



George W. Norris and Agricultural Relief During the Twenties

(Article begins on page 2 below.)

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GEORGE W. NORRIS AND AGRICULTURAL RELIEF DURING THE TWENTIES

BY RICHARD LOWITT

THE "Return to Normalcy" brought in its wake a period of conservatism in politics. Progressives in Congress were now on the defensive, their numbers had been considerably reduced, and their influence on legislation and governmental policies remained to be seen. In the state of North Dakota one of the progressive Republican senators, Asle L. Gronna, suffered defeat in the primary in this election year (1920) and was replaced in the United States Senate by Edwin F. Ladd, a political novice with progressive tendencies. Gronna's defeat elevated George W. Norris to the chairmanship of the Senate Committee on Agriculture and Forestry. The Senator, as head of this important committee, had to come to grips with a growing farm problem. The prosperity of the war period had quickly disappeared, and farmers had to face in an acute form the problems of declining prices and rising costs, loss of European markets and the dilemma of a growing surplus. Their wartime position of economic well-being quickly disappeared, and during the Twenties the statistics of agricultural indebtedness, tenancy, and loss of land mounted, bringing depression to the agricultural heartland of America.

Norris, with over fifteen years of service in Congress, and representing a great agricultural state, was as well equipped as a congressman could be to cope with this depressing situation. As he saw it, the farmers' difficulties could be traced to several causes. They still suffered from the historic "evil" of freight rates which during the Twenties, as during the late nineteenth century, was

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closer to the core of the farmers' plight than any other aspect of the problem.¹ Norris wrote, "the price of wheat at the farm where it is produced, is the Chicago or Minneapolis price, less the freight. The cost of his plow, or his harrow, or his clothes, or anything else he has to buy, is the manufacturer's price, plus the middleman's profit, but always plus the freight"—and these charges had risen since the war fifty or more per cent.² It was the Senator's opinion that severe regulation or Government ownership of railroads was simply not feasible during this Republican decade of prosperity, though it would have substantially aided the farmer.³

The railroads, however, were just one of the many middlemen whose handling of agricultural produce resulted in farmers receiving too little and consumers paying too much. Between production and consumption, it was evident to the Senator, there were too many wheels to oil and too many middlemen who were taking excessive profits. These middlemen with their exorbitant charges were also an "evil" that harked back to Populist days. Norris realized that some were necessary and performed a real service, but in his opinion, the system of distribution was "illogical, complex, uneconomic and expensive . . . The farmer ought to get more, and the consumer ought to pay less."⁴

Another cause of agricultural distress, receiving much consideration throughout the decade, was the tariff which Norris and others felt was unfair. In a general way, the farmers bought inside of the tariff wall and had to sell outside of it. The price of practically everything they purchased was fixed, and they had little to say about the price of anything they sold. A high tariff, it seemed to Norris, could help some industries, but it was detrimental to agriculture.

¹George W. Norris to Dr. H. Gifford, January 23, 1923 (George W. Norris Papers, Division of Manuscripts, Library of Congress, Washington, D. C.) All citations, unless otherwise noted, are from the George W. Norris Papers.

²Norris, "What is the Matter With the Farmer," draft of an article published, with revisions, as "The Tariff and the Farmer," *The Nation*, September 1, 1926, CXXIII, 192-193.

³Norris to Sidney Anderson, October 22, 1923.

⁴Norris, "What is the Matter With the Farmer," *op. cit*

While low interest rates were important to farmers, Norris, nevertheless, believed that it was not a kindness to loan a man money in order that he might hold his product, "unless there is some assurance that when he sells his product, he will be able to pay this interest and make a profit."⁵ In short, making loans available to farmers, while important, was not central to the farm problem. Indeed, during the Twenties, he felt that this type of scheme was a compromise that aided bankers more than farmers.

Norris was alarmed over the farmers' plight because of his belief, expressed in 1923, that "the prosperity of all of us depends upon the farmer. Even though we may be apparently prosperous, it cannot endure and cannot last if the man who is at the bottom of the whole superstructure cannot make a reasonable profit."⁶ However, Norris was also aware that there was not a simple solution—an easy formula—that would solve the problem. He felt that it would be a mistake for farmers to confine themselves to one remedy, important though it was, because if they succeeded along these lines and obtained nothing else, they would still be the victims of unfair and unjust conditions.⁷

Not content with mere analysis of the farmers' difficulties, as chairman of the Committee on Agriculture and Forestry, the Senator introduced in May 1921, his own bill which he believed would remedy the farm problem by providing a foreign market for surplus agricultural products as well as a substantial reduction in freight rates. It proposed to do this by organizing a governmental corporation with a capital stock of \$100,000,000, which would have the power to buy farm products, ship them whenever possible at reduced freight rates to Europe, "sell them on time, taking security therefor, and on the strength of these securities, issue bonds" to be sold in the open market. With the proceeds of the sale of these bonds, funds would be acquired to repeat the operation.⁸

⁵Norris to Walter Livingston, February 20, 1926.

⁶Norris to Nelson B. Updike, December 27, 1923.

⁷Norris to O. M. Kile, November 8, 1927.

⁸*Congressional Record*, 67th Congress, 4th Session, December 19, 1922, 666. Norris to Harry N. Owen, January 14, 1922.

The bill contained one other proposition of considerable importance. It required that the Government should turn over to this corporation all the merchant ships it owned, with the provision that these vessels be used in transporting agricultural produce to foreign ports. Thus Norris' bill sought to aid agriculture while at the same time relieving the Government of the burden of subsidizing the merchant marine as well as utilizing government-owned vessels in peacetime.⁹

As previously noted, Norris was aware that legislation could not fully solve the farm problem, but he was convinced that his bill offered more aid to stricken farmers than any other measure presented during the decade. But the President (Warren G. Harding) and the Secretary of Commerce (Herbert C. Hoover) "and some of the largest financial interests of the country" were all opposed to it. Norris believed that most of the senators from agricultural sections were in favor of his bill. However, the opposition prevented its passage and substituted (in July) a bill which was subsequently enacted "that eliminated entirely the freight rate reduction proposition and provided a means by which public money could be loaned through the instrumentality of the War Finance Corporation, to banks and trust companies, who in turn could loan it to the farmers."¹⁰ While the Norris bill was an attempt to help the hard-pressed farmers, this law aided the middlemen, especially the bankers.

To the Senator from Nebraska it was evident that private initiative could not solve the farm problem. Private initiative, he believed, would not finance the purchasing of the surplus, its transportation and sale, without charging a prohibitive commission. Furthermore, individual efforts could never lower freight rates. Until the world agricultural picture improved this was a job that only the Government could perform satisfactorily. For economic as well as altruistic reasons Norris believed it was incumbent upon the Government to come to grips with the dilemma of the

⁹*Ibid.*

¹⁰Norris to G. B. Welch, January 5, 1923; Norris to C. W. McConaughy, November 14, 1921; Norris to Harry N. Owen, January 14, 1922.

surplus, and at times he was furious with the complacency of the Republican Administration. "In this great and glorious country," he wrote in 1927, "those in power are opposed to the Government doing anything for its people. They insist that the blessed theory of private initiative and private efficiency must be inviolate and that a man with his feet on a mahogany top desk must reap a harvest while the man who toils must pay the bill."¹¹

By July of 1926 Norris realized that as chairman of the Senate Committee on Agriculture and Forestry he was unable to achieve legislation that would substantially benefit agriculture. After five years of failure in his efforts to meet the farm problem, the Senator was ready to let down the reins. After years of listening to testimony on the distress of agriculture, Norris, always exceedingly sensitive to human suffering, wrote "I feel as tho' it has almost affected my mind."¹² Furthermore the fight for Muscle Shoals had become all-important to him. He decided to resign his position and devote most of his time to battling for Government ownership of Muscle Shoals. This did not mean that he turned his back on the farmers. He said in an interview at the time, "I am not going to take any less interest in agriculture. Rather I am going to take more. I have resigned from the chairmanship in order to free myself for the fighting that lies ahead."¹³ Believing that the injustice heaped upon agriculture through the operation of the economic system was so great that civilization could not permanently stand it, he continued to support legislation to aid agriculture. But the gruelling task of conducting hearings, preparing bills, and leading the fight on the Senate floor was turned over to the able and sympathetic Senator from Oregon, Charles L. McNary, though Norris retained membership on the committee.

While Norris was still serving as chairman of the Committee on Agriculture and Forestry in January 1924, the first McNary-Haugen bill—a measure to aid farmers by extending to them the benefits of a protective tariff—was introduced into Congress. Norris took a realistic position

¹¹Norris to M. F. Harrington, October 28, 1927.

¹²Norris to John F. Cordeal, January 23, 1926.

¹³*Labor*, July 10, 1926.

toward this bill and its subsequent revisions. Though he had not changed his opinion that his bill provided a far more comprehensive solution to farmers' problems, he nevertheless supported the new measure. The McNary-Haugen bill would solve, Norris agreed, the difficulty of the surplus, but the problem of the middleman, of transportation and freight rates, would still be untouched.¹⁴

The supporters of this bill, after the first presidential veto in February 1927, were confronted with an exceedingly difficult situation. Realizing that Coolidge would again veto the measure, and equally certain that not enough votes would be available to repass it over his veto, what were its supporters to do? Norris queried, "Should we devote our time and energies to passing it again, knowing what the result will be, or should we devote our time to trying to pass some other legislation?" Though the equalization machinery provided for in the bill was "necessarily difficult, conflicting, and somewhat cumbersome," Norris stated that, owing to the plight of agriculture, he would continue to support this bill and any others that would partially alleviate the ills of the farmers.¹⁵

With the second veto of the McNary-Haugen bill in May 1928, some of its proponents, including Norris, shifted their support to the export-debenture plan which was presented in bill form by the Committee on Agriculture and Forestry for discussion on the Senate floor where it was twice approved by a mere three votes.¹⁶ It never came to a vote in the House, largely because of Administration opposition. This plan, Norris felt, in a simpler form, undertook to give farmers the benefit of the tariff—through a scheme which would pay to the exporter of farm produce one-half of the amount of the tariff.

Discussion and debate of the export-debenture plan of farm relief launched during the Coolidge Administration carried over to that of Herbert Hoover. As with the McNary-Haugen fight many of the Democratic senators

¹⁴Norris to Sam W. Teagarden, March 1, 1924. Norris to Ernest M. Pollard, January 24, 1926.

¹⁵Norris to M. F. Harrington, October 28, 1927.

¹⁶New York *Sun*, October 19, 1929; Joseph Stancliffe Davis, *The Farm Export Debenture Plan* (Stanford University, 1929), 86.

along with insurgent Republicans joined forces to oppose the regular Republicans. During the debate on the Smoot-Hawley tariff, on June 17, 1929, Norris introduced the plan as an amendment. Knowing that it would not be accepted, he did it to embarrass the Administration leaders who were supporting the tariff bill which he vigorously opposed.¹⁷

By 1927, and possibly even before, Norris' reasoning led to an inevitable conclusion: namely, that until the farmers of the "great Middle West" united and put in the White House a man who was in sympathy with their plight, agriculture could not expect any relief.¹⁸ In the 1928 campaign Norris was determined to do everything possible to see that men actively concerned with the farmers' predicament were sent or returned to Washington.

In a statement prepared after the Republicans, meeting in Kansas City, nominated Herbert Hoover, Norris asserted that their action, both as to platform and candidate, "was a sad disappointment to every progressive citizen of the United States." Elaborating on this premise, he first discussed agriculture:

A direct slap is administered to the farmers of the country. Their plea, admitted by everybody to be well founded, is cast aside with the usual promise of glittering generality. The party has been in power for eight years and during all that time it has been making promises to the farmer. Its leaders, the men who dominated this Convention, both in the Senate and outside, have fought practically every proposition of a remedial nature for agriculture, and with the assistance of presidential vetoes, have succeeded in frustrating all efforts of farm relief. Never have the so-called alleged leaders presented a farm relief measure of their own, but have contented themselves with opposing every comprehensive measure of farm relief presented by others; and now, after eight years of promises, they insult the intelligent farmers of America by making another promise.¹⁹

Norris spent most of the campaign stumping for the re-election of progressive senators of all parties who, among

¹⁷New York *Sun*, October 19, 1929; Norris to E. W. Rossiter, June 19, 1929.

¹⁸Norris to Charles W. Bryan, October 30, 1927.

¹⁹Draft of a statement for release in afternoon papers, June 16, 1928.

other things, wanted to aid agriculture. Near the close of the campaign, over a coast-to-coast radio hookup, the Senator came out for Alfred E. Smith, because the Democratic candidate had assumed a favorable position on the two crucial issues of the campaign, as far as he was concerned—waterpower and agriculture. As the *Omaha World-Herald* remarked, "his decision marks the culmination of the progressive and agricultural revolt against Hoover and the reactionary plutocracy that has taken full control of the Republican party."²⁰

Hoover during the campaign promised farm relief legislation, but never expressed in concrete form just what he proposed. The argument was made throughout the agricultural regions that Mr. Hoover knew how to solve the farm problem and that the voters ought to trust him to provide an adequate solution. This argument Norris described as "a low grade of political bumcombe," not because he doubted Hoover's ability, but because he felt that any candidate, "if he had a method or a remedy by which legislation could be enacted which would solve the farm question," was honor-bound to present it to the electorate.²¹

The Agricultural Marketing Act, creating a Federal Farm Board, and representing the Administration's solution to the farm problem was signed by the President on June 15, 1929. Norris cast his vote in favor of the bill. Since he was unable to get all that he fought for, he accepted it as a compromise, believing that it was better to have half a loaf than no bread at all.

The Federal Farm Board was granted the power to buy in the open market, through specially created corporations, large quantities of agricultural produce, which would then be stored until market conditions improved prices. Norris believed that with proper administration the law would enable the members of the Farm Board to steady the market. The only effect of this procedure would be more orderly marketing, and he did not deny that this would be of considerable benefit. But the law did not greatly differ from other laws. The Senator wrote, shortly after its passage,

²⁰*Omaha Morning World Herald*, October 25, 1928.

²¹Norris to Peter Norbeck, November 23, 1928.

"the farmer will find, after it has been tried, that he is still selling his surplus product in the world market and buying the main portion of his supplies in a protective market."²²

By the spring of 1931 the Nebraska senator had become openly critical of the Farm Board which had purchased through the Grain Stabilization Corporation more than two hundred million bushels of wheat. This helped to raise the domestic price above the world price, and much "propaganda in favor of President Hoover" had been made along this line, especially in the farm areas. Norris was furious; farmers were being duped. He claimed that this wheat at some future date, would have to be sold in the open market. In March it was announced that the wheat was eventually to be sold and that the Farm Board would not allow any more to be bought. By the end of the year he was calling for an investigation of the Farm Board which still had not sanctioned the sale of the wheat.²³ Under the New Deal an investigation was completed.

As the depression deepened, Norris in the last years of the Hoover Administration was suggesting further remedies. To do anything was going to cost money—millions of dollars, more money than the Government could possibly raise from taxes alone. The Senator did not see any escape from the issuance of bonds and an increased government debt. However, before anything could be done to bring relief to agriculture and the growing numbers of unemployed, Norris was convinced that a change in administration was necessary. Late in the 1928 campaign the Senator had come out for Al Smith; early in the 1932 campaign he supported Franklin Delano Roosevelt and then embarked on a nationwide speaking tour for him. The campaign he believed to be "a contest between entrenched monopoly on the one side and the rights of the people on the other."²⁴

Though not a Populist in the 1890's, by the end of the 1920's Norris accepted many of their views in his efforts to aid the farmers. Like the Populists he saw Government controlled by men sympathetic to big business; like the Populists he was willing to accept currency reform, govern-

²²Norris to E. W. Rossiter, June 19, 1929.

²³Norris to John Swanson, April 14, 1932.

²⁴Norris to W. O. Christopher, July 11, 1932.

ment ownership of the railroads and other utilities, tariff adjustment and government aid and regulation in the interest of agriculture. Acreage allotment, an idea he had belittled earlier in the decade, he was now willing to consider. At the end of the Twenties, Norris no doubt would have agreed with the Populists that it was still "The Old, Old Story":

So it goes, the same old story, with the farmer as the
goat;

He can only pay his taxes and the interest on his note.

Oh, it's fun to be a farmer and to till the dusty soil,

But the guys who farm the farmers are the ones who
get the spoil.