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by

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THE McNARY-HAUGEN BILLS, 1924–1928

An Attempt to Make the Tariff Effective for Farm Products

DARWIN N. KELLEY

Substantial equality of opportunity for agriculture has long been basic in the thought of the American farmer. At the beginning of the nineteenth century, John Taylor of Caroline County, Virginia, voiced a trenchant demand for the abolition of special privilege. Since the Civil War, this objective has been an important factor in the farm movements. Moreover, although originally demanded while the United States was primarily agricultural, it has continued to be a dominant note in American political life. Many observers, anxiously peering into the political future of the Nation, discern the agrarians as dedicated to substantial equality and believe that the farmer holds the balance of power in the conflict between industry and labor for control of the Government.

In accordance with the theory which distinguishes them, the agrarians fought for the McNary-Haugen bills as a means of solving the problems of a dislocated economy. Before these bills emerged, the American farmers were confronted with a serious problem, and before the movement could make substantial progress, it was necessary to have leaders. In fact, the bills did not receive serious consideration until the different agricultural regions found a basis for united action. This development took place over a period of several years and is difficult to understand without close examination.

In striking contrast with the relative prosperity which agriculture enjoyed during the first two decades of the twentieth century was the collapse following the World War. Almost immediately, there was a demand for relief, and while trying to decide on the form that it should take, the farm leaders, of necessity, surveyed the agricultural situation and noted the comparative position of business. They could see that business men were able to protect their interests within the Nation because of like-mindedness, organization, capital, and united purpose. They also observed that business, by its influence in the Federal Government, used the tariff to secure an effective advantage in the economic system. In the following years, the farm leaders became more and more convinced that this was one of the primary reasons for business prosperity and farm depression. Consequently, the farmers wished to equalize the advantage of the tariff by making it immediately effective on agricultural staples and ultimately on all farm products.

To accomplish this end, it was necessary to secure the enactment of requisite legislation, and accordingly the McNary-Haugen bills were introduced into Congress. Appearing first in 1924, all of this series of bills, except the last which was introduced on December 5, 1928, contained the principle of the equalization fee which farm leaders believed would make the tariff effective on agricultural products. Because of the severity of the rural depression, these bills were the center of a farm movement during these years.

In the 1920's, nothing loomed so large in rural America as its economic dislocation. Only economic pressure of the direst sort could have brought the highly individualistic elements of the various sections together in support of the McNary-Haugen bills. The Secretary of Agriculture reported a shrinkage in the total value of all crops from 16 billion dollars in 1919 to 13 billion in 1920. Taxes absorbed one-third of the farmer's income in 1921.[1] Agriculture was still seriously depressed in 1924 when the first McNary-Haugen bill was introduced, and, except for a temporary improvement in 1925 due to poor harvests abroad and good crops in the United States, this situation continued until the final defeat of the equalization fee in 1928.[2]

The agricultural depression was destined to be a long and ruthless economic siege, taxing to the limit the resources of individual farmers as well as the whole economic structure of agriculture. However, the severity of the situation was never obvious to the public because the full weight was felt in different regions at different times, and by different classes of farmers at different times. The number who supported the movement for the McNary-Haugen bills grew as the agricultural depression spread. Yet, even at the lowest point of agrarian distress—a point reached after the period covered by this study—a considerable number of farmers who were not seriously affected often denied that there was a serious farm depression and expressed this view whenever invited to do so by the opponents of the bill which needed "farm" opinion to bolster its ends. The chief explanation of the fortunate position of this small group of farmers was a strong initial financial base which relieved fixed overhead, such as interest and debt payment, and made it possible to profit from machinery and science.

This economic disaster felt by many farmers during a period of general business prosperity gave rise to much diagnosis. Books were written, pamphlets distributed, innumerable magazine articles published, investigations made, and speeches given—with the result that conflicting ideas were exceedingly numerous. To avoid the confusion created by biased writings, agricultural census data may be used to measure the extent of the rural decline.

The rapid increase in the number of farms, long a characteristic of American agriculture, ceased shortly after the World War, with a decrease of 76,000 farms from 1920 to 1925 and another 82,000 by 1930.[3] The number of farm owners dropped from 3,925,000 in 1920 to 3,868,000 in 1925 and decreased further to 3,568,000 in 1930. The number of tenants increased from some 2,454,000 in 1920 to over 2,462,000 in 1925 and showed a further rise to over 2,664,000 in 1930. The number of share croppers increased from over 561,000 in 1920 to over 776,000 in 1930. Farm evaluations show even more clearly the havoc of the depression. The value of farms, including land and buildings, was over 66

[1] U. S. Department of Agriculture, *Yearbook*, 1920, p. 17; 1922, p. 7.

[2] John D. Black, *Agricultural Reform in the United States*, 3 (New York, 1929).

[3] U. S. Bureau of the Census, *United States Census of Agriculture*, 1935, 1:xvi.

billion dollars in 1920; by 1925, it had declined to less than 49½ billion, while in 1930, it was less than 48 billion.[4]

Individual effort at adjustment was the natural course for nearly all farmers, and not until the inadequacy of this effort became apparent was progress made toward uniting them. Some were able to better their condition, but the great majority were largely dependent on staple crops and the consequence of ruinous prices could not be avoided. Innumerable makeshifts were attempted throughout the country. The efforts to utilize more agricultural products in industry were not without results, but the national problem of a depressed agriculture remained. One factor complicating the situation was that the farmers in general were operating on the theory that they must raise larger crops in order to increase their income, even though the prices were lower.

The course of the farm depression can be easily traced. It began in 1918 in the northwest spring-wheat region. By 1921, the range country was suffering severely. During 1920–22, the older regions of the South entered a long and severe depression, which was aggravated by the ravages of the boll weevil as well as low prices. By 1923, the corn belt was suffering, with land values dropping and hog and beef prices slipping to pre-war levels. The Southwest and the East were among the last to be affected. Progressing steadily, the depression spread through one agricultural region after another until all of them were involved.

As the conflicts between agriculture and industrial capitalism have long been the heart of the American party battle,[5] a political struggle was to be expected from the agricultural situation. The farmers had potential strength, and soon after the beginning of the decline in the Northwest, their leaders were aroused to action. The spokesmen for agriculture in Congress organized what proved to be a very effective political organization, commonly called the agricultural bloc,[6] which was designed to take the place of a third-party movement.[7] Whatever farm relief was attempted in these years was due to the pressure of this group.

The foremost consideration which made the farm bloc a challenge to the industrialists was the belief of the farmers that they were in harmony with the fundamental principles of their country. They believed that George Washington was on their side, and they saw Abraham Lincoln as the great representative of the agrarian west; moreover they were accurate in claiming the heritage of both the Jeffersonianism of the southern planter tradition and the agrarian concepts of the Republican Party as enunciated during its early years. Second only

[4] John D. Black, "The Progress of Farm Relief," *American Economic Review*, 18:258 (June 1928). According to Black, it is "preposterous" to say that agriculture lost 20 billion dollars in wealth during 1920–28, but a tremendous loss is easily demonstrated.

[5] Charles A. Beard, *The American Party Battle*, 141 (New York, 1928).

[6] Arthur Capper, *The Agricultural Bloc*, 3 (New York, 1922).

[7] Henry A. Wallace, *New Frontiers*, 147 (New York, 1934).

to this was the lesson the farmers had learned from their opponents—the importance of the use of Government power to serve particular ends. They reasoned that agriculture had as much right to governmental privileges as the corporations, that the Government had aided big business for years on end, and that it was time to help "the people." The success of the bloc is indicated by the fact that the measures which it had sponsored were used by the campaign committee of the Republican Party as indices of its progressive attainments.[8]

The same economic pressure that created the agricultural bloc resulted in a meeting in 1922 which revealed the conditions giving rise to the idea of an equalization fee. The National Agricultural Conference of 1922 and the Joint Commission of Agricultural Inquiry were working at approximately the same time,[9] considering the same problems and agreeing on all important conclusions. Henry C. Wallace, the Secretary of Agriculture, hoped that the Conference would provide a specific program for farm relief, and although disappointing in this respect, it does mark the turn of the farmers from rugged individualism to organized effort. President Warren G. Harding addressed the Conference and gave a realistic analysis of the problem.

It is rather shocking to be told, and to have the statement strongly supported, that 9,000,000 bales of cotton, raised on American plantations in a given year, will actually be worth more to the producers than 13,000,000 bales would have been. Equally shocking is the statement that 700,000,000 bushels of wheat, raised by American farmers, would bring them more money than a billion bushels. Yet, these are not exaggerated statements. In a world where there are tens of millions who need food and clothing which they cannot get, such a condition is sure to indict the social system which makes it possible.[10]

Farther than this analysis, the President could not go. To be sure, approval was given to credit and some of the other more favored suggestions for farm relief, but these were meager gestures. Nevertheless, the farmers achieved two things at this Conference. They steered clear of the old-time correctives of bimetallism, trust busting, and railroad baiting, and they secured the inclusion of a recommendation in the report that Congress and the President take steps to re-establish a fair exchange value for all farm products in comparison with other commodities.[11]

In 1922, the year of the National Agricultural Conference, the equalization-fee plan, which was to be the basis of the McNary-Haugen bills, appeared in pamphlet form for the first time but without an author's name. A second edition in the same year bore the names of George N. Peek and Hugh S. Johnson as authors and was addressed to J. R. Howard, president of the American Farm

[8] John M. Gillette, "Labor, Farmers and the Farm Bloc," *Survey*, 49:395 (Dec. 15, 1922).

[9] National Agricultural Conference, Washington, D. C., 1922, *Report of the National Agricultural Conference, January 23-27, 1922*, p. 4 (Washington, 1922).

[10] *Ibid.*, 11.

[11] *Ibid.*, 138.

Bureau Federation.[12] The essential part of the plan remained the same, namely, to sell agricultural surpluses abroad at the world price but in the domestic market at a "fair" exchange level.[13] A fair exchange value was defined as one which bears the same ratio to the current general price index as that of a ten-year, pre-war, average crop to the average general price index for the same period. According to the authors, the essence of the plan was to amend the protective principle so that it would do for agriculture what it had done for industry. This was to be accomplished by enabling agriculture to regulate its supply to the demand on the domestic market as industry had done. This proposal embodied an economic theory that challenged the prevailing system. It was reasoned that the method followed for centuries in most countries—that of exploiting and draining the wealth of agriculture to bolster industrial prosperity—had brought a host of evils and perils to the Nation. It was emphasized that without protection for agriculture there should be none for industry; the Nation should cease the "absurd attempt" to operate the protective principle to the detriment of agriculture for the benefit of industry.

Peek presented his plan at the Agricultural Conference of 1922, but little came of this action except approval of the idea of a "fair exchange value." In 1924, however, the equalization-fee plan was introduced to Congress by means of the first McNary-Haugen bill. By this time, most of the issues had been clearly drawn, but there was still much public confusion because of the complexity and violence of feeling which accompanied their publicity. Although there were many issues involved, the main one was political.[14] It was the old question of the balance of power in Congress. More fundamental than McNary-Haugenism itself was agriculture's stand against the domination of its affairs, as well as those of the country in general, by the commercial and industrial interests. The farmers wanted two things: A national policy to equalize agriculture with industry by making the tariff effective for both; and control of the agricultural policy which was held by the industrialists.

The McNary-Haugen bill of 1924 proposed an agricultural export corporation, controlled by the Secretary of Agriculture, the Secretary of Commerce, the Secretary of the Treasury, the Chairman of the United States Tariff Commission, and three directors appointed by the President with the consent of the Senate. This corporation was to terminate within ten years, and it was to have a capitalization of 200 million dollars. In times of emergency, it would buy certain enumerated crops—wheat, flour, corn, raw cotton, wool, cattle, sheep, swine, or any product of cattle, sheep, and swine,—and establish a ratio price for them which "shall bear the same relation to the current all-commodities price as the pre-war prices bear to the pre-war all-commodity price."[15]

[12] George N. Peek and Hugh S. Johnson, *Equality for Agriculture*, 31 (ed. 2, Moline, Ill., 1922).

[13] Black, *Agricultural Reform*, 232.

[14] John D. Black, "The McNary-Haugen Movement," *American Economic Review*, 18:405 (September 1928).

[15] 68 Congress, 1 Session, House Committee on Agriculture, *McNary-Haugen Export Bill; Hearings ... on H. R. 5563*, Jan. 21, 1924, serial E, part 1, p. 1.

The chief trends in the McNary-Haugen bills, from the first in 1924 to the final one in 1928, were as follows: The first bills were emergency measures whereas the later ones suggested a permanent policy; the equalization fee remained the basic feature, although cooperative marketing was added in 1926; all important agricultural products were finally brought into the plan; the collection of the fee was shifted closer to the export market; there was a working away from the charge of price fixing; reference to tariff effectiveness was replaced with emphasis on orderly marketing; and, in the later bills, more recognition was given to the probable necessity of controlled production.

In 1924, the debates largely centered around minor issues,[16] and a combination of factors predestined the defeat of the bill. An initial handicap was the confusion resulting from the complexity of the equalization-fee plan. Then, too, the farmers had only begun effective organization. Perhaps the most decisive factor was the prevalent theory that the farmers should work out their own problems without governmental interference with the operation of economic laws as applied to agriculture. At that time, little, if any, attention was given to the factor which should have caused a demand for revision: the ill-founded belief in an inexhaustible foreign market which would complacently countenance the dumping of low-priced goods.[17] One important effect, however, was accomplished; before 1924, the equalization-fee idea was known only to a few, but after the debate in the House of Representatives the attention of all interested in agricultural legislation was centered on it.

In 1926, the advocates of the equalization fee organized under the direction of George N. Peek who was chairman of the executive committee of twenty-two which had been set up by a conference held at Des Moines, Iowa. The day before this conference met, the House of Representatives passed the Haugen cooperative bill. Congress and the President were watching the conference, and this action by the House was probably timed. President Coolidge sent a message to the gathering at Des Moines, voicing the hope that progress in marketing conditions for agriculture would be made.[18] The implication of his message was that the conference should steer away from the equalization fee, but the result was a uniting of the men who were working for the McNary-Haugen bill. They clarified their position and plan of action, and they were ready to present their case when the proper time came.

Although the McNary-Haugen bill of 1926 was defeated, important changes were made which added much to its political appeal in Congress.[19] The cooperative sentiment was united with the measure when Congressman Dickinson introduced a bill similar to the McNary-Haugen bills, except that provision was made for the actual handling of the surpluses by cooperatives whenever possi-

[16] Henry C. Wallace, *Our Debt and Duty to the Farmer*, 203 (New York, 1925). This is the best presentation of the case of the farmers.

[17] Wallace, *New Frontiers*, 148.

[18] *Des Moines Register*, Jan. 28, 1926.

[19] 69 Congress, 1 Session, Senate Committee on Agriculture and Forestry, *Agriculture Relief; Hearings ... on ... Bills Relative to Agriculture Relief*, Mar. 29–Apr. 3, 1926.

ble.[20] This appealed especially to the cotton cooperatives as they handled only about 10 percent of the crop, and to benefit by the proposal it was necessary for them to have a setup in which all cotton growers were forced to participate. The outcome was a conference at Memphis in March 1926 at which the cotton cooperatives and the equalization-fee forces agreed to unite and support the McNary-Haugen idea with cooperative marketing added. When the bill finally took shape, there were further concessions to those opposing the equalization fee: corn and cotton were exempted from inclusion until three years after the passage of the act, and would not be included even then unless authorized by Congress.[21] Not enough support was marshalled, however, to pass the bill.

The McNary-Haugen bill was again introduced in 1927. As one supporter pointed out, the real value of the proposal was that it channelized production and gave bargaining power.[22] This was necessary in order to raise agriculture to the artificial level of other industries. As the bill proposed to make the tariff effective for agriculture, Senator McNary stated that, while favoring a high tariff, he recognized that lowering it would also equalize the situation and permit the farmer to buy his supplies on the same basis that he sold on, namely, the world market.[23] He also suggested that prices could be equalized by limiting agricultural production—a procedure then believed to be visionary and impossible.

Summarizing the appeal of the farm spokesmen for the McNary-Haugen bill, Congressman Fred S. Purnell informed the House that:

> Men came from every nook and corner of the United States before our committee; and without deviating one whit in their several stories—and they had not talked them over in advance—they all agreed upon and detailed certain conditions which exist in our country. They were agreed and it is not now disputed that agriculture is not on an equality with industry and labor; that agriculture is not now on a paying basis. It was agreed that the time had finally come when we must seek a legislative remedy. Not 2 per cent of them who came before the committee detailing conditions in agriculture had the temerity to walk in and lay down any concrete remedy by which they thought it might be solved. That duty they were all willing to leave with the Committee on Agriculture. The representatives of more than 4,000,000 farmers, however, did agree finally upon the proposal that is now before you.[24]

Those opposing the bill were equally emphatic. Although forced to recognize the existence and seriousness of the agricultural depression, they had nothing to offer that was not already outworn. By a sectional vote of 214 to 178 in the House and 47 to 39 in the Senate, the bill was passed.

While the political effects of a veto were the subject of anxious conversation in congressional cloakrooms and the farm-bloc members declared that such

[20] Black, *Agricultural Reform*, 234.
[21] *Ibid.*, 235.
[22] *Congressional Record*, 68(2):1728 (Jan. 15, 1927).
[23] *Ibid.*, 68(3):2933 (Feb. 4, 1927).
[24] *Ibid.*, 68(4):3865 (Feb. 15, 1927).

action would destroy the President's chance of re-election in 1928, the decision was made to refuse approval.[25] President Coolidge's defense of his action may be summarized as follows: the bill was price fixing; it would increase production and decrease consumption; its objective would be wrecked by administrative difficulties; it would create a bureaucracy; and, most decisive of all, it was unconstitutional.[26] The President desired a bill to promote cooperative marketing but not the equalization fee. To Congressmen, this position raised an essential question: did the equalization fee have to be included?

Before considering the development of the McNary-Haugen bill of 1928, it is expedient to briefly survey the main contemporaneous studies of agriculture by economists, farm leaders, and industrialists. Probably never before in American history had such a competent group of men made a serious study of agrarian problems. The two principles of the McNary-Haugen bills—the equalization fee and marketing—were of such importance that none who dealt with the agricultural situation could ignore them. Both the prosperity and political power of the farmer were at stake.

Political philosophy and traditional concepts were also involved. The prevalent thought of the agrarian leaders was "equality"—the same use of the Government for all classes and interests. The industrialists advocated policies which used the Government primarily for business and helped agriculture and labor if doing so might in return bring financial reward to industry. At the time of the McNary-Haugen bills, the agrarian leaders were friendly to both industry and labor, but they insisted that Government aid to business should be matched with equal assistance to the farmer. Concessions were constantly made to the farm leaders who were supporting the principle of the equalization fee.[27]

The farm movements of the latter part of the nineteenth century, the Country Life Movement, and the expansion of agriculture, together with the increased use of science and mechanization during the World War formed the background of the agricultural thought of the 1920's. The need of a national policy for agriculture seemed evident to some by 1919.[28] The purpose and organization of the American Farm Bureau Federation, which became the strongest farm-organization supporter of the McNary-Haugen bills, was clarified for the public two years later.[29] In the same year, James E. Boyle presented the viewpoint of the industrialists toward the farm problem.[30] In 1924 and 1925, at least three important publications appeared: Edwin G. Nourse surveyed the Euro-

[25] *New York Times*, Feb. 10, 1927.

[26] *Ibid.*, Feb. 26, 1927.

[27] For example, note the statement in Wilson Gee, *The Place of Agriculture in American Life*, 184 (New York, 1930).

[28] Eugene Davenport, *Wanted: A National Policy in Agriculture* (Urbana, Ill., 1919), originally printed in the Association of American Agricultural Colleges and Experiment Stations, *Proceedings, Convention* (1919), 32:52–68.

[29] Orville Merton Kile, *The Farm Bureau Movement* (New York, 1921).

[30] James E. Boyle, *Rural Problems in the United States* (Chicago, 1921).

pean market and reached pessimistic conclusions; the American Academy of Political and Social Science presented a comprehensive analysis of the situation; and Henry C. Wallace summarized the case of the farmers.[31]

The nature of the equalization fee in the McNary-Haugen bills caused a division in Congress which cut across party lines as early as 1924, but it was not until two years later that the cleavage seriously affected the ranks of the Republican Party.

Industrialists, reading the signs, recognized the necessity of doing something about the farm situation, and their response was a study made by the National Industrial Conference Board.[32] More important was the study made the next year by the Business Men's Commission of Agriculture.[33] Although the members of this body were all executives of important manufacturing, financial, and transportation enterprises, they were not hand-picked to secure a certain type of recommendation. Having accepted as valid the contention of the McNary-Haugenites that it was necessary either to revise industrial protection or to give agriculture an equivalent advantage, they recommended the former. Since they also recognized that industrial and commercial enterprises were receiving Government support, while agriculture was left to the mercy of *laissez faire*,[34] it was necessary to advance a counter proposition to the McNary-Haugen bill. Shadowy in detail, but clear in form and purpose, their plan included tariff revision and orderly marketing. Clearly this proposal was an ancestor of the farm policy later adopted by President Hoover. The all-important difference between the plan of the industrialists and the McNary-Haugen bills was that the equalization fee provided a way to dispose of the surplus; both fee and surplus control were omitted in the counter proposal.

A report by a committee of the Association of Land-Grant Colleges and Universities covering the same topics as that of the Business Men's Commission also appeared in 1926. The next year, one study saw a ray of hope in cooperation; another concluded that it would be necessary to increase the farm income before the standard of rural life could be raised; and a third pointed to progress in the rural districts, due to the use of the capital of the farming business to provide relief from drudgery.[35]

In 1928, a study of the possibilities of utilizing the farm surplus by increasing

[31] Edwin G. Nourse, *American Agriculture and the European Market*, 162–174 (New York, 1924); American Academy of Political and Social Science, "The Agricultural Situation in the United States," *Annals*, 117:1–304 (January 1925); Wallace, *Our Debt and Duty to the Farmer*.

[32] National Industrial Conference Board, *The Agricultural Problem in the United States* (New York, 1926).

[33] Business Men's Commission on Agriculture, *The Condition of Agriculture in the United States and Measures for Its Improvement* (New York and Washington, 1927).

[34] *Ibid.*, 7.

[35] Macy Campbell, *Rural Life at the Crossroads* (Boston, 1927); American Country Life Association, *Farm Income and Farm Life*, edited by Dwight Sanderson (New York, 1927); E. R. Eastman, *These Changing Times; A Story of Farm Progress during the First Quarter of the Twentieth Century* (New York, 1927).

industrial uses gave evidence of romantic thinking in its chapter entitled "Rubbing Aladdin's Lamp."[36] Another study spoke of the "Futility of Farm Relief." In this election year, James E. Boyle's book on *Farm Relief*, a volume evidently written to persuade rather than to present a careful analysis, was afforded an opportunity to reach a large audience by virtue of its gratuitous distribution by opponents of the McNary-Haugen bill.[37]

In 1929, John D. Black of Harvard University published the most comprehensive of the treatments on the economics of the subject,[38] and the American Academy of Political and Social Science issued a companion study to their volume of 1925 which closed with Senator McNary and Secretary W. M. Jardine praising Herbert Hoover's plan for marketing without the equalization fee.[39]

In spite of the opposition of President Coolidge, the farm leaders insisted on the inclusion of the equalization fee in the McNary-Haugen bill of 1928.[40] Without this fee, the measure would have helped agriculture about as much as a tariff act without a single schedule of duties would help industry. The farm leaders absolutely refused to support any bill which did not constitute a real attack on the problem, for the morale of the farmers was breaking under the belief that Congress could not or would not do anything for them. Labor was also firmly behind the bill. The result was that the Senate passed the bill by a vote of 53 to 23 on April 12, the House concurring 204 to 122 on May 3. Sectionalism was clearly shown in the vote. The Northeast did not give it support, and the President who was from that section vetoed this second bill on May 23.

The veto amounted to another summary of the case against the bill.[41] Probably politics was uppermost, but it is impossible to say which of the objections were valid.[42] With the defeat of the bill, those who had been supporting it turned to the Republican National Convention in an attempt to secure the presidential nomination for ex-Governor Frank O. Lowden of Illinois. The opposition, however, had little difficulty in carrying through their plans and nominated Herbert Hoover who had been one of the most determined opponents of the farm leaders.[43] There was a threat to bolt the party, and the farm leaders turned to the Democratic National Convention to see if they could secure a candidate favorable to them. However, at the Democratic Convention the problem of prohibition occupied the same place that the farm problem held at

[36] George M. Rommel, *Farm Products in Industry* (New York, 1928).

[37] James E. Boyle, *Farm Relief; A Brief on the Mc-Nary-Haugen Plan* (Garden City, N. Y., 1928).

[38] Black, *Agricultural Reform.*

[39] American Academy of Political and Social Science, "Farm Relief," *Annals*, 142:1-479 (March 1929).

[40] 70 Congress, 1 Session, House Committee on Agriculture, *Agricultural Relief; Hearings*, Jan. 17, 1928, serial E, part 1, p. 1-2.

[41] *New York Times*, May 24, 1928, p. 20.

[42] For trenchant criticism of the vetoes, see Black, "The McNary-Haugen Movement," 412.

[43] Republican Party National Convention, *Proceedings*, 1928, p. 134.

the Republican gathering.[44] The platform attempted to straddle the farm issue, and the ultimate position on prohibition was essentially a "wet" plank. An unfavorable reaction was to be expected in the rural sections which were the strongholds of the prohibitionists. In addition, the Democratic candidate was a Catholic and came from New York City. These and other factors combined to give Herbert Hoover an overwhelming victory; he received a large portion of the rural vote as well as that of the industrial sections.

The equalization fee mechanism for exporting the surplus was not to reappear but the principle of equality which was behind it did not suffer the same fate. During the debate over the McNary-Haugen bills and since the final veto, the question has been persistently asked: would the plan have worked? This cannot be answered conclusively, but it takes no seer to perceive that if the farmers controlled national policy in the sense that the industrialists did, workable laws would have been found. That is, privilege would have been equalized.

The principle behind the equalization fee plan lived on. Although twice defeated in Congress and then passed only to be vetoed; routed in a presidential campaign; and, finally, set aside while Hoover's plan was being tried, the idea of equality by means of tariff effectiveness was by no means defeated. It emerged again in 1932 with increased vigor and, with the farm organizations finally united on this principle of action, played a prominent part in the election of that year.[45]

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[44] Democratic Party National Convention, *Official Report of the Proceedings*, 1928, p. 184.

[45] 72 Congress, 1 Session, House Committee on Agriculture, *Program of National Farm Organizations; Hearing*, Jan. 12, 1932, serial A, p. 3.