

Washington and Lee University

"IDEOLOGICAL CHANGE AND GOVERNMENTAL GROWTH"

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I. Introduction

In his book Crisis and Leviathan, Robert Higgs develops a thought provoking approach to studying the nature of governmental growth during the twentieth century. Higgs begins from the premise that governmental growth must be examined as the result of a number of distinct periods, each set off by its own unique characteristics. Thus, if we are to study the twentieth century, we must break it up into groups of years which fit together because of the events which made them significant. This approach stands in contrast to some statistical method, which would examine the entire century in light of the numerical data from each year. That is, rather than examining the period from 1900 to 1940 by looking at a time series of some numerical measure of government growth, Higgs proposes breaking up the period into important subperiods: "1900-1915, 1916-1918, 1919-1931, and so on" (Higgs: 58).

But dividing the century up into distinct periods is not helpful unless there is a way to gain a more complete understanding of each period. Obviously the real limitation of current techniques is that the numbers do not show all the information. Higgs underlines this weakness by making a useful definitional distinction. He defines "big government" as a description of the absolute size of the government in terms of expenditures or share of total employment held by government workers. He distinguishes this from "Big Government," which describes how much authority the government has over various sectors of the economy, that is, to what extent government

officials decide upon the allocation of resources. We could say that big government is described by "size," while Big Government is described by "scope."

Higgs provides the means to a more complex analysis in the form of the so-called "ratchet phenomenon." He argues that in terms of scope (Big Government), government grows mostly in phases rather than on a consistent path. In particular, during periods of crisis, both the size and scope of government increase much more than they usually do. After the crisis, government will shrink, but will not return to its original size. This ratchet phenomenon occurs in five phases. The first phase is normal, precrisis government growth. The second phase is crisis expansion, which brings a dramatic increase in the "true size" of government ("true size" being defined as both the amount of resources expended on government activity, which is the traditional economic measure, and the scope of government activity, which describes the level of government control over the economy). The third phase is maturity, in which the true size of government levels off. The fourth phase is retrenchment, in which the true size of government decreases, but remains above both the original size and the potential size had the precrisis level of growth continued. The final phase is postcrisis normality, in which government continues to grow at the precrisis rate or better, in such a way that the size of government remains indefinitely above the size it would have been had precrisis

growth rates continued and had no crisis occurred (Higgs: 59-61).

Higgs' formulation seems to be an accurate representation of many crisis periods in the twentieth century. Thomas Dye concurs that governmental "growth has occurred in spurts during crisis periods rather than as a steady acceleration. Government expenditures in relation to the GNP have not increased predictably as if governed by a 'law'; instead they have remained stable over long periods of time and spurted upward only in response to wars and depressions" (187). Such a state of affairs necessitates a new approach to the question of governmental growth. Since Higgs' method is designed to account for period of crisis, his five stage model seems to be a promising candidate. Of particular interest is the fourth stage, retrenchment. If the true size of government declines following a crisis, why would it not return to its original level (or at least the level which would have been obtained had the precrisis growth rate continued)? Higgs offers the explanation that:

Crises lead to permanent shifts in the tolerable limits of the true size of government. Crises break down ideological resistance to Big Government by (1) providing occasions for the improvement of command-and-control mechanisms, which renders them less obnoxious; (2) discrediting the conservatives' domino theory, with its implication that all civil and political liberties will be lost in a mixed economy; and (3) creating opportunities for many people both within and without the government to do well for themselves and hence to look more favorably on the new order (73).

This reasoning suggests that ideologies change as a result of crises. Consequently, individuals are more likely to accept both

the changes associated with the current crisis, and similar changes associated with future crises. In fact, individuals who have been exposed to a certain scope of government may be more likely to accept a greater scope of government in some future crisis.

By its very nature, Higgs' proposed methodology opens the door for an enormous amount of scholarly research. Examining the changes in the true size of government, as opposed to mere numerical changes, seems to be a fruitful approach. But it requires a completely different type of analysis. For example, if economists are to examine the above hypothesis about ideological change, they must study not only econometrics and statistics but also history and rhetoric. Obtaining a complete picture of the trend in the true size of government in the twentieth century is thus a herculean task. One must study individual and group ideologies in each period of crisis. Actually, one could never say he had a complete picture because of myriad individual ideologies.

This paper thus represents a small piece of the puzzle. I will test Higgs' hypothesis about ideological change by examining a very specific aspect of the great depression. Namely, I will investigate changing rhetoric and ideologies with respect to federal farm policies. I will examine whether or not the farm policies of World War I led to ideological changes which made more comprehensive change acceptable and possible during the great depression. I have not chosen the area of agriculture at

random. Actually, farm policy is a very fruitful area for investigating ideological change because farming is such a sacrosanct value in America. President Eisenhower observed in 1956: "In America, agriculture is more than an industry; it is a way of life. Throughout our history the family farm has given strength and vitality to our entire social order. We must keep it healthy and vigorous" (Hathaway: 7). Such priorities have made agriculture the most supervised sector of the economy. As McConnell notes, "It is a significant fact that the most profound modifications of relationships among governmental bodies in our federal system have come about in agriculture" (28).

II. Theoretical Underpinnings

The first major barrier to understanding ideological change is developing "an analytical framework for studying" it (Higgs: 45). Although Higgs does not offer a complete framework, he does suggest that rhetoric is the key to studying ideology. At the outset, however, it is most important to make clear exactly what is meant by ideology. Higgs defines it as:

...a somewhat coherent, rather comprehensive belief system about social relations. To say that it is somewhat coherent implies that its components hang together, though not necessarily in a way that would satisfy a logician. To say that it is rather comprehensive implies that it subsumes a wide variety of social categories and their interrelations. Notwithstanding its extensive scope it tends to revolve about only a few central values--for instance, individual freedom, social equality, or national glory (37).

Thus ideology should not be equated with certain related terms.

A "worldview" would be more vague and less programmatic. A

"social (or political) philosophy" would provide no impulse to act. A "social science" would be too neutral and empirical. And "culture" is a larger set which subsumes ideology (38). More importantly, ideology should not be equated with what is generally regarded as a narrow-minded set of automatic reactions which ignore truth. Basically everyone has an ideology of some sort; only some ideologies distort or deny confirmed facts (38). We should thus avoid the mistake of Karl Marx, who "branded as ideology the social thought of all those who did not fully share his views." Actually this definition is the most commonly used definition of the word (37). But I will use Higgs' definition, not because it is the most precise, but because it makes some useful distinctions which will facilitate this analysis.

Having defined ideology, I will explain the sense in which we can actually study it. Higgs admits that there is no "theory of ideology"--no "set of relations to characterize at an empirically useful level of generality the interactions of ideology with political and socioeconomic structure" (55). Therefore, we can only look at ideology in an exogenous sense. That is, we can recognize when it changes and what its effects are, but we cannot necessarily know why it changes. However, ideology and ideological change are not beyond empirical study. "Although we cannot measure them as we would height or weight, we can learn a good deal about them qualitatively, and for certain purposes such knowledge may be adequate" (52). As this paper will demonstrate, such qualitative analysis will go a long way

toward understanding the changes in farm policy during the Interwar Period.

Probably the most effective means of studying ideology is through rhetoric. Although most everyone has some sort of ideology, it could be said that many look to elites for a more complete expression of their beliefs and values. As Higgs observes:

Ideologues, hoping to attract those who lack the time or capacity for extended reflection, encapsulate their messages into pithy slogans, mottoes, and self-ennobling descriptions. When these terse war cries produce the desired effect they mobilize large numbers of diverse people. The secret of their success lies partly in their evocative moral appeal and partly in their ambiguity and vagueness, which allow each person to hear them as lyrics suited to his own music (49).

Thus ideological rhetoric tells us something about both its author and the recipient. When opinion leaders change their rhetoric, it can mean that they are choosing one position over another (perhaps based on a change in their own philosophy) (48). On the other hand, it can also mean that they have noticed a change in what their constituents want to hear, even if the author's views have not changed (Hathaway: 7). Either way, changes in rhetoric provide a wealth of information about prevailing ideologies.

Higgs makes four assumptions about ideologies. The first is that only a few ideologies will be important in a given time and place. Since ideologies are extensive beliefs systems as opposed to simple opinions, it is unlikely that many will exist at a given time. The second assumption is that the masses are

mainly consumers of ideologies, while elites are distributors. Such distribution can take two forms. Either the elites are opinion leaders who formulate ideologies which the masses can adopt, or the masses have no ideology at all. In both cases, it is most instructive to focus on the leaders. This makes the study of ideology possible, since opinion leaders are generally the only ones who leave a written record of their lives and thoughts. The third assumption is that ideologies provide political power but at the same time limit the means and ends of political programs. Finally, Higgs assumes that ideologies will become most prominent during a social crisis. Rhetoric flows freely both for and against the present system. There is a sort of ideological battle because the status quo seems to be crumbling. It is thus easier to study ideology during a crisis because of the clash that occurs (Higgs: 45-47).

The above analysis provides at least a viable framework for examining ideological change. Since individuals do not object to established programs as much as to new ones, they raise their ideological guard when change is most imminent. As shown above, government changes the most during crisis. Consequently, ideological change is also most likely to occur during a crisis (69). Farm policies are no exception. "The underlying drive for our farm policies arises from a complex set of 'beliefs' and 'values' that exist regarding our society and the role of agriculture in it" (Hathaway: 4). During the great depression, a crisis occurred in agriculture and these ideologies came to the

fore. Politicians essentially asked the question, "how important is agriculture?" Whatever the answer was, we have had massive and comprehensive federal agricultural programs ever since.

III. A Modified Approach

Although the twentieth century could be characterized by a number of crisis periods, the Great Depression seems to be the most important. Perhaps this is so because in the terminology of Higgs' thesis, there was the least retrenchment following the depression. But maybe there was no chance for retrenchment. The Depression was followed immediately by World War II. In the same way, the Depression followed pretty closely on the heels of World War I. In agriculture, the Depression started long before 1929. Here is one key weakness in Higgs' analysis. His theory purports to explain governmental growth during the 20th century. Yet he fails to acknowledge that the three greatest crises of the century (and certainly among the greatest in history) came within a span of 25 years. The ensuing 40 years have been mild by comparison. It certainly seems plausible that part of this observed "ratchet phenomenon" has been caused by crises which fell close together, not allowing a chance for retrenchment. It is nonetheless true that government has not historically returned to precrisis levels. This observation suggests that although Higgs' approach may be accurate in that it effectively describes the final result, it may not actually explain the path toward this final result. Specifically, although ideological changes occurred during these crises, perhaps the changes did not take

place as a result of the crisis. It is possible that the actual growth in government was caused by ideological changes and not by the crisis.

This paper will investigate these last two observations. In particular, the changes in agricultural policy may have been the result of underlying forces which were in many ways independent of the crises which occurred during this period. Although Higgs' framework may work for other sectors of the economy, it seems unlikely that agriculture falls under the same umbrella. There are four underlying forces which were at work during this period. First, in a general sense, the Great Depression itself caused ideological changes which were independent of the actions taken by the government. That is, the crisis itself changed the approach to governance. Second, agriculture underwent dramatic demographic changes during the first half of the twentieth century. Third, World War I marked the start of a new era for academicians. Not only did they experience a dramatic increase in influence, but much of the relevant academic thought tended toward federal controls. Finally, many of the opinion leaders of the day were part of a tradition which was steeped in the philosophy of federal intervention in the economy.

IV. Underlying Forces at Work

A. The effect of the depression.

Without question, ideologies changed during World War I and World War II. During the 20s, Americans were in large part satisfied with the limited role of the federal government.

Farmers were crying out for relief as early as 1921, but their voices were not really heard until 1932. Americans were not yet ready for intervention. Even in 1926, citizens were secure with the state of the economy. Hoover was elected quite decisively on a platform which preached a minimal government role in the economy; no crisis was evident (Kirkendall: 30). But as Mancur Olson writes, "the interwar depression, World War II, and other developments led to profound ideological changes that increased the scope of government" (71). Olson is hinting that the growth in government was driven by ideological changes, and not vice versa. This seems to be opposite from the conclusion Higgs reaches.

Obviously, the most dramatic changes occurred during the depression. The whole sense of government changed after 1933. In the 20s (and before) the economy was something of a "natural system." Government policy was not essential to the economy, with the exception of tariffs. Washington could point out what it saw to be weaknesses and injustices in the economy, but it was politically powerless to change them. Americans did not want change (Karl: 90). The Depression changed this view significantly:

The laissez-faire doctrine that all would be well if the government left the economy alone (except, in some versions, for providing protection against foreign competition) was largely discredited in the minds of most Americans by the manifest failure of capitalism and the conservative administrations of Coolidge and Hoover to prevent the depression (Olson: 227).

This altered perspective on government was largely driven by a redefinition of the word depression. Suddenly Americans thought of depression as a national malaise, something affecting everyone. Thus there was a consensus that something needed to be done. Later came the idea that the business cycle had simply stopped cold and needed to be "jump started." Intervention was deemed necessary. In the same vein was a new idea that mass psychology was behind the depression. Americans had lost confidence, and the solution was to cooperate in restarting the economy. "Between them, the idea of the Depression as a national experience and the idea of the Depression as a psychological aberration helped make the Great Depression great" (Karl: 94-5).

These pervasive attitudes of national crisis represented a dramatic shift in ideology. This new ideology was behind the first New Deal. By 1933, after a year of paralysis, Congress seemed ready to try anything. They were willing to grant Roosevelt all the authority he wanted. They passed virtually any relief bill which was introduced, even ones which blatantly contradicted each other in a policy sense. Not the least of these bills was the Agricultural Adjustment Act, passed on May 12, 1933 (Kirkendall: 56). As Theodore Saloutos writes, "it was a matter of acting quickly, decisively, and massively. Any action, even the wrong action, was better than prolonged debate, indecision, and no action" (67). Americans had never thought of a depression as a national crisis before. Their new perspective, born of fear and dismay, demanded something like a wartime

economy. Farmers especially were willing to let the government dictate their actions; they wanted their incomes to reach normal levels again.

The scope of the farm programs of the first New Deal must not be underestimated. The cotton program alone changed the whole economy of the south--indeed, of the entire nation. It was "a national program having international significance" (Richards: 41-2). The Agricultural Adjustment Administration was of such enormous scope that it was often under attack as being almost fascist. As Saloutos observes,

Wallace, M.L. Wilson, and Tolley [the administrators of the AAA] often talked about "farmer participation," "democratic participation," and "citizen participation" in the operation of the agricultural program. Administration leaders had been sensitive to charges that the farmers' programs were "authoritarian," "totalitarian," and "FDR politics" (238).

Interestingly enough, the farmers were not the ones doing the complaining. "They did not consider these programs coercive as charged. They voted overwhelmingly for the wheat, cotton, tobacco, and corn-hog programs, and the Democratic platform reflected this" (228). This acceptance was also true of the second New Deal. "The most radical legislation of the second New Deal was strongly rooted in past reforms, which greatly modified its radical intentions" (Karl: 132).

B. The effect of demographic change.

The second underlying force which affected agricultural policies was the dramatic demographic changes in the agricultural sector. In the 1870s nearly half of all workers were farmers.

In the 1920s this proportion had dropped to less than one fourth (McConnell: 12). Consequently, farmers had nothing close to the political influence they had once had. Moreover, they were the least organized and thus the most vulnerable sector of the economy. They had no means to control their production; they were at the mercy of the market (Schapsmeier: 51). Jefferson's agrarian democracy was a thing of the past. With the loss of the frontier, cheap, abundant land was no longer available. This factor was the key to agrarianism (McConnell: 12). Without an "infinite" supply of land, farmers had to focus on marginal productivity. In a sense, they succeeded. An index of farm worker productivity increased from a value of 100 in 1870 to 321 in 1945. But farmers paid a price for this productivity. Technology was the primary factor in these productivity gains, and the need for machinery increased the farmers' dependence on cities and industrial markets (14-15). No longer could farmers be self-sufficient. And though they provided food, the economy did not rely on them in the same sense it once did. In the 1870s farms accounted for one fifth of national income. By 1920 this fraction had dwindled to a little over a tenth (Schapsmeier: 15).

Although the number of farms and farm workers had plummeted severely in the half-century prior to the Great Depression, small farms still made up a surprisingly large percentage of the total. According to the 1930 Census, one half of the farms produced 11% of all the agricultural goods going to market. Thus the agricultural depression (which really started some 10 years

before the more widespread depression) had a catastrophic effect on small farmers. Even in 1929 (a prosperous year for the rest of the economy) one fourth of all farmers produced \$600 or less in products for the entire year, including what they produced for themselves. By the end of the 1930s (despite the New Deal), fully one half of all farmers produced \$600 or less per year (17). Since most of the farm programs of the New Deal were focused on large producers, the underlying problems of small, poverty stricken producers remained. Although the plight of these farmers certainly contributed to the horrible picture of the Depression, it is unlikely that they had much political influence; they were basically ignored.

These demographic factors led to profound ideological changes for several reasons. First, now that farmers were dependent on the rest of the economy, they were hit much harder by depression. Many of them were highly leveraged so that they could afford the technology required for productivity increases. As the Great Depression was for the rest of the economy, so was the agricultural depression of the 20s for the farmers. Although they had experienced crisis before (in the 1880s), they no longer had the strength to fuel a new populist movement. Their numbers were declining and their political influence was minuscule. Not until the general Depression of 1929 were their cries heeded. The second reason is that as a result of this crisis, it began to seem that the Jeffersonian ideal (agrarian democracy) was in danger. Farmers produced a shrinking portion of GNP, yet their

products were necessities. In addition, there was an emotional attachment to the value of the "family farm." Although the economic response was largely to save large farms (which could hardly be designated "family farms"), the plight of the small farmer was a rhetorical tool. The "forgotten men" with their tiny plots of land remained forgotten, but they served as a symbol of the horrors of depression. Indeed, most presentations designed to give an overview of the conditions during the 30s will show solemn, hollow-eyed figures standing before their dry, cracked fields. The poignancy of such a picture, or at least the knowledge of such a plight, certainly heightened the sense of crisis.

The final reason that demographic change translated into ideological change was that World War I occurred at a time when farmers were uniquely vulnerable. By 1916, farming had already changed a great deal. Farmers were being drawn into regional economies as they began to rely on farm equipment manufacturers for technology and on local cities for markets. During World War I their abilities were put to the test. In essence, they fed the world. Prices were fixed at an artificially high level, and production soared. It was a time of enormous prosperity, but soon the bubble burst. Once the wartime price supports were removed and European nations returned to normal agricultural production, there was a tremendous surplus. Wheat prices fell from \$2.14 a bushel in 1919 to \$.92 a bushel in 1921. Corn fell from \$1.38 a bushel in 1919 to \$.42 a bushel in 1921

(Schapsmeier: 49). When the U.S. entered the war, the Food Administration had masterfully commandeered the farm economy. Unfortunately, there was no plan for going from war to peace. Farmers had taken on large amounts of debt in order to finance greater production, since prices were guaranteed. When the bottom fell out, they were forced to liquidate their assets. As farms were sold in waves, land prices plummeted. Farmers lost so much equity that they could not pay off the debt they had acquired. In some cases they could not even find buyers for their farms (50). Policymakers had already attempted to avoid this problem by keeping food prices up after the war had ended. But such price supports merely "...postponed the moment of painful readjustment to a peacetime market" (Rowley: 8). The result of this readjustment was severe and lasting depression in agriculture. Farmers had been drawn in to the economy and sorely punished. Their response was anger and frustration; they felt cheated by the system. Not only did they sense a lack of gratitude for their help in the war, but they felt that the economy--and the nation--had spurned them. Ten years before the rest of America, farmers were ready for federal intervention. They began to organize politically and to put pressure on policymakers.

Higgs' analysis would probably be that farmers were more accepting of federal intervention once they had experienced it in the war. They learned that it could be beneficial. The above factors show that although the war was a factor, the causation is

much different. The wartime intervention created the seeds of the farmers' own destruction. They became heady with the wine of combined high prices and production, forgetting that it was only temporary. The ensuing crisis completely changed the way they thought about government intervention. The war had taught them to rely on the government; suddenly they felt they had nowhere else to turn. Farmers had turned to the federal government for help in the past, but never before had they asked it to seize the reins of the farm economy. In addition, it is merely coincidence (if such a thing exists) that World War I fell at a time when agriculture was becoming an industry in its own right. The war and the ensuing crises would not have had such a dramatic effect on farms if they had occurred 50 years earlier. Indeed, there was no AAA (or even a Food Administration) during the civil war. Farmers were uniquely vulnerable after World War I, and their ideologies changed to meet the reality of their situation.

C. The influence of intellectuals.

So far we have discussed two reasons why federal agricultural policy did not follow the path described by Higgs. The first reason was ideological changes related to a completely new view of what a depression was. The second reason, as we have just seen, was dramatic demographic change in the agricultural sector. That brings us to the third reason, which was a newfound level of influence for college and university professors.

Although the first decade of the twentieth century was marked by political ferment, the Populist and Progressive

movements did not offer a plan for "massive federal intervention" in the economy. "Many of the reforms of the prewar generation were modest ventures in regulation or attempts to liberate business enterprise rather than ambitious national programs of economic action" (Leuchtenberg: 84-85). Since ambition was lacking, it was not necessary to have administrators and experts to run government organization. Economists were not needed because no one saw a need for a comprehensive knowledge of the workings of the economy. Professors remained at universities, and jobs in government were in short supply. Not until World War I was their expertise needed. When the government took control of the economy, all price mechanisms were frozen. In most sectors, there was no market allocation of resources. Someone had to decide how resources should be allocated, and how prices should be set. Economists were suddenly in great demand. As Leuchtenberg observes, "the war gave a home to the new class of university-trained intellectuals which had emerged in the generation before the war" (87). Murray Rothbard describes the academic pilgrimage to Washington:

Never before had so many intellectuals and academicians swarmed into government to help plan, regulate, and mobilize the economic system. The intellectuals served as advisers, technicians, framers of legislation, and administrators of bureaus. Furthermore, apart from the rewards of newly acquired prestige and power, the war economy held out to such intellectuals the promise of transforming the society into a "third way" completely different from the laissez-faire past that they scorned or the looming proletarian Marxism that they reviled and feared. Here was a planned corporate economy that seemed to harmonize all groups and classes under a strong and guiding nation-state with the liberals themselves at or near the helm (Radosh & Rothbard: 97).

One way to see the situation is as follows: intellectuals had always been spurned by government. They were seen as impractical thinkers, isolated from reality in "ivory towers." World War I suddenly gave them power and influence; academics was changed forever. During the Great Depression, the same intellectuals were called upon again. Rothbard continues:

Not merely the NRA and AAA, but virtually the entire New Deal apparatus--including the bringing to Washington of a host of liberal intellectuals and planners--owed its inspiration to the war collectivism of WW I (98).

The intellectual administrators of WW I and New Deal government programs saw a chance to use federal power to reshape the economy for the benefit of underprivileged groups. It was a chance for the planning which they had long sought (Leuchtenberg: 88).

A great deal of the academic influence came from Wisconsin and Minnesota. One of the first in a long line of planners was Lewis Gray, who had studied under the pioneer agricultural economists, Richard Ely and Henry Taylor. He believed that the government should plan the economy based upon scientific knowledge. He insisted that socioeconomic problems should not be allowed simply to run their course (Kirkendall: 21). In the 20s the first agricultural economist was elected to Congress--Victor Christgau. His views followed those of the Minnesota economist John D. Black, who preached agricultural adjustment (the approach which held that something was wrong with the farm economy) (18). Black wanted science to have more influence, but he realized that public opinion had to be behind it. In his view,

...more attention should be given to the methodology of formulating policies and the means of developing them in the minds of rural people. Economic facts needed to be given to farm people so that Agricultural policies would be to a large degree an expression of the farmers themselves (Kirkendall: 13-14).

Under Black's influence, Christgau sponsored one of the first agricultural relief bills, authored by two social scientists-- Howard Tolley and Milburn L. Wilson (11). Their view was one of noblesse oblige--they felt that farmers could be helped by their wisdom. As Christgau noted in 1930: "We are still essentially a democratic country, living under a democratic system of government. We cannot dictate to the farmers what they shall produce, but we can lead them along certain lines and supply them with information" (Kirkendall: 20).

The significance of the Christgau bill is that "social scientists, not farm groups nor political leaders, produced this scheme for farm relief." Tolley and Wilson built on the tradition of William Spillman and John Black and formulated a plan which responded to the inadequacy of Hoover's programs (24). Although the bill was defeated numerous times, it represented the influence of intellectuals in government. More significantly, Roosevelt's farm programs would resemble the Christgau bill; indeed, Tolley and Wilson were among those who influenced the thought of FDR. The head of Roosevelt's "Brains Trust" was Raymond Moley, who was a firm supporter of government planning (41). He encouraged Roosevelt to recruit Rexford Tugwell from Columbia; he was the top advisor on farm relief, and he introduced Wilson's agricultural adjustment plan to Roosevelt.

Tugwell represented the new school of economic thought in that he was fond of economists who worked within government and were confident in its ability to repair the economy and rectify injustices (Kirkendall: 42-3). Wilson and Tugwell would later recommend Henry A. Wallace as Secretary of Agriculture; Wallace, in turn, would select Mordecai Ezekiel as his Economic advisor, with Tugwell as his Assistant Secretary (54-5). This complex web of influence shows the dramatic new power of intellectuals within government. The "Brain Trusters" were using their power in government to 'overthrow the established American social order.'" Tugwell was at the center of this movement--he had advised the abolition of laissez faire (95). The influence of the Brain Trust on Roosevelt is clear. On September 14, 1932, Roosevelt gave a speech at Topeka, Kansas. The basic outline of the speech had been prepared by Wilson, and although it was very general in its language, the speech presented the six basic points of Wilson's domestic allotment plan which would later become the AAA. The result of the speech was more willingness among farmers to cooperate with massive federal intervention; they perceived that Roosevelt was on their side (46).

An examination of the lives of the key intellectual figures of the time, especially the ones who headed up programs or advised presidents, shows that their ideology was years ahead of the rest of the nation. Rexford Tugwell, probably the most radical thinker among the Brain Trusters, showed a predilection for federal intervention during his first years of college. In

1915, Tugwell already felt that government should act to rectify the myriad "social ills" which plagued the nation. In particular, Tugwell abhorred the concentration of wealth--he favored redistribution (Sternsher: 5). Although such views later earned him the tag of "socialist," his early ties were with the Republican party. Interestingly enough, he liked the Republican party because he felt that it advocated a stronger federal government as opposed to States' rights (8). For him, a strong federal government was the key to successful planning. Tugwell was picked for the "Brains Trust" because he was very sympathetic to the plight of the farmers (39-40). He firmly believed in domestic allotment (43), which was a plan that paid farmers not to produce, and also paid them the difference between their selling prices and some minimum "parity price" (AAA: 10).

Tugwell's view was that the economy should be characterized by planned capitalism with the following features: 1) "centralized allocation of resources," 2) price controls, and 3) federal incorporation laws. His reasoning was that laissez faire was a system characterized by exploitation and abuse, and so the government needed to change the rules of the game (Sternsher: 91-2). It is not surprising that Tugwell also favored a sort of central planning board (with subordinate regional boards) to run the economy; he believed firmly in the economist's ability scientifically to figure out what were the best allocations of resources (98). Of course, Tugwell was the victim of numerous ideological attacks. He was called everything from "socialist"

to "totalitarian." But he argued that his planning was strictly democratic, and that it was consistent with the American form of government (Sternsher: 98). In addition, he noted that planning was a means of saving capitalism from ultimate destruction. To that extent he supported capitalism as a value, although in keeping with the Institutionalist tradition in which he was steeped, he advocated an "institutional framework" to coordinate the democratic capitalist system (100). But the most significant feature of Tugwell's views was that his ideology had been more or less fixed from the time he attended the university. His views had become more coherent and articulate, and he had developed a sophisticated plan of action, but his basic approach was the same. Tugwell did not believe in planning because of the crisis of the Depression or because of the successful experience of the war. His views were rooted in a basic distrust of laissez faire, and these views were the seeds behind the new deal.

Because of his strong commitment to domestic allotment, Tugwell sought out the strongest advocate of the program, Milburn Lincoln Wilson. Wilson was trained by the pioneers of agricultural economics, Richard Ely and John Commons. These two economists held a revolutionary view of agriculture which stated that farmers did not receive their fair share of the market. This failure of the market had to be corrected by governmental intervention. Wilson's classmates were three other influential economists: Henry Taylor, Mordecai Ezekiel, and L.H. Bean (Rowley: 14). Wilson took this powerful influence to heart, and

the most famous manifestation thereof was the domestic allotment plan. But Wilson hoped that allotment would be just a beginning--that it would lead to more extensive planning in the long run, designed not only to increase farm incomes, but to develop a completely collectivized economy with planning on a "grand scale" (Rowley: 29).

For a time, Wilson's leanings were towards experimentation and increasing marginal efficiency. He had become interested in such possibilities after his trip to the Soviet Union in 1929. But he soon became completely disillusioned with the free market economy. He decided that only through government intervention could farmers be saved (60). "...Wilson eventually concluded that agriculture did not possess effective institutions to compete for a fair share of the total national product." As Commons had taught him, sometimes purely social forces determined the share of GNP held by certain groups. The more power a group had, the larger was their market share (15). Wilson came to the conclusion that the Farm Bureaus, which had attempted to teach modern farming methods, were not effective enough. Greater intervention was needed. However, Wilson had completely made up his mind by this point--he was no incrementalist. In fact, the program which he advocated as part of the new deal was only "...an emergency measure designed to achieve in a speedy manner the ultimate goals of a studied land reform policy" (107). Although the crisis had spurred him to quick action, his own thought had convinced him of the need for permanent change. His

ideology had taken its own path, and although it coincided with the interventionist views of the first New Deal, at that point he had already moved far beyond those first steps of intervention. Clearly it could not have been the programs of the New Deal which changed his thinking.

Wilson and Tugwell picked Henry A. Wallace to administer the program which they advocated. It was their influence which resulted in Wallace's nomination for Secretary of Agriculture. Henry Agard Wallace was part of a new generation of progressives who were well educated and who understood the complex problems of agriculture. These progressives used sound, logical rhetoric, choosing cool objectivity over the fiery-tongued oration of populists like William Jennings Bryan. The new movement sought to preserve the tradition of the family farm, and advocated government intervention to accomplish the task (Schapsmeier: 53). Among these new progressives was Henry A.'s father, Henry C. Wallace. Both of these Wallaces were tremendously influenced by Henry A.'s grandfather, the devout and politically progressive "Uncle Henry." So even on his grandfather's knee, Henry A. was instructed in the ways of progressivism. Uncle Henry held that it was "sinful for business to pursue profits only, with no concern for its social responsibility" (10). As a college student, Henry A. subscribed to the views of Thorstein Veblen, who held that the rich were a worthless "leisure class," protected by archaic institutions. Henry A. thought that these institutions should be changed by the state so that society

flowed freely and resources were allocated more equally (32). Wallace's mind was thus ripe for change. He had a vision of utopia which could be accomplished by the state. Yet the agricultural depression was what spurred him to action:

In this milieu of misery Henry Wallace crystallized his thinking. The severity of the situation served as a catalyst upon Wallace. It quickened within him yearnings for a revitalized society where true social justice might prevail. Within the crucible of depression his latent idealism came to life and compelled him to proclaim the need for a better world (Schapsmeier: 132).

Yet Wallace the utopian was tempered by Wallace the realist. He knew that farmers had to adopt the tactics of businessmen if they were to survive. "Wallace combined a philosophy of hope with a practice of working for obtainable ends" (134).

Wallace joined Tugwell in relying on economics to save the nation. Although he favored planning by the farmers themselves, he believed that the economists could tell them how much they should produce in order to balance the goals of higher income and feeding the nation (35-6). This was the basic premise behind the AAA, although Henry A. had not designed it. However, the Soil Conservation Act of 1936 was developed by Wallace, and it went much further than the AAA in planning agriculture. Some even wondered why the government did not just nationalize the farm economy. But Wallace was a practical man, and he believed in programs which could be implemented (219). The SCDA (Soil Conservation and Domestic Allotment Act) was only a stopgap measure to get Roosevelt through the '36 election following the defeat of the AAA by the Supreme Court. Wallace planned to

develop a more complete program after the election, and the result was the AAA of 1938 (232). It is clear that Wallace had an important role in developing the farm programs of the depression. But it is equally clear that his ideology was not affected by the programs themselves. Rather, Wallace only changed his approach when political reality necessitated it. He had been taught about the role of the federal government all his life, and his thought steadily progressed in the direction of a planned agricultural economy. It is no accident that the agricultural depression crystallized his thinking--the time and place were right. This one crisis was not an isolated event that changed him completely. It was the final factor in a long and gradual progression of ideological change.

Adolph Berle was another economist who was steeped in the statist tradition. He was concerned that corporations would reorder society and become its dictators. This "impending corporation hegemony," as he called it, had to be brought under control (Schwartz: 67). Berle sought a form of state capitalism as the alternative to corporate dictatorship. Like Tugwell, he felt that state control would save capitalism. He espoused these ideas in his famous work (written jointly with Gardiner Means) The Modern Corporation and Private Property. He had worked on the book throughout the 20s and published it in 1932. Actually, many of these ideas had been his long before he met Gardiner Means. Means merely provided the data Berle needed to confirm his hypotheses about the corporation (67-8). Berle was thus a

generous source of economic planning ideas among the Brain Trusters. In fact, he was the "best advocate of state capitalism" among them (73). Without question, his ideas strongly influenced the direction of the Democrats' program. Thanks to him, "planning, control, and management of the economy 'formed the general outline of the democratic campaign'" (75). More importantly, this tendency towards statism was an ideology which Berle had developed on his own. His ideas were based on what he had observed of corporations during his lifetime. Neither the Depression nor the programs of the New Deal were the true causes for the changes in his ideology. He was part of an intellectual tradition which inevitably arrived at government intervention as the only remedy for a dysfunctioning economy.

Although Bernard Mannes Baruch was not part of Roosevelt's Brain Trust, he made sure that he had men on the inside. Baruch was probably the most influential man in the financial world, his views were always well represented. Like Wallace, Baruch was a political realist. He had no hesitations about a planned economy during wartime, because he felt that laissez faire was counterproductive in war. And although he did not favor planning at other times, he missed the patriotism of the war since it was such a powerful unifying and mobilizing force (Schwartz II: 6). During the 20s, Baruch advocated an "enlightened federal leadership of a self-disciplined private enterprise." Wherever possible, he preferred voluntarism to central planning (6). He held that price fixing by the government was acceptable

provided that it was administered properly (214). His idea was a "High Court of Commerce" which would decide all economic matters (215). Initially, he had favored marketing cooperatives, which were private groups of farmers that united to keep production down and prices up. The government would merely provide information to them on where they should keep their prices (229-30). Baruch was a voluntarist at heart, but he was also a realist. And the crisis of the Depression convinced him that more intervention was needed. "In response to economic realities," he committed to more complete regulation.

In fact, Baruch was pretty thoroughly converted. The totality of his ideological change indicates that planning had always been a latent tendency in his thinking. Certainly he had no qualms about it. In the end he went further than most other intellectuals. His ideas about "cooperative marketing" soon became "obligatory cooperative marketing." "In principle, he favored cooperation; in practice, he favored intimidation" (Schwartz II: 238). In reality, Baruch was a fascist without knowing it. He grew fed up with voluntarism and longed for a wiser power to seize control of the farmers' actions (241). This ideological change from voluntarist to fascist took place before the New Deal even began. It was caused by the realities of the crisis in agriculture. And the result was an example which was followed by the framers of the New Deal. This is exactly the reverse of the causality which Higgs suggests. As Schwartz notes:

What Gilbert Fite has written of Peek might be said of Baruch: "thus by indoctrinating farmers with the idea of compulsory cooperation and group action, Peek helped to usher in an era of collective action among farmers. It is not too much to say that this was a major turning point in twentieth-century agricultural policy. The idea of forced cooperation set a precedent for the Agricultural Adjustment Administration four years later" (241).

These leading intellectual figures share two common traits. First, they were all influential in developing the farm policies of the New Deal. Second, their ideologies changed not as a result of previous policies but in line with consistent development of thought. Some of them had tended toward federal intervention from their earliest days of independent thought. Others were awakened by the conditions of the agricultural depression. But in each case, their ideologies had changed completely before the New Deal ever arrived. And these ideas remained as a constant which drove the New Deal even further, despite conservative backlash and setbacks by the Supreme Court.

The significance of the ideological paths of these intellectuals was their influence on Franklin Delano Roosevelt. The Brain Trusters were Roosevelt's idea men. They wrote his speeches and provided the rationale behind his campaign (Ekirch: 77). But they did more than merely suggest ideas to Roosevelt. He did not do a great deal of serious academic reading. Early in his political career, he began to gather intellectuals from whom he could glean ideological insight (76). His political philosophy was very nebulous, and he seemed to welcome cognitive dissonance. He allowed his intellectuals to provide him with

(often contradictory) ideas, and he chose between them. Of course, he often chose programs not based on ideology but on political feasibility. Thus it was the job of the Brain Trusters, if they wanted their pet programs to be adopted, to package them in such a way that they would foster political consensus.

Furthermore, Roosevelt allowed the intellectuals who surrounded him to absorb much of the ideological backlash that was generated by the New Deal. In Roosevelt's mind, the ideas were the Brain Trust's, not his. Henry A. Wallace is an excellent example of this approach. "Where Franklin D. Roosevelt seldom elaborated on his political philosophy, preferring to improvise as he went along, Wallace proceeded to spell out a well-defined ideological framework within which reforms could be achieved" (Schapsmeier: 189). Since Wallace made his ideology clear, "Roosevelt haters could and did zero in on Wallace, because his public utterances made him extremely vulnerable to ideological counterattack" (185). To this extent we can trace to the Brain Trust much of the ideology attributed to Roosevelt. The ideological development of these figures thus becomes more than the views of a few isolated figures. The thought of the Brain Trusters affected the entire nation.

In a similar vein, Roosevelt relied on the views of opinion leaders to bolster his own positions. Rather than provide all his own ideology, he relied on the power of other ideologues. And since he had no preconceived farm program, he allowed the

farm leaders to choose one which they knew was politically sound (Schapsmeier: 155). Such was his intention when he approached them in autumn, 1932. Clifford Gregory, Ed O'Neal, and Earl Smith, all prominent farm leaders, met with Roosevelt in Chicago. "Roosevelt told them, in effect: 'One of the first things I am going to do is to take steps to restore farm prices. I am going to call farmers' leaders together, lock them in a room, and tell them not to come out until they have agreed on a plan'" (Campbell: 51). The result of this statement was a report by the farm leaders in March 1933 which recommended domestic allotment as the nation's farm program. This report became the text of his address to Congress on farm policy (56). The farm leaders had not developed the ideas behind domestic allotment, nor was the program itself theirs. Rather, intellectuals like Henry A. Wallace and M.L. Wilson formulated the program. They then sold it to the farm leaders, convincing them that it would improve the lot of farmers. When Roosevelt consulted with these farm leaders, he was presented with a plan backed ideologically by the Brains Trust and politically by the farm groups.

D. The effect of a changing political tradition.

The intellectuals who influenced Roosevelt were part of an academic tradition which taught federal intervention in the economy. It is not surprising that many of the key opinion leaders of the day were steeped in the same tradition (albeit in a less technical sense). This is the final reason that Higgs'

formulation of ideological change does not seem to hold for the agricultural programs of the Depression.

The tradition among agricultural leaders was a growing cry for relief. As the demographic factors I have described began to hobble the farm economy, leaders found a need for a unified political voice. This grass roots voice was provided, in the long run, by the cooperative extensive service of the USDA. Interestingly enough, the cooperative extension service was started by intellectuals from the interventionist school. Initially, the USDA had not been directly linked to Farmers. But an intellectual named Seaman Knapp changed the idea of the yeoman farmer. His belief was that farmers were not educated in scientific methods of farming. In order to train farmers, the extension service was created in 1914 by the enactment of the Lever Agricultural Extension Bill (McConnell: 26). In the long run, this service became the backbone of a massive political machine which lobbied for the interests of the farmers (35). The American Farm Bureau Federation was created by farmers to utilize the network of county agents (the administrators of the extension service) as a political force. "The prime function of the AFBF, almost from its very beginning in 1919, [was] to make, or to influence, national agricultural policy" (Campbell: 9). The AFBF was responsible for a groundswell of political power which began with the county agents, and which by 1920 had become a force to be reckoned with on a national level (McConnell: 51). The

national federation was a unification of the local bureaus, each of which controlled the county agents of its region (50).

Although the political power of the AFBF had declined during the 20s (as a result of the growing farm depression which crushed the political resolve of farmers), the decision to administer the AAA through the extension service gave a rebirth to the faltering Farm Bureau (McConnell: 75). In turn, the Farm Bureau became one of the key factors in starting the New Deal. It unified both the regional subgroups within the organization, and the other major political organizations of the farmers. Moreover, the AFBF became the staunchest political supporter of the AAA (Campbell: 77). At the head of the Farm Bureau during the Depression was Ed O'Neal, who was partially responsible for the adoption of domestic allotment. He was a powerful leader who unified many conflicting forces among farmer's groups (57). O'Neal was among the farm leaders who supplied a report to Roosevelt on how the agriculture problem could be solved. Without question, he helped to build a consensus among this diverse group of leaders. Under O'Neal's leadership, the Farm Bureau became the culmination of a tradition which had begun in 1914. This tradition had taught farmers to rely on the federal government for relief, and it makes clear that farm leaders were expert in the politics of intervention long before the New Deal began.

One such leader was Senator George Norris of Nebraska. Norris "adhered to a conception of American democracy which

stressed the political, ethical, and economic importance of the individual..." This commitment to individuality also held that government was responsible for giving the individual at least the opportunity to live "the good life." Thus laborers and farmers should receive fair compensation for their work, as opposed to the meager income they had been receiving (Zucker: 51). Norris' basic philosophy meshed nicely with the ideas of the agricultural New Deal. Like many of the intellectuals I have already mentioned, Norris' economic ideas were a means of preserving democracy and capitalism rather than a means of overthrowing them. Norris saw taxes as a necessary tool for redistribution of wealth because concentration of wealth was the enemy of democracy. A progressive inheritance tax was one such tool (53). In a similar way, government was to preserve capitalism. Protecting the individual provided for the free operation of the economy. Government was to "promote the general welfare through judicious intervention in the economy" (Zucker: 78).

Norris revealed his interventionist leanings even in the early 20s, when he joined in the early fights to pass farm relief legislation (88). Among the legislation he introduced was a plan to buy up farm surpluses and market them abroad (Rowley: 12). This became the basis for the McNary-Haugen bill which dominated farm politics through most of the decade. Norris had very particular views on farm policy, and he ended up disagreeing with Roosevelt, mostly because he did not favor the destruction of crops and livestock. But "he realized the extent of the general

Depression was so overwhelming that it was necessary for him to support whatever action programs the New Deal devised" (Zucker: 92). Clearly, Norris' philosophy was such that he was willing to accept intervention even if it did not fit his exact prescription. The most important goal for him was federal action on the behalf of the individual. In fact, Norris was years ahead of the New Deal in his ideology of economic justice and legal protection against monopoly, ideas which reached back to the 1870s. His actions in the legislature during the 20s were a precursor to the programs which would be passed during Roosevelt's administration (66-7).

Arthur Capper was another politician who came to the fore in the early 20s. Capper was the head of the Farm Bloc, which was a political coalition formed as a result of the crisis in agriculture (Socolofsky: 151). He took the popular position that the farm economy was the backbone of the nation. Thus farm prices were to be equalized with those of other products (153). The farmer's standard of living could not remain so far below the rest of the nation's. In Capper's words, "our agricultural depression is more than a farm problem. It is a national problem" (Socolofsky: 158). This ideology carried Capper to a position of prominence in the Senate during the 20s. He was a national leader with enormous influence. Moreover, he was in great demand as a speaker across the nation (160). By the 1930s his articles were being circulated nationwide. He spread the message that any economic system which allowed injustice to exist

was invalid (167-8). These ideas had brought him to political prominence long before the general Depression had raised its ugly head. And in the heat of the Depression, his views were reinforced by the unjust conditions he saw rather than the success of the programs of the New Deal. He did not agree with Roosevelt on every issue, but he recognized that the "dictatorial" steps which had been taken were justified by the seriousness of the crisis (which had been brought on by previous inaction) (170). At the same time, he opposed the second AAA because Washington's authority was too great (182). This indicates that his ideological development was a long process which began with certain premises and which was reinforced by crisis conditions. His development takes on greater significance when we note that he was an opinion leader with national influence. Clearly a significant number of people followed his ideology. To the extent that they did, they defy Higgs' hypothesis that ideological change results primarily from current and previous government programs. Rather, they changed their views because they had never experienced a "great" depression before. As a result, government grew. And the programs of the New Deal (or programs like them) remained in place because they represented the level of governmental activity which Capper (among others) had advocated all along.

Like Capper, Walter Lippmann wrote articles with a national readership. In fact, Lippmann was probably one of the most influential journalists of the twentieth century. His thought

clearly shows an independent path of development. Even as a student at Harvard in 1906, Lippmann showed social awareness-- he was concerned by economic injustice (Wellborn: 17). By the time he graduated, this social consciousness had blossomed into outright socialism. But he was not a Marxist. He believed that the most significant social reforms could be achieved by the current government rather than by revolution (18-19). With age, Lippmann grew more conservative, but his basic concern for social justice remained. In fact, this concern became the driving ideology behind his acceptance of what he considered to be questionable farm policies. As Lippmann himself said of domestic allotment:

There is no use pretending that this is not the most daring economic experiment ever seriously proposed in the United States. But what other remedy is proposed for the plight of agriculture that might be submitted for this one? (Saloutos: 42).

Clearly, his concern for the farmers outweighed his concern that society should not be planned like a war or a building project (Ekirch: 65). Lippmann supported Roosevelt and agreed that intervention was the only way to save the economy. But he did not believe that government was supposed to control the economy. Moreover, he was strongly opposed to Roosevelt's abuse of the law and lack of accountability (Wellborn: 38-9). Although he was criticized by many liberals and socialist colleagues from his younger days, Lippmann argued that government should steer between rampant collectivism and a smug status quo. He advocated "true liberalism," in which the state maintained order and upheld

the law so as to promote individuality (40). This latter view was reminiscent of libertarianism, and indicates that Lippmann's ideology followed its own course. If anything, the programs of the New Deal reversed Lippmann's ideology, causing him to react to what he thought were excessive government controls. Clearly, Lippmann held that the AAA was an emergency measure which was to wither away following the crisis. But it seems likely that Lippmann favored a higher level of government intervention than existed prior to the Depression. Thus to a certain extent the new programs represented a level of government which he had advocated for years.

Senator Peter Norbeck of South Dakota had such a reaction to the New Deal. He supported the AAA wholeheartedly. Norbeck showed a tendency towards interventionism as early as 1912. "He believed that the government should extend its power to alleviate economic distress and inequalities. Especially, when it came to helping his farm friends, he showed no hesitation in proposing government aid." This approach to lawmaking was part of an already well-developed belief system (Fite: 49). Significantly, Norbeck, who had done some farming of his own, was respected for his knowledge of farm conditions in the early 20s, when few knew of the enormity of the problem. "Probably no Senator in the nation's capital had a more intimate knowledge of the effects of farm deflation than did Norbeck" (101). He reached the peak of his power in the 72d Congress, and it was then that he supported Roosevelt's AAA, which was based on Norbeck's own domestic

allotment plan. Norbeck was truly an independent thinker, especially in the sense that he broke from the Republican ranks and supported Roosevelt (although that was not an uncommon occurrence in 1933). Norbeck had been proposing domestic allotment throughout the 20s, and thus the AAA was the culmination of his ideological aspirations, rather than a challenge which would change his views.

On the other extreme, the AAA was probably not dramatic enough for Huey Long, the great demagogue from Louisiana. Even in 1908 Long expressed a distaste for big corporations and monopolies. He adopted the populist message that the "little man" had to be protected from Big Business. This value system was something which he learned from an early age (Williams: 44-5). Long was ahead of the New Deal, especially in agriculture. In 1931 he proposed a plan to prevent the growing of cotton throughout the south during 1932 (531). In fact, Long had some misgivings about the AAA because it did not include currency inflation as a solution. But since Long represented such a large voice, Roosevelt adopted a policy of currency inflation in conjunction with the AAA (631). Unlike Roosevelt, Long's ideology was clear. And without question, Long had long been a proponent of whatever government intervention was needed. For him and the constituency he represented, the AAA was the ideal level of government involvement. Indeed, it may not have been enough. Although Long is an extreme example, he represented a

non-trivial segment of the populace. As such, Long embodies the diametrical opposite of Higgs' hypothesis.

The most significant opinion leaders, of course, were the Presidents. Calvin Coolidge, Herbert Hoover, and Franklin Roosevelt were not unaffected by the academic tradition of interventionism. And the fact that these presidents were progressively more collectivist in their leanings shows that the American people changed gradually in their ideologies. Calvin Coolidge was a representative of a prosperous and satisfied America. He was totally opposed to federal intervention in the economy, and his rhetoric demonstrated this view quite clearly. Coolidge's message to Congress on December 6, 1923 is a good example:

No complicated scheme of relief, no plan for Government fixing of prices, no resort to the Public Treasury will be of any permanent value in establishing agriculture.

Simple and direct methods put into operation by the farmer himself are the only real sources of restoration....I do not favor the permanent interference of the Government in this problem (Schapsmeier: 75).

This message accompanied his veto of Capper's export corporation plan, and seemed to ignore the fact that the farm depression had begun its downward slide again with the harvest of 1923.

Coolidge maintained this stance throughout his presidency, and this sort of rhetoric can be seen in numerous veto messages, including those against the oft-defeated McNary-Haugen bill. On May 23, 1928, he grouched: "The duty of the Government is discharged when it has provided conditions under which the

individual can achieve success" (Schapsmeier: 107). In his mind, these conditions had already been met.

Although Coolidge did not represent the entire nation, his views seemed to be those of the majority, especially since he returned to office in 1924. But among the opinion leaders in Congress, enough consensus existed to pass numerous interventionist bills. Thus Coolidge maintained a tenuous balance between those who sought relief for farmers and those who were satisfied with the status quo. It is notable, however, that this balance grew more and more tenuous as the 20s wore on. Americans were beginning to see the horrors of the farm depression, and they wanted intervention. By the time Hoover was elected in 1928, these cries for intervention had grown loud enough to be heeded, albeit in a limited fashion.

Hoover holds a place in history as the president who stood by his laissez faire ideology to the bitter end. This characterization is quite wide of the mark. Hoover was actually much closer to being an interventionist than Coolidge was. Moreover, as his presidency wore on, the combined pressures of the Depression and his own leanings toward interventionism began to take their toll. Hoover's statements about laissez faire capitalism are very familiar. In Milwaukee on October 1, 1924, Hoover (speaking as Secretary of Commerce) said:

Remedy can come only by organizing the marketing system, not by Government purchase and sale....If all agricultural production were organized into great cooperative units, it would be possible to bring about economic adjustment in one or two years in the same way industry is able to do it....No systems can survive

attempt[ing] to set up artificial barriers against the long run effect of supply and demand (Schapsmeier: 118).

Hoover was aware of the farm depression, but with Bernard Baruch, he felt that farmers should be able to help themselves. Hoover took this view on the campaign trail in 1928. His acceptance of the republican nomination indicated that "he would oppose any farm relief plans involving subsidies and bureaucratic control of production" (Kirkendall: 40-41). In addition, his rhetoric often labeled as "socialist" or "fascist" those programs which advocated direct, large-scale government intervention in the economy (Rowley: 27).

Many of Hoover's ideas on voluntarism stemmed from his actions in World War I. His opponents often used this fact to spur him to action. When he was reluctant to engage in deficit spending, advocates insisted that if it had been justified in wartime, it was justified in a depression (Leuchtenberg: 96). But Hoover still balked at this idea because he saw the war as a time when maximum voluntary action was encouraged (100). It seems likely that this approach was only rhetorical. Actually, wartime "volunteer" efforts were quite the opposite. As Barry Karl writes:

The promotion of Americanism and a spirit of wartime loyalty inevitably focused on the dissenters, the un-American and the disloyal, who opposed the war for whatever reason. The line between promotion and coercion dimmed as the effort to define loyalty intensified. A failure to volunteer for service, even an inability to do so for legally acceptable reasons, became tantamount to opposition in the eyes of a community aroused to furor against the enemy (40).

Hoover, who was head of the Food Administration, also engaged in these sorts of practices, including the use of emotionalized propaganda to convince citizens to accept the war programs (Rothbard: 83-4). In fact, Hoover's role as Food Administrator indicates that he was far closer to being a planner than most would admit. As Murray Rothbard notes:

The most thoroughgoing system of price controls during the war was enforced not by the WIB but by the separate Food Administration over which Herbert Clark Hoover presided as "Food Czar"....[he] accepted his post shortly after American entry into the war, but only on the condition that he alone have full authority over food, unhampered by boards or commissions (82-3).

The Food Administration actually began before a law had been passed to establish it, and Hoover had headed it up at this time. These war experiences had a deep influence on him, one aspect of which was a well-developed favoritism for government reorganization of the economy. Indeed, Hoover had been supported by many liberals in the 1920 election, partially because of the numerous planning ideas which he carried over from the war (111-112).

As the farm depression grew in intensity, and as the entire economy collapsed in 1929, Hoover was increasingly pressured to relax his stance on the economy. In reality, these pressures merely underlined Hoover's personal crisis: he believed in intervention, but only to a certain extent. In fact, as Barry Karl notes, he was actually in favor of government planning, provided it was done on the state and local level (86).

Proponents of adjustment were asking him to act both more

massively and more centrally than he was ready to. As Rothbard concludes:

All his life he had been a dedicated corporatist; but all his life he had also liked to cloak his corporate-state coercion in cloudy voluntarist generalities. All his life he had sought and employed the mailed fist of coercion inside the velvet glove of traditional voluntarist rhetoric. But now his old friends and associates--men like his longtime aide and Chamber of Commerce leader Julius Barnes, railroad magnate Daniel Willard, and industrialist Gerard Swope--were in effect urging him to throw off the voluntarist cloak and to adopt the naked economy of fascism. This Herbert Hoover could not do (143-4).

It could be said that this description parallels the ideological development of the American people. Clearly the tendency toward collectivism was there, especially among the intellectuals. But Americans were not yet ready to adopt it in its entirety. One reason they were not ready was that Hoover was not quite the opinion leader that either Coolidge or Roosevelt was. Hoover did not often utilize rhetoric. His statements were dry and uninteresting. He did not rely on metaphorical catch phrases. Thus he was not able to shape public opinion like Roosevelt later did (Karl: 99). Given the other traditions I have shown, it could be said that Americans were ready for interventionism, but they needed to be told that they were ready. This task was left to Roosevelt.

On the other hand, Hoover did represent the nation in his emphasis on state and local action. As Barry Karl writes:

President Hoover expressed the attitudes of the American middle class when he opposed federal intervention and looked for ways of maintaining control of relief by local communities and private organizations (108).

Although there were some voices in favor of intervention, Hoover represented the majority. Americans had not yet come to accept the role of the federal government in the economy. Thus the New Deal represented the result of a gradual ideological change.

Karl continues:

The drama of New Deal legislation, particularly at the beginning, sheds a false light on the years that preceded the New Deal, for it seems to imply that Congress passed the new laws in response to a public that demanded massive federal intervention after the Hoover years of inactivity. Emphasis on the Crash distorts our view of a crisis that grew slowly. Confidence in Hoover and the government ebbed gradually, and it never completely disappeared, as is evidenced by the fact that over fifteen million Americans voted for Hoover in 1932. (Twenty-three million voters gave Roosevelt his landslide victory.) (90).

Since the agricultural depression was ten years old, it was hard for politicians to deal with it on a massive scale. It took the general crash to change America's mind, and then only slowly. It seems clear, however, that Hoover represented one step in a continuum. Coolidge had been a staunch advocate of laissez faire. Hoover's tendencies were much closer to interventionism, but only on the local level. With the rest of America, Hoover saw an economic system that was rapidly changing. He knew that action had to be taken on behalf of the individual. But he was not yet ready to allow the federal government to take control. It took Roosevelt, the master politician, finally to coax America to accept federal intervention.

Unlike Hoover, Roosevelt did not have any reservations about collectivism (Rothbard: 145). Roosevelt had even pointed out

during the 1932 election that Hoover was unwilling to take the necessary steps to save capitalism. Roosevelt insisted that the Depression was even more serious than war, and that in order to end the Depression, America needed action similar to the actions of World War I (Leuchtenberg: 100-1). In his inaugural address, Roosevelt asked for broad executive powers, similar to those a president might have in wartime (105). He sought to heighten the atmosphere of crisis as much as possible. As Barry Karl writes:

He allowed himself to become a media event, above the realities of the crisis, more startlingly visible than presidents were accustomed to being. He thus began a new presidency as none before had begun his, and none since. For Americans a new era of mass politics had begun (104).

Americans responded readily to his approach.

Desperately eager for salvation and reassurance, the greater public accepted with seemingly little question Roosevelt's almost warlike, quasi-totalitarian plea for disciplined action under strong leadership....A grim Congress accorded Roosevelt's bills the near-unanimous consent usually reserved for war legislation (Ekirch: 92).

But more significantly, it was not so much that America had suddenly changed. Certainly the intensity of the Great Depression changed the common view of depression from a local phenomenon to a national one. But part of "what made the Great Depression great," as I have shown above, was the intensity of the rhetoric of the day, especially Roosevelt's. Indeed, Roosevelt's ideology was not that much different from Hoover's, except that he favored federal controls while Hoover favored state and local controls. What was truly different was Roosevelt's rhetoric and his effective use of it. In a lengthy

but colorful passage, Barry Karl describes the master opinion leader:

It would be difficult to find an event in the annals of modern political leadership that compares with Roosevelt's coming to office. From the richly intoned religious metaphors and ringing promises of his inaugural address to the warm and supportive simplicity of his Fireside Chat lessons on banking, he stirred energies and soothed fears. Public psychology and popular attitudes were instruments he played with consummate skill, and the new media, which carried his voice and photographed his smile, his gestures, the long cigarette-holder held at a jaunty and confident angle, were tools he used to represent feelings that gave words, facts and numbers a meaning and a utility that later analysts might well find puzzling. The truths Americans needed in that first week of March 1933 did not depend on the sciences Hoover had sought to invoke but on gut reactions that had to be produced before history could be put back into motion (103).

The effect which Roosevelt had on the nation must not be underestimated. In fact, one could argue that the nation placed confidence in him not because of the nature of the programs he put in place, but because of his "charismatic handling" of the crisis (227). As Karl notes, the first New Deal did not produce much abiding legislation. Congress continued to experiment and public opinion continued to surge, "often in directions Roosevelt found it difficult to accept" (227). Therefore, we should not say that Roosevelt represented the pinnacle of American ideology and that he determined the entire course of the New Deal. He merely understood how Americans thought, and he used this knowledge to his political advantage. Ideologically, he was not much different from Hoover; in fact, as I have shown above, his ideology was not very well defined, and it relied heavily on the intellectuals around him. To that extent, Roosevelt was very

much a part of the ideological tradition which had started before WW I. What distinguished him was his superior use of rhetoric in molding public opinion.

V. Conclusion

Although the opinion leaders I have described here are by no means an exhaustive list, they represent a significant portion of the population. Specifically, they represent those most interested in the farm policies of the New Deal. It would be a monumental task to investigate all the key leaders of the day, not to mention all the leaders of the day. I would argue, however, that this list is significant enough to show that there was an undeniable ideological tradition underlying the thoughts and actions of these leaders. This tradition can also be traced through the intellectuals of this period. In addition, I have argued that the great Depression was more than "just another crisis." Rather, it was a unique event which changed the way Americans thought about crisis and about the need for government intervention. Finally, part of the ideological tradition I have described is related specifically to agriculture. Namely, because of the profound demographic changes in agriculture, the twentieth century saw a need for intervention in the farm economy that had never before seemed necessary.

These four factors call into question Higgs' explanation of the ratchet phenomenon. Government truly does grow the most during crises. And it seems evident that the scope of government does not tend to return to its precrisis level. But at least in

the case of the agricultural programs of the New Deal, it cannot be said that this "ratchet phenomenon" can be explained by ideological changes caused by the programs themselves. That is, it does not seem to be the case that Americans grew more willing to accept agricultural programs once they had seen them in action. In fact, the opposite was often true. It is therefore necessary to devise an alternate way to approach the question of governmental growth.

A fruitful approach seems to be an examination of ideological trends. As I have shown, this approach, when applied specifically to agriculture, yields valuable insight. It seems likely that the same approach, when applied to other areas of government control, and when intensified, would yield similar fruit. This application to the agricultural sector suggests several conclusions. Governmental growth does not seem to ratchet upward as a result of crises, at least not in the way Higgs suggests. Rather, crisis seems to induce radical change, and these changes remain (in greater or lesser magnitude) because the perceived crisis remains. Secondly, twentieth century governmental growth can be seen as a result of converging intellectual and sociopolitical trends whose roots lie deep in the nineteenth century. The populist movements of the 1870s, 80s, and 90s gave birth to a political movement which did not last. But the children of that movement carried the seeds of a new movement which would transform the face of government forever. And the same populist movement birthed an intellectual

tradition which first bore fruit during WW I. By the time the Great Depression hit, the second generation of agricultural economists was plying its influence. Moreover, the very presence of such intellectuals in Washington--a rarity before WW I--inspired Roosevelt to gather such minds around him, thus giving them an unprecedented influence. These two trends converged at an opportune time and place, and the result was a giant step forward for the federal government.

I argue that if the Depression had happened twenty years earlier, we may not have observed the same ratchet phenomenon. Moreover, we cannot base a theory of twentieth century government on this one unique period. The Great Depression could never be repeated; the conditions which caused it could never exist again, partially because of the way our system has changed. Thus one damper to the ratchet phenomenon is that as government grows in scope, crises may cease to be as great, and government may not be able to grow as much. At any rate, it seems that the best explanation for the ratchet phenomenon as it has occurred throughout the rest of the century is that the same ideological tradition has continued, gradually changing, and has made some moments more opportune than others. If that is true, the Great Depression was one of the ripest moments in history.

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