. 499, and the chapter on Consumption Trends.

6 Gee's *American Farm Policy*, p. 15.

7 Report of President's Commission on *Recent Social Trends*, 1933, p. 499.

1929, and February, 1933, while the dividend payments on stocks dropped only 39.6 per cent and the incomes of urban consumers fell only 45.7 per cent.[8]

This excessive decline in agricultural prices and farm income was largely due to lack of production control in agriculture. Between 1929 and 1933, industry in the United States made a cut of 48.7 per cent in output; but agriculture reduced its production only 4.6 per cent. Processors lowered their bids for hogs, cattle, and wheat, but slowed down production and held large quantities in warehouses to hold up the prices they received. While the farmer labored as long and as hard as he ever had, his purchasing power fell as low as 48 per cent of his pre-war ability to buy. At the same time meat packers and manufacturers worked only half as many men and maintained their incomes at a much higher level. The farmer was accustomed to increase his income by increasing production, and he was unable to cope with the fact that within reasonable limits, an addition of 10 per cent to the hog supply was followed by a drop of 20 per cent in the price of live hogs.[9]

Iowa is the largest producer of corn and hogs in the United States, raising on the average about one-sixth of the corn and nearly one-fourth of the hogs in the country. Because of this and the predominance of agriculture in general, the reduction of farm income was especially serious in Iowa and neither the farmer nor the government was prepared to meet it. The whole philosophy of

[8] Ezekiel and Bean's *Economic Bases for the Agricultural Adjustment Act*, p. 6.

[9] *The Corn-Hog Problem*, p. 3; Shepherd's *Who Pays for the Hog Reduction Program?* (Prospects for Agricultural Recovery, Pt. VIII, Bulletin of the Agricultural Experiment Station, Iowa State College, No. 317, July, 1934); Haas and Ezekiel's *Factors Affecting the Price of Hogs* (United States Department of Agriculture Department Bulletin, No. 1440, 1930); manuscripts in the files of the Economics Unit, Corn and Hogs Section of the Agricultural Adjustment Administration.

the Iowa farmer down to 1932 had been greater and greater production. Scientific training, improved farm machinery, and larger amounts of working capital had been welcomed to the end that two bushels of corn might grow where one had grown before and two hogs go to market where one had gone before.

To this end the Iowa farmer had consistently increased the number of acres planted to corn, from 9,473,000 in 1910, to 10,100,000 in 1915, 10,300,000 in 1920, 11,130,000 in 1925, and 11,732,000 in 1932. The average acreage of corn during the five years preceding the World War was less than ten million acres. In 1917, the Iowa farmers expanded their corn planting by a million acres, but returned for the next two years to the lower level. The six years from 1920 to 1925 inclusive brought a gradual increase up to 11 million acres and the area planted to corn remained approximately the same thereafter.

As the amount of corn increased and the market for pork declined, the price of corn fell and many farmers attempted to increase their depleted income by increasing their production. Between 1925 and 1930, Iowa farmers enlarged their investments in implements and machinery from $227,000,000 to $270,000,000. During the same period the value of land and buildings combined on Iowa farms declined from $4,954,000,000 to $4,224,000.000. The amount of fertilizers used for the decade 1921–1931 increased from 3000 short tons in 1921 to 10,000 in 1928, and to 21,000 tons in 1929, and 25,000 tons in 1930.[10]

By 1932 nearly 12,000,000 acres of Iowa land were planted to corn and the increased productivity of the land, coupled with the highly favorable natural conditions of that year, produced a crop of 509,507,000 bushels, the largest corn crop in the history of Iowa. But industry

[10] *Yearbook of the United States Department of Agriculture*, 1933, p. 762; *United States Census*, 1930, Agriculture, Vol. II, Pt. 1, p. 884.

and favorable weather failed to counteract the downward trend of farm incomes. The bumper crop of 1932 had less value per bushel than any other crop on record and the total valuation, estimated at $60,000,000, was the smallest since 1897. The average value of corn on the Iowa farms on December 1, 1932, was about 12 cents per bushel, just one-third of the figure for the year 1931.[11]

Hog production in Iowa followed closely that of corn. The number of hogs on Iowa farms on January 1, 1923, reached 11,000,000 and this figure was again reported in 1928, but the 1932 crop of hogs topped both these years by more than 200,000 head. The total value of hogs, however, declined from a six-year average of nearly $280,000,000 in 1924–1929 to $265,000,000 in 1930, $184,472,000 in 1931, and $94,000,000 in 1932.[12]

Proposals for Price Equalization.— When cattle, hog, and wheat prices dropped by one-half in the marketing year of 1920–1921,[13] farmers entered the political arena with a cry for help. The suggestions for agricultural relief during these years proposed crude systems of fixing prices of farm products by law. These plans were, of course, inspired by the government's price-fixing activities during the World War. They were emergency measures, aimed at removing the emergency conditions of 1921 and 1922, but they failed of enactment.

To make ends meet the farmers expanded production still more and adjusted living expenditures, but they remained dissatisfied, and it was obvious to students and

[11] *Iowa Year Book of Agriculture*, 1932, p. 221; *Yearbook of the United States Department of Agriculture*, 1934, pp. 112, 113.

[12] *Yearbook of the United States Department of Agriculture*, 1930, p. 861, 1931, p. 860, 1932, p. 785, 1933, p. 606, 1934, p. 601.

[13] *Yearbook of the United States Department of Agriculture*, 1931, pp. 601, 833, 851, Tables 23, 362, 383.

politicians in the Middle West that the prices of goods farmers bought were proportionately higher than the prices of agricultural commodities. This condition brought forth a series of more conservative measures, all primarily designed to raise the prices of farm products by making the tariff effective on products in which farmers produced an excess above domestic demand. These proposals included bills varying as widely as the McNary-Haugen equalization fee bill, the export debenture plan, the domestic allotment plan, and the Farm Board bill for open market operations. All except the last failed of enactment, and it was soon admitted by the Federal Farm Board that surplus production rather than market disparity was the fundamental problem in American agriculture.[14]

With the inauguration of President F. D. Roosevelt in March, 1933, Congress immediately began consideration of farm relief proposals, but it was not until May 12, 1933, that Congress finally enacted into law the major portion of the administration proposals supported generally by farmers and farm leaders under the Agricultural Adjustment Act.

The Act was to be carried out, in part, by agencies of the Federal Department of Agriculture already established — the Bureau of Agricultural Economics and the Agricultural Extension Service — and in part by a new administrative unit known as the Agricultural Adjustment Administration — soon known as the AAA.[15] As Administrator of the Agricultural Adjustment Act President F. D. Roosevelt named George N. Peek. (Later Chester C. Davis became Administrator of the AAA.)

The Agricultural Adjustment Administration was divided into four Divisions — Production; Finance; Infor-

[14] Reports of the Federal Farm Board.

[15] *United States Statutes at Large*, Vol. XLVIII, Ch. 25, pp. 31–54.

mation and Publicity; and Processing and Marketing. In the Production Division were six sections, one being the Corn and Hogs Section.

FORMULATION OF THE CORN-HOG ADJUSTMENT PROGRAM

The declared purpose of the Agricultural Adjustment Act was to raise the prices of farm products to a fair exchange value and the act defined fair exchange value (except for tobacco) as the price which would give farm products the same purchasing power they possessed during the pre-war period of 1909–1914.[16] This increase in prices was to be brought about, for the most part, by control of production in seven basic farm crops.

The act, however, also authorized the use of commodity loans for products stored on farms and empowered the Secretary of Agriculture to enter into marketing agreements with processors, associations of producers, and others handling agricultural products in interstate commerce and to license such persons or firms. The Federal Department of Agriculture was permitted to fix prices of farm products and raise the prices by a certain percentage, and the Secretary of Agriculture could levy processing taxes and pay the money so received directly to the producer as a supplement to the market price. The government was also authorized to buy products in the open market in order to reduce the surplus. Coöperative associations of producers might be organized to create a monopoly price in favor of the farmers.

The price adjustment program for corn and hogs was made the joint responsibility of two sections in the Agricultural Adjustment Administration — the Corn and Hogs Section and the Meat Processing and Marketing Section.

[16] *United States Statutes at Large*, Vol. XLVIII, pp. 31, 32.

Advisers and experts from the Bureau of Agricultural Economics were detailed to these sections to formulate a program and analyze proposals. The AAA called advisers from many walks of life outside the immediate government agencies — extension agents from the Middle West; professors of marketing, agricultural economics, and farm management; and farmers who were known to be familiar with the problems of corn and hog prices and production.

Many plans for raising corn and hog prices had already been formulated within the Department of Agriculture and proposals were flowing in from outside sources, but the administration had no desire to take the responsibility for carrying out a program to which the great majority of producers were not committed. On the other hand, the farmers, slow at united action, awaited the administration's prompting. Finally, at a direct suggestion from Secretary Henry A. Wallace, the Iowa Federation of Farm Organizations called a corn and hog producers' meeting for June 16, 1933, at Des Moines, Iowa. Representatives of non-organization farmers as well as of all statewide farmers' organizations attended the meeting. They elected a State Corn-Hog Committee[17] and recommended payment of a bonus on light hogs to reduce the amount of pork marketed. The meeting also expressed a desire for a 1934 corn acreage reduction program with part of the payments in 1933.

The Agricultural Adjustment Administration suggested that similar committees be selected at meetings in each of the other nine Corn Belt States — Kansas, Nebraska, South

[17] The members of this Iowa Corn-Hog Committee were: Roswell Garst of Coon Rapids, Chairman, Oscar Heline of Marcus, R. M. Evans of Laurens, Milford Beeghly of Pierson, Willard Edwards of Humboldt, William McArthur of Mason City, Earl Watts of Shenandoah, Paul Stewart of Maynard, Ralph Moyer of Fairfield, Allan Kline of Vinton, Lloyd Eveland of Boone, Julius Lensch of Harlan, Vern Brady of Sanborn, C. E. Hearst of Cedar Falls, George Godfrey of Algona, Burt Neal of Mt. Vernon, Roy F. O'Donnell of Colo, Ralph Smith of Newton, and John Chalmers of Madrid. They served as delegates from Iowa to the National meeting at Des Moines.

Dakota, Minnesota, Ohio, Illinois, Wisconsin, Indiana, and Missouri — and it suggested the selection of representatives for a national meeting, the number from each State to be in proportion to the importance of the State in corn and hog marketings. During the next two weeks the nine statewide meetings were held and committees were elected.

The national meeting convened at Des Moines on July 18th with AAA leaders present to explain the problems involved in corn and hog price adjustments. In response to a request of the Agricultural Adjustment Administration for a permanent working body representative of producers, each State delegation nominated representatives to such a committee according to an allotment provided by AAA officials, making a total of twenty-one chosen by the State delegations. Four additional members were selected by the chief of the Corn and Hogs Section, three of them being the presidents of the major farmers' organizations. This body, unanimously approved by the delegates at the meeting, constituted the National Corn-Hog Producers' Committee of Twenty-Five.[18]

This National Corn-Hog Producers' Committee convened at Chicago on July 20th to confer with the administration officials, who were responsible for the formulation of an administrable program, and with representatives of the Chicago meat processors. The AAA officials outlined in detail the problems involved in adjusting corn and hog prices but did not submit a program for raising prices: that step was left to the producers' representatives, who consistently upheld a program of production reduction, financed by processing taxes.[19]

[18] Fitzgerald's *Corn and Hogs Under the Agricultural Adjustment Act* (Brookings Institution, 1934), p. 12; *Agricultural Adjustment* (Published by AAA as G–8), pp. 103, 104.

[19] The processor representatives objected to the producers' emphasis upon adjusting corn and hog production. They declared that a processing tax to

After conferring with the processors, the Corn-Hog Producers' Committee concluded that an emergency program for reducing hog supplies moving to market during the ensuing months was the most immediate necessity. The Committee and the AAA officials then drafted a program to pay a premium price at livestock markets for sows to farrow and for pigs farrowed in the spring of 1933 and under 100 pounds in weight. A subcommittee was selected to present the proposals to the AAA officials at Washington.

This program prompted George N. Peek, Administrator of the Agricultural Adjustment Act, to call representatives of farm organizations, national and coöperative associations, organizations representing terminal marketing agencies, trade associations, organizations representing wholesale and retail meat dealers, and other interested parties into conference on August 10th. These representatives voted a resolution pledging support of any hog adjustment program adopted and put into effect by the Agricultural Adjustment Administration.

The program prepared by the National Corn-Hog Producers' Committee was revised and refined in AAA circles during the next few weeks and on August 18, 1933, the Secretary of Agriculture issued a proclamation authorizing the purchase of young pigs and sows bred to farrow and ordered that a processing tax be imposed to finance such purchases. On August 23rd the first of such government

finance a direct production adjustment program would tend to depress hog prices. The economics of their business demonstrated that a decrease in hog marketings would adversely affect their business incomes, which depended largely upon the quantity of pork they handled. They expressed the great need for investigating all possibilities of expanding both domestic and foreign outlets for market surpluses. They favored the development of a marketing agreement between the meat processing industry and the Secretary of Agriculture and proposed launching an educational campaign to encourage domestic consumption of fresh pork.— *Agricultural Adjustment*, p. 105.

purchases were made at six livestock markets in the Middle West.

The next step in price adjustment was crop reduction for 1934. On September 7, 1933, the Secretary of Agriculture issued a statement in which he said: "The emergency program must now be followed promptly with a definite reduction in corn acreage and production in 1934 and a material decrease in the number of sows farrowing in the spring of 1934."[20] He outlined the probable effects of the emergency hog-buying campaign and the apparent impossibility of obtaining larger foreign and domestic markets for pork products.

The National Corn-Hog Producers' Committee convened for a three-day session at Chicago at the end of which it submitted recommendations to the Agricultural Adjustment Administration for price-fixing through the use of marketing agreements and licenses, and for production reduction financed by a processing tax.[21] The Adjustment Administration took the recommendations under advise-

[20] *Agricultural Adjustment Administration Press Release*, No. 556–34, September 7, 1933.

[21] The committee submitted the following recommendations: (1) that the administration fix hog prices at fair exchange value, including the processing tax, on a schedule discriminating against heavy hogs, by means of agreements between the Secretary of Agriculture and packers and licenses imposed upon those packers who refused agreements with the Secretary; (2) that subsequent surplus pork stocks be converted into sausage for distribution through relief agencies, for export, and for sale to the public at a fixed nominal price; (3) that hog producers who signed contracts to reduce their 1934 corn acreage by not less than 20 per cent be paid a benefit of $1 per hundredweight on all hogs weighing less than 220 pounds which they marketed between November 1, 1933, and June 1, 1934, and a corn benefit of 30 cents per bushel of average production on the number of acres in the 1934 corn allotment; (4) that imports of commodities competing in the market with corn be reduced; (5) that the program be financed with a $2 per hundredweight processing tax on all live hogs, as large a processing tax on corn as the market would bear, and the appropriation granted for these purposes by the Agricultural Adjustment Act.— *Agricultural Adjustment Administration Press Release*, No. 696–34, September 25, 1933.

ment to determine their economic effectiveness and their administrative possibilities, requesting advice from agricultural economists, extension agents, statisticians, packers, commission men, and farmers themselves.

With the recommendations of the National Corn-Hog Producers' Committee as a nucleus, the Corn and Hogs Section officials approached the work of drafting a program for adjusting corn and hog production to economic demand. By October 1st a tentative program had emerged from the many long hours of strenuous study, analysis, and discussion. For two weeks afterwards the officials listened to steadily increasing numbers of interested parties, continuously reorganized their own program, and included in it safeguards against failure.[22]

The main features of the corn-hog program were officially announced on October 17, 1933,[23] and on December 5th Secretary of Agriculture Wallace released the corn-hog contract forms for publication. The plan involved the use of individual contracts between the Secretary of Agriculture and the farmers, with no coercion upon farmers to enter the contract. An economic inducement was, however, provided. If Iowa farmers coöperated 100 per cent, they

[22] The administration was not convinced that price fixing of any kind could be made effective. Higher prices for corn and hogs would be a direct stimulus to production. The international policy of the administration would not permit dumping these surpluses on foreign markets. Eventually some plan of alloting rights to producers to sell only a certain amount of corn and hogs in the domestic market would have to be utilized, but the administration strenuously objected to any proposal that would, under normal conditions, create an economic situation necessitating a law to regiment producers. In the face of strong organized demands by farmers and politicians for price-fixing, the administration had managed to avoid it directly except insofar as the corn-loan program established a minimum corn price. The Economics Unit of the Corn and Hogs Section was organized early in the period of drafting a program primarily to analyze the numerous proposals for adjusting prices from the economic point of view. Many were defeated in their entirety in its offices.

[23] *Agricultural Adjustment Administration Press Release*, Nos. 893–34 and 894–34, October 17, 1933.

were to receive approximately $75,000,000 in the form of rental and benefit payments.[24] The contract required that each farmer reduce his corn acreage for 1934 by at least 20 per cent of his average corn acreage of the preceding three years (later reduced to two). It was also required that he reduce the number of litters of pigs farrowed and the number of hogs he sent to market by at least 25 per cent of the average number during the preceding two years.

Payments were to be made on both corn and hogs. In the case of corn, the government offered to rent from 20 to 30 per cent of the corn acreage on the signer's farm. The rental per acre was to be determined upon the basis of 30 cents per bushel for the average yield per acre during the preceding three years (later changed to appraisal by local committeemen on the basis of yields for ten years). Two-thirds of this rental was to be paid to the farmer as soon as possible after the contract was negotiated with the producer; the remaining third was to be payable after August 1, 1934, upon evidence of fulfillment of the contract.

The payments on hogs were to be $5 per head upon 75 per cent of the average number of hogs sold by the farmer during the preceding two years (whether on the present farm or on another farm), providing that not more than 75 per cent of the average was raised in 1934. The producer was also required to agree not to increase the number of hogs bought and fed for market above the average he bought and fed during the two-year period used as a base for hog allotments. The Federal government was to pay $2 of the total price per head upon acceptance of the contract, $1 on or about September 1, 1934, and $2 on or about February 1, 1935. The last two payments were to be conditional upon evidence of the producer's compliance with the terms of the contract.

24 *The Des Moines Register*, October 17, 1933.

The benefit payments were to be financed by a processing tax levied by the Secretary of Agriculture on both corn and hogs. The amount of tax was left to his discretion and the tax was collected directly from the processor.[25] This planned reduction of corn and hogs came to be known as the "Corn-Hog Program", as distinct from such emergency activities as the purchase of hogs in 1933 and the corn loans.

Within a week after the first general announcement of the production adjustment program on October 17th, the Agricultural Adjustment Administration realized that benefit payments under the program would not reach the Corn Belt soon enough to forestall suffering and agitation during the early part of the winter of 1933–1934. Under the stimulus of political and farm strike agitation the administration proceeded to draft a corn-loan program to place Federal money in the hands of corn and hog producers as soon as possible. These corn loans, amounting to not more than forty-five cents per bushel, were to be made only to farmers who agreed to sign corn-hog reduction contracts.

THE EDUCATIONAL AND SIGN-UP CAMPAIGNS

The first announcement of the corn-hog production adjustment program included the information that the Extension Service of the Department of Agriculture would

[25] The announcement of the program bore the provision that 50 cents per hundredweight of live animal would be collected from packers beginning November 5, 1933, the beginning of the first hog marketing year under the Agricultural Adjustment Act. The tax would subsequently be increased at intervals until it amounted to $2 per hundredweight by February 1, 1934. It would continue at that rate through the marketing years of 1933–34 and 1934–35. The rate of the corn processing tax was not proclaimed at the time. Protection of the competitive position of both corn and hogs in the domestic market by means of compensating taxes on imports of corn, hogs, and competing products and on domestic supplies of pork, corn products, and competing products was left to the discretion of the Adjustment officials.

conduct the educational work and supervise the sign-up campaign. Its work in this connection was essentially the same type as that performed throughout its history.[26] Its functions in the corn-hog program fell into three fairly distinct categories: (1) education of farmers in general on the economics of production adjustment; (2) explanation to farmers of the corn-hog contracts and administrative rulings; and (3) organization and training of a large temporary field service of farmers to conduct the sign-up campaign. The State and county offices carrying on agricultural extension work in Iowa assumed the responsibility for the educational work as soon as informative materials were available.[27] In the course of the year, fifty-three assistant county agents were placed in Iowa counties, financed primarily by the AAA allotment to the Extension Service. From the beginning of the program, these county agents and assistant county agents in Iowa spent on the average three-fifths of their time upon the corn-hog program.

The first district meeting to train the county agents for

[26] The Extension Service was authorized by the Smith-Lever Act of 1917 and was organized with responsibility divided between county organizations of farmers and the State and Federal governments. For fifteen years its primary functions had been to educate the farmers upon the benefits of scientific research and the meager governmental programs for farm relief. The county organizations of farmers varied in different States. In the Corn Belt States farmers were organized into voluntary associations called farm bureaus. The board of directors of the county farm bureau then selected the county extension agent from a panel of eligible nominees prepared by the State Extension Director. The county farm bureaus were originally intended to be local associations of farmers organized solely to promote the work of the Extension Service in the county.

[27] Immediately upon receipt of the administration press release of October 17th containing the outline of the program, the State Extension office mimeographed copies of it for all county agents. Materials upon the economics of the agricultural production and prices of farm products were given wide distribution. Next the Extension Service obtained a complete mailing list of all farmers in the State through the county agents who in turn were assisted by coöperating and responsible farmers.

the corn-hog sign-up campaign was held on November 14th at Des Moines. Here the agents learned the structure of the proposed administrative agencies, their functions, and how the contracts were to be drawn up. Similar district meetings were held in other places in Iowa during the week. An outline was sent soon after to all county agents giving specific and detailed directions for planning the county corn-hog production adjustment campaign.

At this stage of the program the AAA selected a State Corn-Hog Advisory Committee for Iowa. The four members were: R. M. Evans, of Laurens, chairman; Ralph Smith, of Newton; R. K. Bliss, Extension Director at Iowa State College, Ames; and William McArthur, State Senator from Mason City.[28] The immediate concern of this State Committee was the administration of the corn-loan program, but the Corn and Hogs Section had determined several weeks before that a State corn-hog advisory committee should be selected to coördinate the several phases of the production adjustment program. The chief consideration in making the appointments was to get men of administrative ability and at the same time provide representation to all interested parties, in particular, the various farm organizations.

By November 23rd the county warehouse boards for the corn-loan administration had been selected and Mr. Evans, chairman of the State Corn-Hog Advisory Committee, announced plans for the educational and sign-up campaign for the production adjustment program. The first step of the State Committee, it was stated, would be to select a temporary committee of five or more farmers in each county to conduct the sign-up campaign. This committee

[28] The Iowa State Corn-Hog Advisory Committee was one of four in the country in which the State Extension Director was not chairman. Although it was officially called an advisory committee, salaries were paid to the committeemen on a per diem basis.

would select a committee in each township and the township committees with the aid of other volunteer workers, would help the farmers fill out the contract forms.

As soon as the State Committee began functioning, the Federal corn-hog administration appointed 23 farmers in Iowa to work under the Committee's direction. These field men were assigned to work in the districts in which they were best known as farmers. At the same time, 28 men on the Extension staff at Ames were detailed to give the greater part of their time to the corn-hog program. Several of them immediately went into the field and, by conducting educational meetings, made it possible for the State Committee field men to emphasize the sign-up and organization work. This was undoubtedly the most successful plan of dividing the work, for on the whole the Ames Extension men were more capable as platform speakers and better able to explain the intricacies of the program; while the field men — farmers favorable to the program — could more easily work with the county and township committees.

One of the first duties of the Corn-Hog Committee was the appointment of temporary county committees. When the work began, a few county agents in Iowa had already selected temporary county corn-hog committees without adequate representation. These were later supplanted by representative committees and recognized by the State Committee. In other counties the county agent had worked with the various groups to set up a temporary organization representative of all interests. The State Committee ratified the membership of such committees without question. In a large number of counties the farmers themselves had taken the initiative and organized their committees independently. If such procedure provided representation to all important groups, the county agent found it unnecessary to interfere and the approval of the State Committee was readily obtained. The personnel of the county corn-hog committees and that of the county warehouse boards (in charge of the corn-loan work) was frequently identical. In general, the selection of these committees indicates that farmers were eager to assume the responsibility for the solution of their economic problems.

It was expected that these committees would conduct the sign-up campaign almost immediately, but the administrative rulings on the contracts failed to appear until December 29th, and during the month of December the committees were primarily concerned with the educational campaign, explaining the economics of production adjustment, the functions of the complicated administrative structure, and the details of the contracts. Approximately 2000 educational meetings were held in Iowa during December, 1933, and it was estimated that 300,000 people were reached in the efforts of the Extension Service and the State Committee to explain the new basis of agricultural economics.

Immediately upon the arrival of the administrative rulings on the corn-hog contracts, a conference of Extension field men and the State Committee was held. On December 29th and 30th these State representatives discussed and analyzed the materials available. The Extension Service held a special conference on January 1, 1934, to discuss methods of conducting the training schools for county sign-up committees. A two-day training school was held on January 2nd and 3rd for the 23 corn-hog field men, the State Committee, and the 28 Extension men primarily concerned with the corn-hog program. During the next two days (January 4 and 5, 1934) all county agents and temporary county committee chairmen convened at Ames and the materials were explained to them in detail.

Beginning on January 10th, a corn-hog field man and an

Extension supervisor jointly conducted two-day training schools in each county in the State. About fifty farmers attended each county meeting. Usually these included the three temporary township committeemen from each township and all those officially connected with the county committee and county agent's office. At these meetings, a number of the local committeemen filled out and signed corn-hog contracts. These two-day training schools were completed by January 20th, after which each county agent and the county committeemen held training schools in each township to train at least one volunteer sign-up worker from each school district in the township.

On January 9th, 175 representatives of insurance companies and other corporations with large land-holdings in Iowa met at Ames for a training course upon the corn-hog sign-up campaign conducted by the State Committee and the Extension workers from the faculty at Iowa State College.

Thus, when the actual sign-up campaign began there were from 125 to 150 trained men in each county and about 14,000 in the State to carry to the farmers the contracts and administrative rulings, help the farmers to understand the provisions of the documents, and assist them in filling in their production figures.

The various agencies to whom had been given the work of establishing reliable acreage and production figures for the base years of the program provided valuable assistance to the farmers in the sign-up campaign.[29] The county

[29] The Crop and Livestock Estimates Division of the Bureau of Agricultural Economics was given the responsibility for supplying corn and hog production figures for the various counties and States for 1932 and 1933 to constitute county and State totals of production allotments. In December, 1933, through coöperation with the Civil Works Administration in Iowa, five persons were added to the personnel of the two statistical agencies at Des Moines collecting crop and livestock figures — the office of the Federal Crop and Livestock Estimates Division and the State Crop and Weather Bureau. The State office

agents sent letters to all corn and hog producers giving publicity to the fact that the agricultural statistician in Iowa for the United States Crop and Livestock Estimates Division had records concerning corn and hog production on individual farms. The leaders emphasized the fact that accuracy and care would get corn-hog money into the State much more quickly and at much less expense than would be the case if contracts were carelessly made out and a large amount of rechecking became necessary.

As soon as materials were made available in sufficient quantities to conduct the sign-up campaign, township meetings were called to provide the farmers with definite information regarding the corn-hog contract and the complete program. In most cases either the county agent or one of the temporary township or county committeemen presided at these meetings, and township committeemen and other trained workers attended, to assist the leader in answering the questions of individual farmers. The procedure for signing early payment contracts was also explained at the meeting and it was pointed out that "those signing such contracts may receive their first installment one or two months in advance of those by whom the regular form of the contract is used."

When the general educational meeting of farmers in the township was adjourned, the announcement was made that persons whose farming operations involved complications

of the Federal-State Crop Reporting Service took over the work of recording township assessors' records of corn acreages and hog farrowings. Information appearing in the newspapers that the administration would rely to a large extent upon assessors' records in the approval of individual contracts for payment brought numerous requests at the statistician's office from farmers, county agents, and temporary sign-up committees for these figures.

During the latter part of December, nine special agricultural statisticians began working throughout Iowa under the direction of the Crop and Livestock Estimates Office and 55 Civil Works Administration employees were gathering production data. In January, the statistician's office mailed data upon corn and hog producers to the county agents of the State.

in signing the corn-hog contract should remain for special explanations.[30]

Unofficial agencies also assisted in carrying out the corn-hog program, particularly in connection with the educational and sign-up campaigns. Vocational agricultural teachers, independent farm organizations, insurance companies, community organizations, newspapers, and magazines continuously supported and explained the program. *Wallaces' Farmer* and *The Des Moines Register* contributed much to the excellent understanding of the corn-hog program possessed by Iowa farmers.

FILLING OUT THE CONTRACTS

At the close of these township meetings practically every farmer had been furnished the necessary forms for filling out the contracts. The contract and work sheets required a complete analysis of the total farm acreage classified by crops and other uses for both 1932 and 1933. Acreage and quantity figures on both years' corn crops, a five-year crop production history of the field or fields the farmer desired to set aside for rental to the government, and detailed data on hog production and disposal of hogs for each of the four farrowing seasons of 1932 and 1933 were required.[31]

[30] Tenants who rented their farms under the following conditions received special explanations: (1) where the producer would operate in 1934 one single farm rented from the landlord under a stock-share lease or agreement under which the landlord would receive a share of the hogs produced on the farm or part of the proceeds from them; (2) where the producer rented and operated two or more tracts of land owned by different landlords, one or more of such tracts being rented on shares; and (3) where the producer signing any contract owned or rented and operated more than one farming unit. The farmers whose contracts included hog reduction payments to their landlords were instructed to take additional work sheets and statements of supporting evidence for their landlords to fill in. If possible the landlord was to accompany the producer on the day set for signing the contracts.

[31] Detailed data on hog production and disposal of hogs was required in the following categories: litters owned by producer when farrowed; total

The producer's statement required a detailed analysis of each sale of hogs made by him, as well as each purchase of hogs, and a list of all supporting evidence to be attached to the form. Two neighbors who were not relatives of the farmer were required to count the number of hogs on the farm and certify that to the best of their knowledge and belief the hogs were the property of the person signing the statement.

The supporting evidence asked for on hog sales included: sales receipts, weight tickets, signed statements of persons or agencies buying, selling, or consigning hogs, farm account records, and so forth. Farmers in Iowa found it less difficult to obtain this supporting evidence than did farmers in States producing a smaller number of hogs, but only a very small percentage of farmers had acceptable farm account records. Sales receipts and weight tickets on hog sales in 1933 had quite generally been preserved by the farmers, but for 1932 sales, farmers were forced to rely largely upon their memories and inadequate production figures scattered from the hog-house door to the drawer in the kitchen cabinet.

In many cases farmers were able to get signed statements of persons or agencies who had bought, sold, or consigned their hogs. In some parts of the State these statements, supplied by truckers of hogs, constituted a large part of the farmers' supporting evidence. Many of these truckers, however, had poor records or no records at all. Most of them were small operators with no particular responsibility to the farmers or the government. A number of them signed statements in blank for the farmers to fill

already sold from these litters; number already sold for slaughter; number sold as stockers, feeders, or breeders; number slaughtered for use on the farm; number to be sold; number to be retained for breeding purposes; total hogs produced for market; allotment of hog production under the contract; number of feeder and stocker hogs purchased; and number of feeder and stocker hogs on hand.

out as they pleased. Farmers who purchased pigs from other farmers also provided unsatisfactory evidence. Many dealers in feeder pigs were opposed to the program and supplied signed blanks for farmers to fill in as they pleased.

The direction sheet accompanying the contract instructed the farmer to study his copy of the contract but not to fill it in until he obtained the help of a sign-up worker during the sign-up campaign. Announcements were made through the newspapers and notices were sent to the farmers of the days on which contracts might be signed in the different districts of the county. In most cases the sign-up was conducted by stationing township committeemen and other trained workers at the several rural schoolhouses in the townships, requesting that all producers intending to participate in the corn-hog program go to these locations on the designated days to fill in and sign their contract forms.[32] In practically all cases, two or more sign-up workers were present. They divided the work, each specializing upon certain types of contracts according to ownership of farms, types of leases, etc.

After the regular sign-up days were past, the permanent township and county organizations were, in most cases, selected and the permanent organization then proceeded to complete the sign-up campaign. Each township was divided

[32] Landlords were required to sign the contracts only when part or all of the contracted acres were located on land rented under a crop-share lease or when the farm was rented on a stock-share lease in which part of the hogs proceeds were to go to the landlord. For regular payment contracts only a pencil copy of the contract was made up and signed, but for early payment contracts a pencil copy was prepared and signed and three copies (triplicate forms) were signed in blank. As some producers were not ready to sign when the majority were, the committees requested that producers inform them as to the approximate date when they would have their materials ready for use in the contracts. For such producers another date and place was usually announced for each school district or each township for additional signing of contracts.

into districts and each district was visited by the township committeemen and volunteer workers. These men visited every corn-hog farmer who had not previously signed a contract, outlining in some detail the advantages of the corn-hog program. One of the most effective methods of persuasion used by the workers was to make an unofficial and preliminary estimate of the amount of benefits the producer would receive by participating. Farmers who refused to sign were asked for the same information that was required from farmers who did sign and this information was recorded on non-signer work sheets. If the farmer refused to give the information the committeeman filled in the work sheets from his own knowledge of the farm and from information obtained from neighbors.

The effort put forth in the clean-up campaign can be attributed primarily to: (1) the general enthusiasm[33] for the first Federal program of farm relief by control over prices; (2) the need for getting all contracts signed before first payments could be made; and (3) the feeling on the part of farmers that if a substantial number of farmers refused to sign contracts, the efforts to adjust prices by reducing supplies would fail.

The scope of the sign-up campaign was revealed when the State officials began determining the State and county corn and hog quotas of production. In the final reckoning, the sign-up in Iowa involved 175,765 contracts with estimated benefit payments of $73,000,000. Included in this number were about 25,000 early payment contracts. These contract signers represented nearly 88 per cent of the 200,000 Iowa producers of corn and hogs. The contracts placed 88.6 per cent of the 1932–1933 average Iowa corn

[33] The State Committee learned of one promoter who was attempting to sell to farmers a particular type of fence post bearing the sign "Contracted Acres". He gave the impression that this particular post had been approved for use in fencing off the acres taken out of production in the program.

acreage and 90 per cent of the hog production under the corn-hog program. The average Iowa corn acreage for the two base years was 11,493,000 acres while the number of acres under contract in 1934 was 10,181,555 and of this acreage under contract an estimated total of 2,340,000 acres of corn land was to be rented to the administration. Iowa farmers produced 12,667,000 head of hogs on the average over the two base years and the producers of 11,410,000 of these signed contracts with the administration agreeing to reduce production by 2,850,000 in 1934.

The making out of these preliminary contracts was, however, only part of the procedure. The figures had to be checked and corrected and the final allotments to individual farmers still had to be worked out. How was this to be done?

COUNTY CONTROL ASSOCIATIONS

The key to the coöperative aspect of the corn-hog administration was the local control within the counties. The corn-hog program was designed to be voluntary; if a farmer thought it was more profitable for him to farm without restrictions, he was not forced to sign the adjustment agreement. To place the function of distributing production allotments to those who signed solely in the hands of government officials would have been bureaucracy of the highest order, and American traditions would not, it was felt, submit to administrative direction to that extent. The production statistics in the offices of the Department of Agriculture were to be the basis for production quotas by States and by counties, but within the counties the farmers themselves were to distribute the production allotments through locally elected county control committees.[34]

The Corn and Hogs Section at Washington established

[34] Agricultural Adjustment Act, Section 10 (b).

the County Associations Unit on January 25, 1934, to develop the plans for the county control associations throughout the country. To this unit were delegated the responsibilities for the county association budgets, the treasurers' bonds, publication of production figures, and miscellaneous association matters.

The State Corn-Hog Advisory Committee had been appointed for three months beginning on December 1, 1933, to serve with the Extension Service in conducting the educational and sign-up campaigns and organizing the county control associations. By the end of February the sign-up campaign was not yet half completed, and the State Committee was reappointed to serve three additional months. Senator William McArthur of the State Committee was appointed State Budget Director for the corn-hog program and to act in other capacities as the State representative of the County Associations Unit of the Corn and Hogs Section.

Participation in the program automatically gave a farmer membership in the county control association. For this reason no organization work could be begun on these permanent associations until after the major portion of the sign-up work was completed. Every farmer had to have a chance to sign a contract before the selection of committees began. In most Iowa counties, where the final sign-up list ran from 1700 to 1800 about 1200 farmers participated in the selection of committees.

Organization of the Permanent Township Committees.— When the sign-up campaign had progressed sufficiently, the county agent and the chairman of the temporary county committee in each county called the temporary township directors together to plan the township organization meetings. This group determined whether the township should select three or five men for the township committees and arranged the schedule of meetings. A representative of the Extension Service and a field man of the State Corn-Hog Advisory Committee attended these meetings at which the plans were made. The county press carried the schedule of township meetings and at least five days prior to the township meetings official notice was sent to all contract signers by the county agent.

The township meeting was called to order by the chairman of the temporary township committee that had worked on the sign-up campaign. One contract signer was elected by secret ballot to serve as chairman of the permanent township committee and as its director on the board of the county control association. In most cases two additional committeemen were selected to serve on the township committees, though three or four could be elected.

In many cases these township organization meetings were very informal, but the secret ballot was used at nearly all meetings in order to avoid possible criticism. In comparatively few instances did the election show that the choice of the signers was someone other than the chairman of the temporary committee. This fact is proof that the county agents and the State Corn-Hog Committee had been diplomatic and wise in their selection of the temporary committeemen and had been careful to select the most highly respected farmers in the communities to carry on the educational and sign-up campaigns.

The enthusiasm of some farmers to get the corn-hog program to functioning brought forth the organization of several permanent township committees[35] as early as Janu-

[35] Kane Township in Benton County organized its permanent committee on January 20, 1934. A week later the contract signers in five more townships in Benton County elected permanent township committees. A ruling that all landlords who signed contracts would be eligible to vote in the elections was submitted to the field from Washington on February 12th. A number of

ary, 1934, before complete rulings from Washington had been sent into the State, but most of these township meetings were held late in February and the organization of meetings of the boards of directors of the county control associations took place immediately afterwards.[36]

Selection of the County Allotment Committees.— After all the townships in the county had held their organization meetings, the persons elected to the county board of directors met with a representative of the Extension Service and a State Committee field man to organize. The first meeting of the board of directors of a county control association was called for 9:30 A. M. so that the work of organization could be completed by noon. A school of instruction for all the permanent township committeemen upon appraising the yield of contracted acres was then held in the afternoon.

The first action taken by the board of directors was the adoption of the official articles of association in the form prepared by the Corn and Hogs Section at Washington.

The board of directors of the county control association chose one of its number to serve as president of the county association and chairman of the county allotment committee. In most cases the board elected four more of its number to serve on the allotment committee with the president, but in some cases the allotment committee consisted of the chairman and two additional members. A vice president of the association was also chosen by the direc-

scattered townships had already held their elections and all the townships in Adair County had selected committees, but the ruling was not made retroactive and new elections were not required.

36 Early in February the Corn and Hogs Section at Washington urged that the organization meetings of the county boards of directors should not be held until after the clean-up campaign for contract signers had been completed. The relaxation of this stipulation was undoubtedly caused by the tardiness with which the sign-up campaign came to a close.

tors. He was not allowed by the articles of association to be a regular member of the allotment committee, but was to serve on the committee if the president or some other member was absent. The board was given the privilege of electing a secretary and a treasurer either from its own membership or from persons outside the board. Contrary to the advice of several persons in the corn-hog administration, eighty-eight counties elected the county agent to the position of secretary of the county control association because he was already working on the program and was receiving payment for expenses from the AAA. Benton County established the first permanent county organization, on February 17th, and the board of directors proceeded on that date to select the allotment committee for Benton County.

Every director, committee member, or officer of the control associations, except the secretary and treasurer, was required to be a contract signer. If a county officer did not again sign his contract after the adjustment of production figures by the county allotment committee, his position was regarded as automatically vacated and a special meeting of the contract signers in the township from which he came was called to select a new official. The number of cases where this was necessary was, however, negligible.

Financial Operations of the County Control Associations. — One of the actions required of the board of directors at its organization meeting, according to the articles of association, was the formulation of a budget to cover the expenses of the association until July 1, 1934. It was necessary, however, to postpone this action because detailed instructions upon the preparation of the budget had not arrived from the Corn and Hogs Section at Washington by the time most of the permanent county control associations were organized.

When instructions on the preparation of the association budgets were finally available, the county president called a special meeting of the board of directors for his county. A complete account of the work that had already been done by the temporary committees in the sign-up campaign was presented to the board. The board fixed a rate of compensation for the work and included the costs of the sign-up campaign. In most counties the maximum of $3 per day was paid to these workers, but in a number of counties the township committeemen working on the sign-up campaign donated their services. On the average, this item amounted to approximately $2000 for a county, or about $1 per contract. In many counties no allowance was made for the traveling expenses of the temporary committeemen, but in a number of counties the costs of travel of temporary committeemen appeared in the budget at from $500 to $1000.

With the assistance of the county agent, a State Committee field man, and an Extension supervisor, the board then proceeded to estimate the costs of administering the program down to June 30, 1934. An attempt was made, insofar as possible, to estimate these costs on the bases of the number of contracts in the county, the number of acres of corn under contract, and the number of hogs under contract. Allowances had to be made for variations. The costs of township committees would, for example, be increased if the corn fields were of irregular shapes and sizes. The maximum of 5 cents per mile was allowed for travel on mud roads.

The Corn and Hogs Section at Washington set $3.00 per day as the maximum compensation for township committeemen and directors of the county control associations and $4.00 per day as the maximum for county allotment committeemen. It provided that the State Extension Director or the State Budget Director (AAA) might provide a lower maximum rate of compensation for the State, but no such action was taken in Iowa. It was expected that many farmers would donate their services and in all cases, "persons taking part in the program must have sufficient interest in its success to work for a nominal rate of pay." In Iowa, most of the county positions required practically the whole time of the farmer during the busiest parts of the crop production season. The budget form provided space for subsistence expenses for county officials, but allowance for such expenses was discouraged by the State agencies and was made in only a very few cases.

The county control association budgets for the period prior to June 30, 1934, varied from $8000 to $14,000, the average being about $10,000. The budgets varied primarily with the number of acres of corn and the number of hogs produced in the counties and with the number of acres of corn and number of hogs per farm. Some variation was explained by the assistance provided by the county agent and the willingness of the committeemen to coöperate with the county agent, Extension supervisors, field statisticians, and State Committee field men, and to submit to the regulations of the corn-hog program in general. The amount of production per farm was very important in calculating budget estimates because many of the duties of the county allotment and township committees were as costly in relation to a small farming unit as a large one.

In the determination of the county association budget for the period from July 1, 1934, to February 1, 1935, the board of directors had the expense accounts for the first period to guide them. The committees did not know, however, that in many cases the work would be prolonged by the dispute over the county quotas which developed in July and August. Furthermore, most of the work of the second period was to be a new function — checking compliance with the corn-hog contracts. The costs of this proved to be larger than any work the committees had previously performed. A large field force was found to be necessary in each county and it continued to function full time for several weeks.[37]

The administrative expenses of the county control associations were paid out of the money allotted to the farmers of that county for benefit payments. In Iowa they averaged about three per cent of the total payments in the 1934 corn-hog program. There was, however, a variation of from less than two per cent in a few counties to more than five per cent in two counties. The costs of local administration varied from less than $8 per contract to more than $16 per contract.

The county association budgets were submitted to the State Corn-Hog Committee, together with the reports of both the organization meetings and the special meetings of the boards of directors. There the budget was reviewed by Senator William McArthur, State Budget Director, who began the work of analyzing budgets about April 1st. The Corn and Hogs Section stipulated that no corn-hog contracts, including early payment contracts, should be certified to the administration by the State Board of Review until after the county budget had been submitted to the State Committee. In his certification of county association budgets to the County Associations Unit at Washington the State Budget Director made special explanation of items which on the surface appeared to be excessive.

According to the articles of incorporation the county board of directors was required to determine the manner

[37] The costs of the work of compliance supervisors and their field assistants varied widely, from $4000 to $9000, with the average about $6000, which was about $3.50 for each contract. In most cases the county allotment committee expenses were nearly twice as great during the second period as during the first. The average allotment committee cost for the period was about $2000.

and costs of publishing the production figures from the contracts in local newspapers. The State Extension Service suggested 35 cents per contract as the maximum that the county board might pay for publication. In counties where the local press had not organized and presented to the board an allotment of the contracts between the several newspapers, the board sometimes obtained the publication of the data for an amount considerably under the maximum, but the newspapers usually demanded the maximum, and on the average the cost of this printing and publication ran very close to the maximum of 35 cents per contract, or about $650 for the average county.

Bonds of County Association Treasurers.— The administration required that the treasurer of each county control association be bonded for a part of the semi-annual budget of the association, and that these bonds be carried by bona fide surety companies acceptable to the United States Treasury Department. The bond was required to amount to the total of all expense items for which the Treasury Department issued checks payable to the county association treasurer, less the amount of satisfactory receipts received at the Washington office for expense items paid by the county association treasurer. The bonds averaged from $5000 to $6000 for the county associations in Iowa, at a cost of $10 per $1000. The cost of the bond was to be treated as an administrative expense.

ADJUSTMENT OF PRODUCTION FIGURES AND CALCULATION OF INDIVIDUAL ALLOTMENTS

The corn-hog program provided that individual allotments of corn acreage and hogs produced for market should be based on the average production and acreage for the years 1932 and 1933. Theoretically this was a simple matter: each farmer was to raise not more than 75 per cent as many hogs as he had raised the previous two years and was to cut his corn acreage by 20 per cent. If he complied with this reduction requirement he would receive the $5.00 per head for 75 per cent of his average hog crop for 1932 and 1933 and the government paid him rent for the acres withdrawn from corn production.

It was not, however, as simple as it appeared, for farmers often kept inadequate records and had failed to preserve various papers concerning sales and purchases. Lacking records, farmers had to fall back upon their memories as to the number of pigs farrowed and sold and the number of acres of corn planted and the yield per acre. Quite naturally a farmer could not always recall the exact figures and quite naturally, too, he would be inclined to overestimate rather than underestimate his figures, since the benefit payments he would receive would depend upon the number of hogs raised and the bushels of corn produced.

To get the figures from the farmers was the first step and these were secured on the work sheets submitted with the contracts. But there had to be verification of these figures and some general supervision of the contracts. This check on the figures submitted by the farmers was made partly by the township committee men and the county allotment committees, but the contract figures were also subjected to scrutiny by State and Federal officials and were compared with various statistics which indicated corn and hog production in the various States and counties.

The work of coördinating the various statistics for Iowa was largely in the hands of the Federal agricultural statistician, the State Board of Review, county tabulators, and the county allotment boards.

County Tabulators.— The Agricultural Adjustment Administration made provision for a limited number of tabulating clerks for large corn and hog producing counties in the country. The Federal agricultural statisticians for the States determined in which counties county tabulators should be appointed. In counties where there were no tabulators, the work was divided between the allotment committee and the statistician for the State. From three to five tabulators were appointed for each county in Iowa. Appointments were made about February 1st by the statistician for the State on the basis of standardized examinations and county agents' recommendations. The tabulators were selected before the election of the permanent county committees and worked under the immediate supervision of the county agents, performing functions designated by the statistician.

The State Board of Review.— The administrative structure for determining contract allotments included a State Board of Review to establish the county quotas and to review allotments made by the county allotment committees. After this board was selected, the county tabulators virtually constituted a field force for it. The Agricultural Adjustment Administration provided that the State Board should consist of at least three members, including the Federal agricultural statistician for the State, a representative of the State Agricultural College trained in statistical methods and economics, and a qualified farmer who should be a member of the State Corn-Hog Committee. The Board was vested with three primary functions: (1) examining and approving contracts and certifying them to the corn-hog administration at Washington; (2) establishing county and township quotas; and (3) assisting county allotment committees in making whatever final adjustments would be necessary within the counties.

In February it was announced that Leslie M. Carl, the Federal agricultural statistician for Iowa, would be chairman of the State Board of Review. A few days later Dr. A. G. Black, Chief of the Corn and Hogs Section, announced as the other two members, R. M. Evans, chairman of the State Corn-Hog Committee, and Professor J. L. Boatman, soils specialist of the Extension Service of Iowa State College at Ames. The appointments were identical with the recommendations forwarded to Dr. Black by the State Corn-Hog Committee.

Checking the Corn-Hog Contracts.— As soon as a farmer agreed to sign a regular payment contract, giving his figures of corn and hog production for 1932 and 1933, the papers were sent to the county headquarters, where the county tabulators examined them for arithmetical errors and for general reasonableness of data, referring the contracts in which the figures did not check properly to the county allotment committee. If corrections required an interview with the farmer, such contracts were referred back to the township committee which contacted the signer. A similar examination was made of non-signer work sheets.

The county tabulators listed the figures given on the contracts[38] and forwarded them to the State Board of Review for use in compiling the county quota. The contracts themselves, with all attached forms, were given to the county allotment committee to be checked for validity of signatures, proper division of payments, completeness of information, and adequacy of supplementary forms. The town-

[38] The tabulators listed the data from the contracts and non-signer work sheets on large listing sheets, using separate sheets for early payment contracts, regular payment contracts, and non-signer work sheets. They did not list data from early payment contracts until signatures of producer and landlord (where required) were given correctly on all three copies of the contract, ready to be typed and verified for immediate forwarding to Washington.

ship committeeman usually assisted in this check and if contracts needed correction the township representatives were made responsible for making the necessary changes. In some counties the committee left this checking to the tabulators.

When contract figures had been tabulated and the figures sent in to Des Moines and the contracts themselves had been checked for general accuracy and validity, the county allotment committee prepared the data from the contracts for publication,[39] in accordance with the first announcement made concerning the corn-hog program, in October, 1933. This publication plan had a two-fold purpose: it was believed that published figures, if inaccurate, would be corrected by some one who knew the facts; and, secondly, it was believed that if a farmer knew that his report would be made public he would be more careful of his statements.

In connection with the publication, the announcement was made that any person might make a confidential report, oral or written, to the county allotment committee or to the township committee if he found any statement in the published contracts which he believed to be inaccurate. In very few counties in Iowa, however, did such reports exceed a dozen. In two counties the reports numbered about 150. In the cases reported, the allotment committee and the township committee made a special effort to detect errors. On the other hand, it must be admitted that it was not the number of these reports but the threat of reports that made the publication of data valuable.

After preparation of the contract data for publication, the regular payment contracts were returned to the township committees for comparing the contract representations with the farm and appraising the yield of contracted

[39] Publication was made optional in the 1935 program.

acres. On the average this work in Iowa required about three weeks. When the county allotment committee approved the township committee certifications, the certifications, contracts, etc., went to the county tabulators for verification of any weighted averages and for transfer of corn yield appraisals from the certifications onto the contracts and onto the listing sheets that had been returned by the State Board of Review. When all the estimates of corn yield had been made and transferred to the listing sheets, the summaries of corn yield appraisals were forwarded to the State Board of Review.

Early Payment Contracts.— It has already been stated that of the 175,765 contracts signed in Iowa about 25,000 were those in which the farmer agreed beforehand to accept the production quota assigned to him by the county allotment committee. Most of these early payment contracts were signed during the first few weeks of the sign-up campaign. The number varied by counties, ranging from none at all in some counties to as high as 1450 out of a total of 2450 in one county. This variation was, it appears, due largely to the stress placed upon early payments by the county agents and the county and township committees during the educational and sign-up campaigns. In some counties the leaders "viewed with alarm" the proposal that the farmers waive their rights to object; in others, they emphasized the advantage of getting money quickly without waiting for what might be tedious red tape.

The early payment contracts were similar in form and effect to the regular contracts, but instead of a preliminary signature when the contract was made out and a final signature when the allotments had been finally determined, a sticker — known as the "red rider" — was affixed to the early payment contract and the farmer signed this. Such contracts required only one signature. The emphasis all along the line was on haste.

When it became apparent that the work of the county tabulators would delay the early payment contracts too long to give them much of an advantage, the State Board of Review ordered the county allotment committees to check such contracts for errors in signatures, division of reduction payments, description of farm, map of farm, completeness of form, and the like, without waiting for the tabulators to do this work.[40] The contracts, having been checked in this way, were sent back to the township committee as soon as the data from them had been tabulated and the township committee at once began the work of estimating the yield of corn on the acreage withdrawn from production. These yields were estimated by getting the statement of the farmer himself, from general knowledge of the farm, and from estimates of yields for the county supplied by the Crop and Livestock Estimates Division of the Department of Agriculture at Washington. These estimates were based on ten-year averages. They were not released for publication but were used confidentially by the committees. At least one member of the township committee visited the farm, checked the items, and made an appraisal of the corn yield.

In some cases the committee worked for a day or two as a single unit in appraising yields of corn, checking acreage and hog production, etc., in order that they might become familiar with the work and give suggestions to each other. After that they proceeded to work separately but came together at the beginning or close of each day for the purpose of reviewing and signing the certification

[40] A large number of the allotment committees in both Iowa and Kansas had county tabulators do a considerable portion of this work until the State Boards of Review insisted that county tabulators be confined to verifying computations and listing data for statistical use.

blanks. In many counties all of the township committees were called in for a county meeting after they had had a few days' work on appraisal. In these meetings the committee members compared notes and discussed questions that had arisen in regard to their instructions and administrative rulings.

The State Board of Review in Iowa required that figures from the early payment contracts be sent to its office for a sample check before they were sent to Washington. This was done by taking a certain number of contracts (perhaps every tenth) and checking these carefully. Within the first week of receipts of contracts, just after April 1st, the State Board rejected the contracts sent in from 25 counties on account of mistakes.

On April 8th, the first contracts of the entire corn-hog program, having been certified by the Iowa Board of Review, were forwarded to Washington for the first payment — a packet of 213 early payment contracts from Marion County, Iowa.[41] When the consignment arrived at the Contract Records Section in Washington, the machinery was immediately shifted into high gear in an attempt to get the first benefit payments into the field within a week. Contracts from other counties followed rapidly during the next few weeks, as field statisticians, working under the Board of Review and Extension supervisors, showed county committees how to avoid the mistakes that had held up the first contracts.

[41] The following information was listed on the transmittal sheets that were used by the State Board of Review to approve contracts: (1) serial numbers of contracts; (2) names of producers; (3) average corn acreage 1932–1933; (4) number of contracted acres; (5) average yield of corn per acre of contracted acres; (6) average hog litters 1932–1933; (7) average number of hogs produced for market 1932–1933; (8) delayed or refused notation. Four copies of these transmittal sheets were made. The State Board certified the contracts to Washington on one of these and retained another. The county allotment committee forwarded one to Washington with the packet of contracts and kept the fourth for its files.

The Quota System.— The corn-hog program was not, fundamentally, a quota system, but it was obvious that some check had to be made on production figures turned in by the individual farmers. This check came both from the local representatives and from the State Board of Review. In formulating county quotas, the Board of Review had, in addition to the figures in the contracts themselves, various reports and statistics as to corn and hog production in Iowa.

While the township and county boards and committees had been checking the contracts for accuracy and validity, the State Board had been struggling with the computation of production quotas for the counties, or rather in the compilation of totals with which to compare the totals turned in by the counties. In this work the State Board was assisted by representatives of the Corn and Hogs Section of the Federal Department of Agriculture and it was furnished data by other agencies.

The Crop and Livestock Estimates Division had statistics on corn and hogs obtained from several different sources. Every five years the Federal census provided production figures by counties. To establish reliable county totals for the intervening four years the Division made an estimate of the change from the census year preceding on the bases of a wide sampling of figures provided by the farmers themselves. In Iowa these figures were secured from "rural carrier cards" sent to 10,000 representative farmers, about five per cent of the total.

Another source of data was the Bureau of Animal Industry, furnishing regular reports on the number of hogs slaughtered under Federal inspection. The meat packers and the railroads also provided similar data to the Crop and Livestock Estimates Division. These figures, of course, did not include hogs slaughtered in local butcher shops and on farms.

The county quotas were based: (1) on the figures turned in by the contract signers and by the non-signers who filled out work sheets; (2) on the estimates furnished by the various governmental bureaus and departments, by the census, and by the Federal agricultural statistician for Iowa; and (3) on reports turned in by processors and carriers. It was, however, recognized that such statistics were not complete nor were they entirely reliable, although the corn-hog administration was satisfied that the computation for the State was fairly accurate. The data by counties was open to question. From these figures the Board of Review formulated the county quotas, making allowance for incomplete data.

The next task was to prepare computations of the proportion the production by the contract signers bore to the production of the entire county and then to compare this production quota of all the signers in a county with the total production figures submitted by the producers who signed contracts. It was taken for granted that the total submitted by the farmers would be larger than the quota fixed by the Board of Review. If the comparison of the county contract totals with the quota showed only a two or three per cent overstatement, the Board decided that its quota was probably too high. If the variation amounted to 30 or 35 per cent, it was generally agreed that the quota was too small. The minimum overstatement of contract totals over the county quota figured for the signers, it was calculated, would be about 7 or 8 per cent, the maximum 20 or 25 per cent. The average spread between the farmers' figures and the quota tentatively adopted by the Board of Review was about 9 per cent for hogs. The overstatement in base corn acreage was 3 or 4 per cent; in the yield of contracted acres, from 10 to 20 per cent.

When the county production figures exceeded the tentative quota fixed by the State Board of Review it is obvious that the Board could either raise its quota figure or order the county allotment committee to remove sufficient overstatement from individual contracts to make the county total agree with the quota. Since the quota for the State was considered reasonably accurate, the State Board could not increase county quotas to any great extent, although it might shift figures from one county to another. For the most part, however, the difference had to be removed by reduction in the contract figures.

Adjustment of Production Figures.— On May 18th the State Board of Review completed the work of establishing county quotas on corn acreage and hog production. The next day the Board met with the State Corn-Hog Committee field force, Extension supervisors, and agricultural statisticians to give final instructions for the use of the quotas. The State Committee field men and the Extension supervisors personally carried the county quotas to every county in Iowa. At that time they gave final instructions to the county allotment committee for revising production figures and approving individual allotments, retyping the contracts, getting the signatures of producers, and sending the regular payment contracts to Washington for the first benefit payments. It was assumed that this work would take the county committees about two weeks on the average.

When county allotment committees were given their county quotas, protests immediately began going to the office of the Board of Review and some direct to Washington. It was revealed that the State Board had cut the corn acreage figures about 5 per cent and the figures on hogs produced for market about 9 per cent from the figures reported by the farmers for the base years. Some counties had reported production for the base years that were considerably more out of line with the statistical records than others and had been asked to reduce the figures accordingly. Some counties, on the other hand, were satisfied with the quotas assigned them and prepared to speed the revision of contract figures, typing of contracts, and completion of the task of getting the final signatures of producers on contracts. The Board of Review refused to make the county quotas public, thus incurring the criticism of a number of county allotment committees.

When the State Board released the quotas, many of the allotment committeemen desired to resign from their positions. Highly respected and well liked in their communities, these committeemen had no desire to incur the enmity of farmers whose supporting evidence would not withstand the reduction in contract figures made necessary by the contract quotas. One of the factors that prohibited wholesale resignation at this time, however, was the fact that no expense checks had been issued before this time and were not to be issued until the contracts from the respective counties were accepted for the first payment by the administration at Washington. In order to be reimbursed, it was necessary for a committeeman to complete his work to the extent of helping to remove overstatements.[42]

[42] Several county allotment committee chairmen called a meeting at Des Moines for May 24th to take up the difficulties of complying with the county quotas. A few of the committeemen were very anxious to get committees throughout the State to defy the use of county quotas in wholesale, although some chairmen admitted that they knew the production figures for the base years were overstated. The forty chairmen at the meeting voted that the administration should leave the adjustment of the producers' figures to the county allotment committees, that each allotment committee should satisfy the State Board of Review as to the correctness of the data, and that the administration should not make any blanket cut in producers' figures after the county committees had made final adjustments. Ralph Moyer, regional consultant for the corn-hog program, attended the meeting of the county chairmen, stressed the importance of Iowa's action in the entire National corn-hog program, and aided in clarifying special problems brought up by committee chairmen.—*The Des Moines Register*, May 25, 1934.

Some of the farmers misunderstood the purpose of the county quotas. They thought that the administration would require a flat cut of 5 per cent on corn acreage and 9 per cent on hog production representations. Some thought the county allotment committees themselves would make flat cuts on the contracts according to their quotas.

In several cases men told allotment committees that there was no need to reduce contract figures to the point required by the quotas. They would, they told the committees, see that the contracts were approved for payment without reductions in figures. Eager to avoid the onerous duty of revising the contract figures, some committees practically ceased the work of taking out overstatement. Most of them, however, were persuaded by the State field men that political pressure could not be made effective to this extent upon the State Board of Review and the Corn and Hogs Section. Newspaper accounts of the failure of Farm Bureau leaders to persuade Chester C. Davis, Administrator of the Agricultural Adjustment Act, that the quotas should be relinquished resulted in many committees returning with renewed vigor to the work of adjusting production figures in contracts.

Adjustment of Data on Hogs.— At the time the county quotas were submitted to them by the State Board, the allotment committees had already worked from two to three weeks upon the corn-hog contracts, removing overstatements. They had made comparisons in several ways of all the data on the county tabulator listing sheets: by townships, figures of contract signers with those of non-signers, early payment contracts with regular payment contracts, etc.

The next step in the removal of overstatement was the examination of each individual item on the sales receipts, weight tickets, signed statements of persons or agencies buying, selling, or consigning hogs, farm account records, etc. Falsification of figures on sales slips were detected by careful observation. Statements by buyers known to be opposed to the program were questioned. The weights of hogs sold and the dates sold were carefully compared to detect the inclusion of hogs farrowed before December 1, 1931. In this connection a knowledge of a farmer's hog production habits was often used to determine whether he raised pigs to marketable weights as fast as his representations showed.[43]

A very effective method of eliminating feeder pig purchases from hog production figures was used through cooperation between counties. A county allotment committee receiving information on contracts and supporting evidence that sales of pigs were made to farmers in other counties furnished the allotment committees in those counties with the information they had on the sales, including the names of purchasers, number of hogs, and dates of sales. The same type of data was obtained from auction sales records and other sources. In areas where feeder pigs were bought in large numbers at central markets, the

[43] Typical reasons for revision of hog production figures were: (1) lack of any supporting evidence; (2) weights of hogs sold merely estimated and not actual; (3) feeder pigs or litters purchased at auction sales as evidenced by county sale books but not reported on statement of supporting evidence as feeder pig purchases; (4) feeder pigs reported by one contract signer as sold to another contract signer, but not listed on statement of supporting evidence of second contract signer as feeder pig purchases (reduction was made from the second signer's base figures); (5) double entry of breeding stock in which sows were claimed to be kept for breeding but sales evidence showed they were sold; (6) disparity between neighbors' count and statement of supporting evidence; (7) hogs which due to date sold and weight at time of sale appeared to have been farrowed before December 1, 1931; (8) lack of packing company or commission firm evidence, properly stamped, for sales of sows in the Emergency Hog Buying Campaign; (9) reports of inaccuracy of hog production figures as published in local newspapers followed by careful check with neighbors; (10) wide disparity between contract figures and assessors' figures.

information was obtained from the Bureau of Animal Industry inspectors.

Nearly all of the county allotment committees visited the office of the State Board of Review to persuade the Board that all overstatement had been removed or to obtain recommendations as to the methods of removing overstatement. In these visits the State Board emphasized that the county quotas were designed primarily to provide a standard by which it would be determined to what extent the allotment committees had removed the overstatement in the contracts. The Board also explained certain methods by which committeemen could evaluate supporting evidence submitted by the farmers. It showed the committeemen the extent to which the representations made by some farmers in their contracts exceeded other data upon them, such as was contained in assessors' reports, rural carrier cards, etc. In some cases where the discrepancies were large and the allotment committees did not have reliable data upon the farmers involved, the State Board members or the field statisticians recommended specific reductions in figures.

The State Board, however, decidedly opposed a flat percentage reduction in hog figures. This method was almost completely avoided by making reductions on the basis of classification of supporting evidence according to quality, removing representations for which the supporting evidence was the lowest in quality. On the average it took the county allotment committees and the township committees about two months to remove the overstatement of hog production from the contracts.

Adjustment of Corn Acreage Figures.— When hog production allotments had been established, the committees turned their attention to corn acreage. The contracts and maps of farms and contracted acres were taken into the field by the township committeemen. They personally inspected the fields represented as 1933 corn acreage to observe evidence of corn production in the way of corn stubble and stalks. In many cases they measured all the fields claimed to be 1932 and 1933 corn acreage. Many of the committees had the farmers draw maps of their farms, outlining all fields, indicating the number of acres in each, and specifying the crops planted on each field in each of the base years, 1932 and 1933. If the 1932 acreage was larger than that for 1933, they obtained explanations from the farmer in order to assure themselves that the discrepancy was not due to a tendency on the part of the producer to exaggerate his 1932 acreage. The number of tons of corn silage produced in each of the two years was verified as far as possible by an approximation of the capacity of the silo. The removal of overstatement of corn acreage figures by the county allotment and township committees required about four weeks, on the average.

When the larger part of the regular payment contracts had been forwarded to Washington for payment, those county allotment committees that had not handled the early payment contracts for final adjustments at the same time that they adjusted regular payment contract figures proceeded to examine the early payment contracts again. The "green riders" for early payment contracts were filled out with producers' base production figures and the tentatively approved base production figures. The county allotment and township committees then prepared the final adjusted figures as they had done for the regular payment contracts. If a producer's figures had been too high and the first payment had been larger than the adjusted contract figures called for, the excess was deducted from the next payment.

Acceptance of Contract Adjustments by Producers.—

Upon receipt of county totals of contract figures as finally adjusted by the allotment committees, the State Board of Review compared them with the county quotas. Township totals were compared with other available figures on production by townships. When the State Board found these allotment committee certifications at variance with quotas, it further analyzed the data on individual farmers, attempted to determine in what respect the allotment committee had failed to adjust production figures, and contacted the committees through its field statisticians to recommend further adjustments before second signatures were obtained on the contracts. After the Board certified the county and township totals of base figures, the final copies of the contracts were typed in triplicate and ready for the second signatures.[44]

When the contracts with the adjusted production figures were taken to the farmers for the second signature, approximately 99 per cent signed their contracts.[45] In Hardin County only two out of 2033 of the original signers refused to place their names upon the adjusted contracts.

[44] The county allotment committees submitted the typed copies of the contracts to the township committees who contacted the signers to obtain the final signatures of the producers and all landlords whose signatures were necessary and who lived within their respective jurisdictions. As the large part of the contracts for each township were released to the township committees at one time, this operation was performed largely by holding specific contract signing days within the townships and asking producers to come to the location to sign the typed copies of the adjusted contracts. This second signature was in reality the producer's acceptance of the county allotment committee's adjustments of production figures.

[45] In the middle of May it had been thought that producers might in many cases wish to reject contracts because they had already planted corn and farrowed pigs before the individual allotments were made. It was assumed, however, that in view of the fact that 130,000 corn-hog producers had contracted with the Secretary of Agriculture in their corn-loan agreements to sign corn-hog contracts, there would be relatively few rejections. At that time the Commodity Credit Corporation, which administered the corn-loan program, said that necessary steps would be taken to enforce compliance with borrowers' agreements to participate in the corn-hog program.

When the contracts, as adjusted by the allotment committee, had been signed, transmittal sheets listing the production data from the contracts were forwarded to the State Board of Review. The Board proceeded to analyze the data for each one of the individual contracts that had been accepted by the producers. The adjusted base figures were compared with other data in its office on the production of individual farmers, such as township assessors' figures, census figures, crop reporters' figures, rural carrier cards, and actual market records.[46]

Dispute over State Hog Quota.— Audubon County was the first Iowa county to send all its regular payment contracts to Washington for benefit payments, but in spite of the fact that they were sent early in June, 1934, no payments had come early in July. The AAA failed to reply to telegrams concerning these contracts. On July 25th more than 26,000 regular payment contracts from some 56 Iowa counties were suspended. The Washington officials insisted that the Iowa hog production quota was 11,410,000, while the Iowa State Board of Review upheld the figure 11,900,000.[47] It was finally determined that the Iowa contracts would be accepted or suspended solely upon the basis of supporting evidence. A group of Federal statisticians and producer field men from other States were

[46] *The Des Moines Register*, July 13, 1934.

[47] In connection with the quota dispute the three members of the Board of Review hurried to Washington to arrive on July 26th with facts and figures with which they attempted to prove that revision of Iowa quotas and contracts at that late date would not only be an injustice to the Iowa contract signers but would jeopardize the corn-hog program. Political pressure of every sort was placed upon the Corn and Hogs Section, the Agricultural Adjustment Administration, and the Secretary of Agriculture. Contracts and supporting evidence for hog production in the base years were submitted to the officials with the challenge to remove any more overstatement on the basis of the figures and supporting evidence if they could. The State Board of Review was assured that the counties would not be arbitrarily required to adjust production figures as low as the county quotas had been set.

given complete authority to release Iowa counties for payment after sample checks of supporting evidence in each county. John B. Wilson, farmer and State committee field man from Ohio, directed the examination of Iowa contracts.

The newspapers carried announcements during the next few days that the contract production figures of certain counties were found to be valid. In some cases, however, the statisticians refused to accept the statements of Iowa farmers and allotment committees concerning production figures.[48] They refused to accept, for example, the explanation of a farmer's neighbors that seven feeder pigs had died after their purchase by the contract signer. They likewise objected to the statements from Calhoun County that an Iowa hog could reach the weight of 200 pounds in seven months after it was farrowed. The checkers admitted that the allotments in the 19 counties that had been released were satisfactory, but they insisted that some counties might have to take a blanket cut on their production figures.

By August 21st the last county of the drought area was released for benefit payments with the total number of counties certified by the outside checkers mounting to 73. By the end of August the total number of counties released for benefit payments was 93. It was announced at this time that the administration checkers would undoubtedly recom-

[48] Difficulties of the highest degree were met by the allotment committee and the outside checkers at Benton County when the two attempted to reconcile their views of production figures on individual contracts. The checkers maintained that nearly 200 farmers had overstated their hog production in 1932 and 1933. Nearly 100 of these were easily persuaded to take the figures determined by the checkers and affix their signatures to the final contract forms, but the allotment committees stood steadfastly behind those who refused the checkers' figures. The president of the county control association made a trip to Washington, placed the situation before Dr. A. G. Black and Secretary Wallace, but returned without gaining satisfaction from the administration heads. The difficulty in this particular county finally proved to be the result of the State Committee field man's attempt to gain popularity with the farmers of the county by telling the allotment committee to approve contract figures as represented by the producers.

mend payment on 99.9 per cent of the hog production totals that had been approved by the State Board of Review. This meant paying Iowa farmers on the basis of 340,000 more hogs than the Federal statisticians had originally established in their quotas. In a few counties where adjustments were made by the checkers the county totals were affected but little, but changes were made upon individual contracts. The difference between the quotas approved originally by the administration statisticians and the production figures allowed by the checkers meant a difference of more than a million dollars in benefit payments to Iowa farmers. After two months of work the checkers recommended changes of less than one per cent from the figures previously determined by the State Board of Review. The chairman of the Board of Review said that unofficial figures showed that the administration statisticians finally accepted figures that were 150,000 in excess of those the Board had used as a State quota.

In spite of the fact that higher hog production allotments and benefit payments were allowed than the quotas indicated, the Agricultural Adjustment Administration officials who precipitated the dispute were not convinced that the State quota they had established was incorrect. They believed that the difference between the State quota and the final hog production allotments allowed was due to inclusion of feeder pigs in the base figures for pigs farrowed and raised for market from sows owned at the time of farrowing. They justified the larger allotments on the needs for cash drought relief, on reductions in grain and live-stock production due to the drought, and on tardiness of allotment adjustments in relation to production seasons.

COMPLIANCE WITH THE CORN-HOG CONTRACTS

Compliance with the corn-hog contracts and actual production within the contract allotments were necessary to make the program effective in raising corn and hog prices. To determine whether he was to perform his part of the contract, the Secretary of Agriculture needed to know whether the individual farmers were complying with the terms of their contracts. To certify to him the compliance or non-compliance of contract signers he determined to utilize the same local administrative agencies that he had used to determine the amount that each farmer should be allowed to produce under the economic principle of production adjustment. And so the county allotment committees were given the responsibility of directing the compliance work within the counties and certifying compliance on the individual contracts to the Corn and Hogs Section at Washington.

One phase of the compliance work had been started early in the corn-hog program. This was the farm records campaign, conducted by the Extension Service during the sign-up campaign, and the distribution of farm record books upon which compliance checkers would rely for part of the figures for compliance work.

The Corn and Hogs Section selected R. M. Evans of Laurens, Iowa, as Director of Compliance in Iowa.[49] His position as chairman of the State Committee directly integrated the Committee's functions with the compliance administration. Integration of administrative responsibility in this manner was particularly desirable in Iowa because the State Committee exercised a high degree of

[49] Mr. Evans, a farmer and a corn-hog contract signer, had been associated with the corn-hog program from its beginning. He served on the first Iowa State Committee of nineteen members to suggest a corn-hog program and on the National Producers' Committee of Twenty-Five in the formulation of the program. He was chairman of the State Corn-Hog Advisory Committee, which participated in the educational and sign-up campaigns, administered the work of the county control associations, and assisted in the adjustment of production quotas. He served on the State Board of Review in the administration of production quota adjustments.

authority in the Iowa corn-hog administration.[50] The Extension Service conducted the training conferences for county officials and compliance supervisors working under the county allotment committees.

The county allotment committees nominated one person to serve as compliance supervisor in the county for each 40 contracts. From this list of nominees, the State Compliance Director appointed one supervisor from the list of nominees for each 50 contracts in the county, which in effect was only a general approval of the whole list. These supervisors might be contract signers but that qualification was not required. The allotment committee was authorized to discharge a supervisor if it saw fit and appoint one of the others on their list. This, in effect, put the appointment in the hands of the committee.

The committees were advised to recommend men who favored the new plan, were familiar with the provisions of the program, and would do the work efficiently and diplomatically, so as to maintain the confidence of farmers in the program. An attempt was made to get the township committeemen to perform this work, but in some cases they refused it on the grounds of pressing farm work or inability to obtain responsible farm laborers for the wages paid for compliance work. Many of these committeemen recommended younger farm laborers for the work, in some cases the sons of committeemen. As soon as the supervisors were appointed, the Extension field supervisors conducted training schools for them in each county. These were held between August 8th and 23rd.

[50] In most States the State Committee exercised only advisory functions in relation to the State Compliance Director, and the Director was not definitely responsible to the Committee. In such States outside the Corn Belt, the Agricultural Adjustment Administration allotments of funds for compliance work were made directly to the Extension Service. Even in the Corn Belt nearly all of the State Compliance Directors were officials in the Extension Service.

First Check on Compliance.— The compliance supervisors, ordinarily two to each township, divided between them the farms under contract in the township. This was usually according to location.[51] A letter was then sent to every contract signer about the work of certifying compliance with the corn-hog contracts. His coöperation in having materials and data assembled, it was explained, would be valuable to him as one of the contract signers, since the costs of the compliance work were paid by subtracting the necessary percentage from each contract. A few days later the supervisors began work. Usually the supervisors telephoned the producers to set dates for checking production and scheduled their work only a few days at a time.

Compliance supervisors visited the farm of each contract signer and made a detailed report to the county allotment committee upon all corn acreage, contracted acreage, and hog production. Except in severe drought areas they measured all cornfields and contracted acreage.[52]

[51] No supervisor was allowed to certify his compliance with the corn-hog program on his own contract.

[52] The supervisors were instructed to secure capable assistants for measuring fields. Each supervisor was supplied with a field book for his work. When he visited a farm, he observed the arrangement of cornfields and drew a sketch of them in his field book. He proceeded to measure the acreage of the actual ground planted to corn. Deductions were made for fences, lanes, end rows, turn rows, etc. The area of each cornfield in square feet was entered upon the diagram of fields in the field book. If the corn acreage exceeded that permitted for grain and this excess acreage of corn was small and it was clearly evident to the supervisor that the excess represented an honest error on the part of the producer, the supervisor informed the producer he might cut the excess corn for forage immediately or before ears developed or he might permit the corn to mature for grain, subject to a penalty commensurable with the value of an average corn crop on the acreage that exceeded the allotment. In such cases he reported his measurements to the county allotment committee, but made no certification at the time. If the producer elected to cut the excess, the supervisor returned a few days later to see that it had been cut. If the excess corn acreage was relatively large or it appeared that a deliberate attempt had been made to exceed the corn acreage allotment, the matter was handed to the allotment committee for settlement.

In areas where the supervisors certified that the 1934 yield of corn acreage would not exceed 40 per cent of the adjusted appraised yield of contracted acres, the producer and supervisor signed a certificate that they had inspected the fields planted to corn on the farm and that it was their honest opinion and judgment that the total estimated acres in corn did not exceed the permitted corn acreage for 1934. This provision saved a great deal of time and expense for compliance supervisors in southern counties of the State and significantly reduced the administrative expenses in these counties.

The supervisor noted in his field book the use being made of contracted acres and verified the location of contracted acres on the map of the farm prepared during the sign-up campaign. He made a separate entry for his measurements of contracted acres and for the corn acreage not to be harvested for grain but planted for forage pursuant to administrative rulings to relieve the shortage caused by drought. He recorded the date this forage acreage was planted and the date before which it was to be harvested. He also checked the wheat acreage on farms not under wheat contracts to determine whether the producer had planted wheat in excess of the larger of his 1932 and 1933 wheat acreages.

The producer's assistance was solicited in obtaining the hog production data. The compliance supervisor examined and analyzed all the data the producer had gathered together to ascertain its validity. This data included farm record books, sales receipts, weight tickets, etc. The producer and the supervisor together counted the hogs on hand. In cases where feeder pigs could not be separately identified from those produced from litters owned when farrowed, certification of compliance was not made. The hog count and all acceptable data presented were recorded.

The rules on compliance permitted an excess of hogs above allotments of 5 per cent as "an allowance for normal death losses during the remainder of 1934." One of the township committeemen, other than the supervisor, was required to certify compliance on the contract to the county allotment committee.[53]

Compliance supervisors were required to keep a field book giving a detailed account of the work done in checking each farm and to make weekly written reports upon their work to the county allotment committee, giving the status of the compliance work upon each contract in their possession. Before the middle of September compliance work had been started throughout the State. Allotment committeemen spent some time helping the supervisors check farms and observing their work in the field during the first weeks of the compliance work. Check sheets were supplied by the State officials for standardizing the allotment committee's examination of all forms and data prepared in the field by compliance supervisors.

Each county compliance director was required to submit reports weekly to the State Compliance Director upon the

[53] The supervisor obtained the producer's signature upon the form for proof of compliance and also upon the certification of compliance, witnessing the signature in each case. The certification of compliance represented whether the following provisions of the contract had been violated: (1) corn acreage allotment; (2) number and use of contracted acres; (3) acreage planted to any basic commodity not in excess of acreage permitted under the contract and number of dairy cows not in excess of number permitted under the contract; (4) the farm had been operated in 1934 by the signer designated as the producer; (5) the aggregate 1934 corn acreage on all non-contracted farms owned, operated, or controlled by either signer did not exceed the acreage permitted by the contract; (6) the number of hogs from 1934 litters which had been sold or transferred plus those on hand at the time of certification did not exceed the number permitted by the contract; (7) the number of feeder pigs purchased after December 1, 1933, did not exceed the number permitted; (8) the number of hogs produced for market on non-contracted farms owned, operated, or controlled by each signer was not in excess of the number permitted; (9) all other provisions of the contract, administrative rulings, and interpretations.

work of each compliance supervisor. Supervision of the local compliance work was also maintained through field supervisors representing the State Compliance Director. They examined from 10 to 20 per cent of the proofs of compliance and related documents before the county compliance directors were allowed to forward the certifications of compliance to Washington for second payments.[54]

Excess Hog Production for Relief.— In order to avoid the criticism of "killing little pigs" the Agricultural Adjustment Administration prepared an agreement with the Federal Emergency Relief Administration whereby farmers might dispose of excess pigs weighing not less than fifty pounds to the relief administration. The government did not, however, permit delivery of hogs to private relief agencies on the same basis.

When the compliance figures showed excess pigs, a form for disposition of pigs to the local public relief agency was mailed to the producer by the county committee. If the producer wished to donate these pigs to the relief administration, he was required to state the approximate number and weight of hogs to be delivered. In many counties these forms for agreements to deliver excess pigs for relief were carried by the supervisors and filled out at the time the excess was ascertained. The county allotment committees and county agents assisted the county relief officials at the time they were receiving pigs. If the farmer's receipt of hogs delivered to the relief administration covered all hogs shown on the compliance supervisor's report as production in excess of the contract allotment, no second count of hogs was necessary before certification of compliance. Smaller pigs had to be killed, if the farmer wished to get a compliance certificate.

[54] Iowa CH 265, *Compliance Check List* (Issued by the Extension Service at Ames).

Partial Compliance on Corn.—In all cases of partial compliance, due to excess corn, violations of the drought forage crop rulings, unauthorized use of contracted acres, and other violations relating to corn, both regular and partial compliance forms were prepared, with notations for items upon which there was non-compliance. The compliance supervisor who checked compliance on the farm was instructed to execute the certification of partial compliance if possible.

Detailed explanations were given by the compliance supervisor and county allotment committee for all facts and circumstances pertaining to the nature of the violations — whether they were intentional, fraudulent, due to negligence, or the result of failure in an honest effort to comply. If excess corn acreage resulted from a horizontal flat percentage reduction made in base production figures, that fact and the acreage so resulting were indicated.[55]

All partial compliance forms were forwarded directly to the State Compliance Director. In his office, they were examined for accuracy and completeness and those found to be satisfactory were forwarded to the Compliance Unit of the Corn and Hogs Section for classification according to extent of violation and for determination of penalties. The State Compliance Director examined the special remarks in connection with the violations with particular

[55] In cases where the landlord was required to sign the contract because the producer was renting on a crop-share or stock-share lease and the landlord was to receive part of the benefit payments, it was possible for either the producer or landlord to be fully complying with the contract while the other was violating it in some respect. Such violations included situations where the landlord owned a farm not under contract and allowed production in excess of the contract provision for such farms. Another violation by only one of the signers was the situation when the farm was leased on a crop-share basis, corn production allotments were complied with, but the producer was out of compliance in his hog production. In cases where only one of the signers was violating the contract, the payment to the other was certified and notation that the payment to the violator was to be withheld was made on the certification.

care. If these remarks were not clearly presented, the certifications were returned to the county allotment committees for correction or clarification.[56]

The local officials did not impose any penalties in cases of partial compliance; penalties for such violations were imposed by the Compliance Unit of the Corn and Hogs Section, based on the extent of the violations as reported by the county allotment committees. A general standard of penalties was formulated for the most common types of violations, but they were not inflexible and were varied to meet particular circumstances, such as fraud and intentional violation.[57]

An estimate by the Compliance Unit of the Corn and Hogs Section gave 50,000 or 60,000 as the number of certifications of partial compliance for second payments on corn out of 1,200,000 contracts for the entire country, or about five per cent. In the State of Iowa there were about 6000 partial compliances on corn out of about 175,000 contracts, only a little more than three per cent.

Compliance on Non-contract Farms.— Before the first payment check was delivered, the corn-hog contract signers were required to certify whether they owned, operated, or controlled any farms not under contract. This certification was required for administration of the contract provisions in which the signer promised: (1) not to increase in 1934 the *aggregate* corn acreage on all land owned, operated, or controlled by him and not covered by contract above the average acreage for the land for 1932 and 1933; (2) not to have any vested or contingent interest in hogs located

[56] The State Compliance Director was required to retain all certifications of partial compliance in his office until most of the certifications for the State could be forwarded at one time. He accompanied the shipment of certifications by a transmittal sheet showing the number of partial compliance certificates executed in each county and forwarded to Washington.

[57] *Circular Letter, Compliance Work*, No. 6, September 6, 1934.

on land not owned or operated by him; and (3) not to increase his production of hogs in 1934 on all lands owned, operated, or controlled by him not covered by contract above his average production in 1932 and 1933.[58]

Final Certification of Compliance.— The third payment made by the Secretary of Agriculture upon the corn-hog contract was conditional upon a final check of compliance. The same local compliance supervisors that had done the checking before performed the final compliance work, if they were satisfactory to the county allotment committee. They were required to execute a form for proof of compliance with the contract, giving the complete production record of the farm for the entire contract year.

A letter was mailed to each contract signer notifying him that December 1st was the date for final compliance on hogs and that, in order to receive his last benefit payment, it would be necessary that he dispose of all hogs in excess of the contract allotments before that date. He was informed that the county relief director would accept hogs to be donated for relief until December 1st, but not later. With this letter was sent the producer's copy of the proof of compliance that had been used in the first compliance check. The producer was requested to compare the hog figures on this form together with the sales made after the first check on compliance with the number of hogs on hand, in order to avoid a penalty if there was a failure to comply. He was informed that the only hogs he should

[58] The AAA officials required that no second payments be made in a county until the county allotment committee certified that all contract signer reports on the number of non-contracted farms owned, operated, or controlled had been received. If this certification showed any farms owned, operated, or controlled by the contract signer and not under contract, the Corn and Hogs Section suspended the second and third benefit payments to those signers until it could obtain certification of compliance with the terms of the contract as it related to the non-contracted farms.

have on hand on December 1, 1934, in excess of his allotment were those to be butchered for home use, and that the 5 per cent tolerance allowed by the first compliance certification for death loss prior to November 30, 1934, must be absorbed by this time either by deaths or by delivery to the relief administration.

Half-day training schools were conducted in each county by Extension field men to give instructions to compliance supervisors upon the methods to be used in checking final compliance with the contracts. Most of these were held just before December 1, 1934. As soon as the school had been held in a county, the compliance supervisors began the work of making the final check on compliance with the 1934 contracts. The supervisor counted all hogs on the farm and adjusted the count to December 1, 1934, taking into account all farrowings, deaths, purchases, and sales after that date. This count was checked with the total of the respective classes of hogs that should have been on hand at that time according to the neighbors' count, sales, purchases, deaths, farrowings, etc. This count was also to be used as the inventory at the beginning of the 1935 corn-hog program. All purchases and sales of hogs, according to the farm records and accompanying evidence, between the date of first compliance check and November 1, 1934, were listed in detail upon the proof of final compliance.

Evidence of hog sales was not required to be delivered to the allotment committee, but compliance supervisors reviewed it carefully for validity. Many of the producers supplied much of the information direct from farm record books furnished in connection with the corn-hog program.

The only examination of corn acreage was a check of acreage planted pursuant to the drought rulings to see whether it had been cut for forage before ears developed.

If it had not, it was added to the acreage planted for grain and silage. If this sum exceeded the contract allotment and the final (second) corn payment had already been made, the form for partial compliance was executed and the officials required a refund on the payment made to the farmer in excess of compliance.

In cases where the last check of compliance showed violation of the provisions of the contract, a final certification of partial compliance was executed.[59] The regular certification of compliance was executed in connection with this form and the items upon which violations occurred were deleted. In Iowa these final certifications of partial compliance numbered about 400, referring exclusively to hogs. Thus Iowa farmers failed to comply with their hog production allotments in only about two-tenths of one per cent of the contracts.

SOME EFFECTS OF THE CORN-HOG PROGRAM

An evaluation of the economic effect of the 1934 corn-hog program is a particularly complex problem; many factors influence corn and hog production and prices in varying degrees. That corn and hog prices rose rapidly in 1934 is obvious. During the twelve-month period the farm price of hogs rose from $3.06 to $5.15 per hundred pounds and the farm price of corn from 43.9 to 85.3 cents per bushel. The December price of corn was the highest of the year. Hog prices made a sudden jump of nearly

[59] The following items were listed on the final certification of partial compliance: (1) number of hogs produced in 1934 and number by which this exceeded the allotment; (2) number of hogs purchased in 1934 and number by which this exceeded the allotment; (3) number of hogs produced in 1934 in excess of allotments on farms owned, operated, or controlled by the contract signer if they were within the county and not under contract; (4) number of hogs purchased in 1934 in excess of allotments on non-contracted farms owned, operated, or controlled by the signer if all such farms were within the county; (5) any other violations.

$1.50 from August to September, reaching $6.04, but returned to $5.20 in October. These prices do not include any of the benefit payments received by farmers.

In the case of corn the price progressed steadily toward the fair exchange value calculated by the administration. During the year this value increased from 68.9 cents in January to 90.3 cents in September and declined from that point to 80.9 in November and December. The farm price of corn, however, showed a steady progression toward the desired price level, which varied according to the prices of all farm and industrial commodities. The farm price of hogs was a much higher percentage of the fair exchange value in December than in the preceding January, but reached the amount nearest fair exchange value at the time of the sudden rise of hog prices in August.[60]

The total corn production in Iowa in 1932 was 509,507,000 bushels and in 1933 455,000,000 bushels, but the 1934 Iowa corn crop (on the 8,760,000 acres harvested) was only 201,480,000 bushels.[61] In spite of this small production the 1934 corn crop far exceeded the crops of the two preceding years in total value. The price received by Iowa farmers for corn on December 1, 1934, was 80 cents per bushel, as compared to 31 cents per bushel in 1933 and 12 cents per bushel in 1932. On the basis of these prices the total value of the Iowa corn crop in 1934 was $161,184,000[62] as com-

[60] Data taken from Tables 1 and 2, C.H.–113, *Corn Hog Adjustment* (January, 1935, Agricultural Adjustment Administration), p. 2. These figures do not include adjustments for the processing tax as some statistics do.

[61] *Crops and Markets* (U. S. Department of Agriculture), December, 1934, p. 467.

[62] A large amount of the corn from the 1934 crop was not good quality and therefore not worth 80 cents per bushel cash at markets, but was valuable as feed. Furthermore, the Agricultural Adjustment Administration paid about $30,000,000 to Iowa farmers for corn acreage taken out of production. On these bases it is not unreasonable to calculate the total income from Iowa corn production at approximately $175,000,000.

pared with $141,050,000 for the 1933 crop and $61,141,000 for 1932.

In addition to the reduction program, the drought made it necessary for large numbers of farmers to sell breeding stock and to market hogs before they were finished. Consequently the number of hogs on farms on December 1, 1934, was very small in comparison with preceding years — only 6,272,000, 58 per cent of the 10,813,000 hogs on Iowa farms on December 1, 1933, and 56.3 of the 11,140,000 on farms on December 1, 1932. Based upon prices received by Iowa farmers on December 15, 1933, for hogs per hundred pounds at $2.70, the hogs on Iowa farms that year were valued at $50,821,000. At the December 15, 1934, price of $5.10, the hogs on Iowa farms that year were valued at $55,820,000. At these prices the small crop of 1934 was worth $5,000,000 more than the crop of 1933.

The most valuable figures on income from hog production during the year 1934 are based upon the marketings of hogs during the year. Upon the basis of hog marketings for the year the value of Iowa hog production in 1934 was $117,335,000 as compared with $98,205,000 in 1933 and $94,275,000 in 1932.[63] When the hogs purchased in the Emergency Buying Campaign are included in the 1933 figure, it becomes $101,775,000. There is, however, adequate reason to include hog benefit payments in the 1934 income and value of production of hogs. If this is done, the value of 1934 Iowa hog production becomes $160,135,000, a figure comparable with the 1931 value of production at $184,472,000 but still far below the value of preceding years.[64]

Along with higher gross receipts for the smaller corn

[63] The average weight of hogs marketed for the year was adjusted to 220 pounds because of the effect of the drought upon marketings. The normal weighted average weight of hogs marketed is about 240 pounds.

[64] See the *Yearbook of the United States Department of Agriculture*, 1933, p. 606, 1934, p. 601.

and hog production of 1934 the Iowa farm income in 1934 was significantly enlarged by the benefit payments in the corn-hog program. The total benefit payments to Iowa farmers for the 1935 program reached about $73,000,000 — about $43,000,000 for hog payments and about $30,000,000 for corn land rental. The hog payments were financed from the processing tax on pork; the corn rental came chiefly from appropriations.

The processing tax in itself does not affect the income of the farmer who signs a corn-hog contract if it is all returned to him in the form of benefit payments; he merely receives what he would have received had the price of hogs been determined by the same supply and demand factors and the processing tax not been levied. The processor, it is claimed, merely reduces his bids for live hogs sufficiently beneath the retail price to increase his margin by the amount of the tax. To the extent that the benefit payments received by farmers in 1934 came from general appropriations and exceeded the processing taxes they constituted an addition to the farmer's gross income. Non-participating farmers profited by the higher prices, but did not receive the benefit payments nor could they take advantage of the forty-five cent per bushel corn loans. They were not, however, restricted as to corn acreage and hog production.

Importance of Educational Work.— The educational program stimulated discussion of economic principles, especially with regard to foreign trade, supply and demand, and production adjustment. Educational meetings often became open forums for discussion of agricultural economics and administrative procedure. Administration speakers attempted to inculcate an understanding of the nature and solution of problems confronting all farmers.

The educational technique of open farm meetings for discussion of economic problems became an integral phase of the local corn-hog administration. In many cases solutions for problems emerged from the discussions in the township meetings. Ideas that might mean improvements in the program were taken from the township meeting by the township chairman to the meeting where the township committee chairmen convened as the control association board of directors. They were presented again and if they finally survived the tests of opposition born of prejudice, disinterested analysis, and common-sense discussion, they were presented to the State Committee, the Extension Service, or the Board of Review, finally to be carried to Washington for consideration.

The 1934 corn-hog program also gave farmers a fundamental insight into the limits and possible effectiveness of public administration. Even if the principle of production adjustment is abandoned, farmers in the Corn-Belt townships will profit from the experience in governmental administration and the knowledge of the problems of the agricultural community which they gained in the administration of the corn-hog program. These farmers will assume the responsibility for drafting and supporting other measures, possibly incorporating new administrative techniques. They will realize the practical value of relying upon the participant in the program for his coöperation in order to achieve efficiency and economic purposes without bureaucratic regimentation.

In these interpretations of the 1934 program reside the main principles of economic democracy: (1) that each group assume responsibility for its own welfare, acting as a unit to obtain a fair return for labor and investment; (2) that governmental research and statistical agencies supply the facts of economics for the guidance of the several groups in taking political action; and (3) that administrative discretion as well as the legislative and judicial processes operate to coördinate the functions of the several groups, making minority domination within a group or domination of the whole economic system by one group impossible.

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