

DROUGHT, DEPRESSION, AND RELIEF: THE AGRICULTURAL ADJUSTMENT WHEAT
REDUCTION PROGRAM IN NORTH DAKOTA DURING THE GREAT DEPRESSION

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ABSTRACT

The purpose of this thesis is to examine how the Agricultural Adjustment Wheat Reduction Program functioned in North Dakota from May of 1933 to January of 1936, why it ran so smoothly, and why it was such a success within the state. By using county Extension Agent reports that date from the time period this thesis uses an extensive number of primary sources that have not been used before. These reports, along with farmer journal accounts, newspaper articles, and Agricultural Adjustment Administration reports show that North Dakota wheat farmers openly embraced the policies of the Wheat Reduction Program and participated in it in higher numbers than any other state in the nation. The farmers embraced the program because the drought and economic depression they were facing left them little choice, but also because the program did not seek to radically alter the structure of wheat farming in North Dakota.

PREFACE

Growing up on a farm in northern Minnesota, agriculture was always a vital part of my life. Not only was farming a means of survival for my family and me, but it also became a part of who I am as a person. I am a farmer's son, and I always will be. We grew a number of crops on my farm, but one crop was and still is my favorite: wheat. A ripened field of wheat is a thing of beauty, and the smell of harvested wheat is unlike anything else. When it came time for me to choose a subject to write my thesis on, I knew I wanted to write about wheat farming in North Dakota. Since the Great Depression also has always intrigued me, I decided to concentrate my thesis on the Agricultural Adjustment Act of 1933 in North Dakota. I knew that North Dakota wheat farmers participated in the AAA wheat program at a higher percentage than any other state, and I wanted to know how the program ran at the local level, and why the state had such high numbers of farmers signing up for the program. This is a story that has not been told before, and I wanted to contribute to North Dakota history as well as agricultural history by writing about wheat farmers during the Great Depression.

When I began this project it was my impression that the AAA was initiated and run at the local level by the county Extension Agents and that they were solely in charge of running the program at the county level. When I started reading the Extension county reports from 1933 and 1934, I discovered that the agents were in charge of the AAA, but also that farmers greatly assisted the agents by measuring acres, encouraging other farmers to sign up for the program, and policing the program by reporting violations committed by other farmers. Not only were farmers signing up for the program, they were the ones who were running it. The entire process was democratic in how it functioned, and it was this hands-on approach that appealed to many farmers of the state. North Dakota wheat farmers participated at a higher rate in the Wheat

Reduction Program than any other state in the nation and that program was a resounding success in the state. While certain programs within the AAA were not very successful, the Wheat Reduction Program in North Dakota was a success. The number of farmers who supported the program makes it clear that they embraced the program and wanted it to continue after it was declared unconstitutional in January of 1936. By using Extension Agent reports from across the state, the research conducted for this thesis is able to shed new light on what farmers were going through during the Great Depression and how the AAA worked at the local level. Many of the Extension Agent reports have not been looked at before and therefore present new information on the AAA Wheat Reduction Program in North Dakota. My thesis explains how that program was run and why it was so successful.

Writing a thesis has been extremely difficult and extremely rewarding. I have been assisted greatly along the way by several people. First off, I would like to thank Professor Tom Isern, who served as my adviser during this entire process. Professor Isern's guidance and encouragement helped me through many difficult times and I will never forget the help he gave me. His upbeat attitude kept me going at times when I felt the weight of the world on my shoulders.

Next I would like to thank the entire staff of the North Dakota Institute for Regional Studies, who helped me find sources that had been buried for quite some time. Directors John Bye and Michael Robinson were more than willing to pull archival material from storage units located across the city of Fargo, and I greatly appreciate their help. Archives technician Candy Skauge showed me how to use microfilm and always had a smile on her face, which helped make the long days at the archives seem a bit shorter. Once again, I thank the entire staff at the archives for their amazing help.

Finally, I would like to thank my family for their continued love and support. They have always pushed me to do my best, while also being supportive and encouraging every second of the way. I would not have been able to finish this thesis without them being behind me, and I truly thank them for loving and supporting me unconditionally.

TABLE OF CONTENTS

ABSTRACT.....	iii
PREFACE.....	iv
LIST OF TABLES.....	viii
LIST OF FIGURES.....	ix
CHAPTER 1. INTRODUCTION.....	1
CHAPTER 2. A GOLDEN STATE OF WHEAT.....	20
CHAPTER 3. IMPLEMENTING THE AAA.....	42
CHAPTER 4. THE RESULTS OF THE AAA.....	59
CHAPTER 5. CONCLUSION.....	71
WORKS CITED.....	80

LIST OF TABLES

<u>Table</u>	<u>Page</u>
1. Comparison of Yields of Spring Wheat between Minnesota and North Dakota.....	33
2. Acres Reduced and Harvested in Select Counties across North Dakota in 1934.....	56
3. Money Earned by Select Counties in North Dakota from the AAA.....	60
4. Results of Vote to Continue AAA in May, 1935.....	64

LIST OF FIGURES

<u>Figure</u>	<u>Page</u>
1. Homestead near Fullerton, ND, 1894.....	5
2. Dust Storm in North Dakota during the 1930s.....	11
3. Crew Assembled at Dalrymple Farm, 1880s.....	25
4. Amenia and Sharon Land Company Plowing near Amenia, ND, 1888-1889.....	27
5. Lawrence R. Waldron Working in a Greenhouse in 1949.....	34
6. M.L. Wilson.....	44
7. A Farmer, right, fills out a Wheat Reduction Contract with Cass County Extension Agent E.A. Calhoun.....	51
8. Grand Forks County Wheat Allotment Committee, 1933.....	54
9. Erwin Thompson Measuring Acres in Grand Forks County, 1935.....	63

CHAPTER 1. INTRODUCTION

In 1933, Thomas Peterson, a farmer from Harwood Township in Cass County, North Dakota, signed a contract with the Agricultural Adjustment Administration to reduce his wheat acreage. Peterson, a wheat grower for more than forty years in the Red River Valley was believed at the time to be the first person in the United States to sign an application for an Agricultural Adjustment Administration Wheat Control Contract.¹ By 1933 the Great Depression and the worst drought in the history of the state were making life tough for North Dakota farmers. Peterson, with the help of county Extension Agents, encouraged his neighbors to sign wheat contracts with the AAA, as he “felt growers have much to gain by doing all in their power to promote success of the AAA.”² Farmers across the state responded with enthusiasm to the AAA, and North Dakota had 93 percent of its wheat growers sign contracts with the AAA, the highest percentage in the nation.³ The enthusiasm and high participation numbers of North Dakota farmers shows that they welcomed the relief offered by the AAA, which was sorely needed during the tough economic and environmental times of the 1930s.

Much has been written on the Great Depression on the Great Plains. Many books have focused on the drought that devastated the plains region of the United States, and many more have looked at the dire economic conditions Americans faced, not only on the plains but also across the country. Although agriculture also has been written about extensively during this period, few authors have focused on what it was like at the grassroots for farmers living in North Dakota during this period, specifically wheat farmers. The point of this thesis is to examine how

¹ Undated *Fargo Forum* Article, North Dakota Cooperative Extension Service Annual Reports, Cass County, North Dakota Institute for Regional Studies, Fargo, ND Box 14, Folder 28.

² Ibid.

³ United States Department of Agriculture, Agricultural Adjustment Administration, *Agricultural Adjustment: A Report of Administration of the Agricultural Adjustment Act, May 1933 to February 1934* (Washington: United States Government Printing Office, 1934), 53.

the Agricultural Adjustment Act worked in North Dakota during the 1930s, including what the farmers thought about the act. The AAA benefitted over 90% of the wheat farmers across the state of North Dakota, and without the relief offered in the form of cash payments through the AAA, many farmers would have gone bankrupt and been forced to quit farming. The AAA may have had its shortcomings, such as helping larger farmers more than smaller farmers, but the AAA succeeded very well in North Dakota. This was mostly due to the disastrous economic and environmental conditions North Dakota farmers were facing, but it was also because the AAA was not a revolutionary program that was attempting to drastically change agriculture. Rather, the AAA sought to retain farmers on the land by giving them relief through crop reduction programs. Farmers were able to support the AAA because it provided relief without greatly altering the basic structure of wheat farming in North Dakota. While many authors have critiqued the AAA saying it did too little or too much, the fact is that wheat farmers in North Dakota benefitted greatly from the program and were enthusiastic about its continuation. This may not be true of every AAA program across the country, but in North Dakota the AAA was a success.

The Agricultural Adjustment Act was the primary way farmers received relief from 1933-1936, and how the act was run at the local level will be discussed here. This thesis will also analyze the history of the Federal Farm Policy, as well as the history of wheat farming in North Dakota. These events all led to the creation of the AAA in 1933. While many authors have focused on the successes and failures of the AAA on the national level, little attention has been given to local farmers in the northern plains of the country. The following is an attempt to shed new light on this topic and tell the story of what the farmers of North Dakota went through during the 1930s.

Long before the AAA was initiated in 1933, the federal government had introduced a series of developmental policies aimed at assisting the agricultural sector of the American economy. One of the first attempts to help American agriculture was the establishment of the Department of Agriculture in 1862. With the creation of the Department of Agriculture, the federal government had an institution that could develop and examine agricultural problems at a national level. The Department of Agriculture, which had been a division of the Patent Office before this point was officially created on May 15, 1862.⁴ The creation of the department had been favored by Republicans and President Lincoln recommended in his first annual message to Congress that such a department be established.⁵ The creation of this department would have a dramatic effect on agriculture in North Dakota in later years.

In 1862, the United States government controlled nearly all of the land west of the Mississippi River. Before the 1860s, settlement of the Great Plains was rather slow, and many Republicans were pushing for a land policy that would make the region easier to settle. A Homestead Act, which was aimed at making the settlement of government land easier and quicker, had support from northern Republicans in the 1850s, but many southerners objected to the ideas involved with the act. The southern states opposed a lenient policy for the dispersal of the federal lands, with the issue of whether slavery would be permitted on the new land of critical importance, while northern states encouraged settlement of the west because they saw the potential the land had and wanted it to be settled and farmed. The main argument was over money, as some felt the land should be sold at a profit, while others felt the settlement of the land quickly would benefit the country in the long-term. Democrats opposed any homestead bill, and

⁴ David B. Danbom, *Born in the Country: A History of Rural America* (Baltimore: Johns Hopkins University Press, 1995), 112.

⁵ R. Douglas Hurt, *American Agriculture: A Brief History* (Ames: Iowa State University Press, 1994), 189.

when legislation came up in the 1850s dealing with land legislation, they thwarted any attempt at the passage of a lenient land policy law. When the South seceded from the United States in 1860-1861, Republicans gained a large majority in both houses of Congress. The Republicans now had the strength to pass legislation regarding a federal land policy and on May 20, 1862, the Republicans voted in favor of the Homestead Act and one of the most liberal land policy acts in the history of the world officially became law.⁶

The Homestead Act of 1862 had straightforward procedures. Any person who was an American citizen, was twenty-one years old, or the head of a family, or had served fourteen days in the U.S. Army or Navy, and had never fought against the United States was qualified to file for 160 acres of federal land. This allowed thousands of settlers to fan out across the Great Plains and claim land for nearly free. In order for the settlers to obtain the land, they had to live on the land they purchased for five years and make improvements such as plowing the land, building fences, and constructing buildings. They also had to pay a filing fee, often only ten dollars. Before 1862, the Great Plains was viewed as the Great American Desert and it was difficult getting people to settle the region. The Homestead Act greatly helped Dakota Territory, according to John T. Schlebecker, because “the free land” offered through the act “promoted settlement of the plains, as did the coming of the railroad.”⁷ Historian Paul W. Gates notes that the Homestead Act “breathed the spirit of the West, with its optimism, its courage, its generosity and its willingness to do hard work.”⁸

⁶ John T. Schlebecker, *Whereby We Thrive: A History of American Farming, 1607-1972* (Ames: Iowa State University Press, 1975), 65.

⁷ Roy M. Robbins, *Our Landed Heritage: The Public Domain, 1776-1970* (Lincoln: University of Nebraska Press, 1976), 217.

⁸ Paul W. Gates, *History of Public Land Law Development* (Washington: United States Government Printing Office, 1968), 394.

After the Civil War settlers rushed onto the Great Plains and settlement of the region rapidly proceeded. The late 1860s and early 1870s were the first years that extensive settlement of the Red River Valley in eastern North Dakota occurred. The Homestead Act allowed many with little to no money the opportunity to obtain land and take a chance at farming. From 1863 to 1880, homesteaders established approximately 57 percent of the farms on the frontier and during the 1870s and 1880s, homesteading boomed in the central and northern Great Plains.⁹



Figure 1. Homestead near Fullerton, ND, 1894.¹⁰

Although the Homestead Act of 1862 had positive results for many American settlers, it also had its shortcomings. One of the major problems with the act on the Great Plains was the number of acres homesteaders were allowed to claim. 160 acres in the eastern half of the United States during the mid-19th century was more than enough land for a family to survive on, but on the Great Plains, where rainfall is often inadequate and the weather is much more extreme, 160 acres was not always enough land to farm for a profit. For example, North Dakota averages 17.8

⁹ Hurt, *American Agriculture: A Brief History*, 188.

¹⁰ http://digitalhorizonsonline.org/cdm4/item_viewer.php?CISOROOT=/uw-ndshs&CISOPTR=8492&CISOBX=1&REC=4

inches of rainfall a year, while Minnesota averages 27.8 inches.¹¹ This rainfall discrepancy lowers the yields of most crops, including wheat. (More will be discussed on yields in chapter 2.)

There was also an abundance of fraud that surrounded claims as speculators would claim the land unlawfully, then turn around and sell it to settlers. It is estimated that 50-95% of the filing applications in Dakota Territory were fraudulent entries.¹² Farming is also an expensive endeavor and David Danbom notes that “even free land was too expensive for many poor people.”¹³ Even with its limitations, the Homestead Act of 1862 nevertheless allowed thousands of settlers the opportunity to own land and farm themselves. This legislation was crucial in the settlement of North Dakota, as it permitted many immigrants the means to owning land and a farm of their own. R. Douglas Hurt states it best in his book *American Agriculture: A Brief History* when he notes that “the Homestead Act enabled many settlers to acquire land, gain a propertied stake in society, and farm for a profit.”¹⁴ This act had an enormous impact on the long-term growth of North Dakota and most of the Great Plains. Between 1868 and 1904, 13,160,631 acres were claimed under the Homestead Act in Dakota Territory.¹⁵

Another important piece of legislation that was passed by the federal government in 1862 was the Morrill Act. Justin Morrill, who was a Congressman from the state of Vermont, was the primary sponsor of the act. According to his biographer Coy F. Cross, Morrill believed “that the future success of American democracy rested on the nation’s ability to maintain an informed and

¹¹ <http://www.currentresults.com/Weather/US/average-annual-state-precipitation.php>

¹² Gates, *History of Public Land Law Development*, 473.

¹³ Danbom, *Born in the Country*, 114.

¹⁴ Hurt, *American Agriculture: A Brief History*, 188.

¹⁵ Gates, *History of Public Land Law Development*, 493.

educated electorate.”¹⁶ The main goal of the Morrill Act was to “provide for the creation of state colleges with federal support to teach agriculture and mechanical arts.”¹⁷ Much like the Homestead Act, this legislation had been introduced and even passed both houses of Congress in the 1850s, but President Buchanan vetoed it because southerners feared the act would enlarge the powers of the federal government at the expense of the states.¹⁸ It was not until southern secession that the law was able to be voted into creation. In order for the states to create these colleges, the federal government provided each state with 30,000 acres of public land for each member of congress, and that land would be used to build the agricultural colleges.¹⁹ The establishment of state colleges continued throughout the late 19th and early 20th centuries. Because of the Morrill Act, North Dakota Agricultural College, which would become North Dakota State University, was created.

The state colleges that were founded through the Morrill Act conducted research in the field of agriculture and encouraged a scientific approach to agriculture. According to William C. Hunter, the primary “function of the agricultural college was to give training to those who were engaged in farming, the fundamental business of North Dakota.”²⁰ Although a goal of these agricultural colleges was to educate the farmers of America on the latest technological breakthroughs in the field of agriculture, the education of the farmers did not work so well. Many farmers still felt that the best way to learn how to farm was to work with another farmer and to learn as you go. Farmers did not want to listen to college elitists who they thought were

¹⁶ Coy F. Cross II, *Justin Smith Morrill: Father of the Land-Grant Colleges* (East Lansing: Michigan State University Press, 1999), ix.

¹⁷ Hurt, *American Agriculture: A Brief History*, 192.

¹⁸ *Ibid.*

¹⁹ Hurt, *American Agriculture: A Brief History*, 193.

²⁰ William C. Hunter, *Beacon Across the Prairie: North Dakota's Land Grant College* (Fargo: North Dakota Institute for Regional Studies, 1961), 15.

arrogant and condescending. In an attempt to help remedy this problem, the federal government passed the Hatch Act in 1887, which established experiment stations across the country. One of the most lasting impacts of this act, according to Alan I. Marcus, was that it “signified the legitimization of agricultural science as an integral part of the agricultural enterprise.”²¹ These experiment stations were attached to the agricultural colleges and were another attempt by the government to help the field of agriculture through scientific approaches. Since the Great Plains region has a much different climate than that of the eastern United States, farmers needed to know what crops and what varieties of crops grew best and what were the best ways to grow those crops. Agricultural experiment stations on the plains concentrated on developing appropriate crops and methods for the plains region.²² Although these experiment stations discovered new techniques to help the plains farmers, the farmers were still not necessarily getting the information needed to help them become more successful farmers on the plains. A new way of getting information to the farmers was needed.

In the early 20th century, agents from the state colleges were trying to teach farmers about new technologies that were developing. Although some had success in certain parts of the country, there was not a federal system of having agents present information to farmers locally across the nation. Finally, in 1914, the Smith-Lever Act was passed, with the main purpose of supporting the creation of an extension system at the land-grant colleges.²³ The act, according to Roy V. Scott, was to be carried out “cooperatively between the Department of Agriculture and the land-grant colleges” and would “diffuse useful and practical information on subjects relating

²¹ Alan I Marcus, *Agricultural Science and the Quest for Legitimacy: Farmers, Agricultural Colleges, and Experiment Stations, 1870-1890* (Ames: Iowa State University Press, 1985), 217.

²² Danbom, *Born in the Country*, 144.

²³ Hurt, *American Agriculture: A Brief History*, 256.

to agriculture and home economics.”²⁴ Under this legislation each county across the country would have a county agent that was responsible for getting information out to the local farmers. The Extension Service also sent out women to help teach about domestic innovations. Essentially these agents had the responsibility of demonstrating practical agricultural methods that applied to field and home and helping farm men and women learn these new methods through instruction and demonstrations.²⁵ Before this time, many farmers were wary to trust agricultural experts as most refused to accept information they considered to be “book farming”.²⁶ By the time the AAA was implemented in 1933, the negative attitude towards Extension Agents began to change as the “agents in all states assumed responsibility for the educational phases of the AAA” and farmers began to realize the importance of the county agents.²⁷ The agents became the information centers for farmers with questions about the AAA.

The Homestead Act, Morrill Act, Hatch Act and Smith-Lever Act, and the creation of the Department of Agriculture, all demonstrate ways in which the federal government attempted to develop the agricultural sector of the American economy. The Homestead Act provided land to thousands of new farmers, while the Morrill, Hatch and Smith-Lever Acts all attempted to help better-educate the agricultural sector of the nation. These were the main federal initiatives in terms of agricultural policy leading up to the 1930s and were all developmental. The initiatives aimed to place and retain farmers on the land, to produce abundance for American consumers, and to enhance overall economic development.

²⁴ Roy V. Scott, *The Reluctant Farmer: The Rise of Agricultural Extension to 1914* (Urbana: University of Illinois Press, 1970), 311.

²⁵ Hurt, *American Agriculture: A Brief History*, 256.

²⁶ Ibid.

²⁷ Gladys Baker, *The County Agent* (Chicago: University of Chicago Press, 1939), 70.

The federal agricultural policies seemed to be working, but even before the Great Depression began, farmers across the country were experiencing difficult times, as the prices for commodities such as wheat dropped much lower than they had been during the previous decade. The depression began with the collapse of the stock market in October of 1929, and by the early 1930s the entire nation was experiencing the pain of the economic crisis. The collapse of the stock market did not bring immediate concern to the farmers, but by the early 1930s the prices farmers were receiving for their goods had dropped dramatically. For example, in 1920 wheat reached \$2.45 a bushel, mostly due to an increased demand from European countries who were recovering from World War I and desperately needed food.²⁸ By 1932, three years into the Great Depression, wheat had plummeted to \$0.49 a bushel.²⁹ Exasperating the problem, the worst drought in the history of the United States struck the Great Plains region in 1933. The area hit hardest by the drought would come to be known as the Dust Bowl, which included a large section of the southern Great Plains. Although the southern plains were hit especially hard by this drought, historians often overlook the fact that conditions were also terrible on the northern plains, including the state of North Dakota. Between 1929 and 1939, nine of the eleven years had less than average rainfall.³⁰ 1934 was the driest year ever recorded in the state of North Dakota, with an average rainfall of only 9.5 inches.³¹ Two years later an average of only 8.8 inches of rain fell across the state, and the hottest temperature (121° F. at Steele, ND on July 6) and lowest temperature (-60° F. at Parshall, ND on February 15) ever recorded both occurred in

²⁸ U.S Bureau of the Census, *Historical Statistics of the United States, Colonial Times to 1957* (Washington: United States Government Printing Office, 1960), 122-123.

²⁹ *Ibid.*

³⁰ Elwyn B. Robinson, *History of North Dakota* (Lincoln: University of Nebraska Press, 1966), 398.

³¹ *Ibid.*

1936.³² Ann Marie Low, a resident of southeastern North Dakota during the Dust Bowl, stated in July of 1934 that “the country doesn’t look pretty anymore, it is too barren and the cattle have eaten every weed and blade of grain.”³³ 1936 was even worse as Low notes that “This is the worst summer yet. The fields are nothing but grasshoppers and dried-up Russian thistle and the hills are burned to nothing but rocks and dry ground.”³⁴ Catherine McNicol Stock states it best when she notes that North Dakotans were struck by a “drought so severe that it literally tore, cracked, and ruined the earth.”³⁵ Since conditions were bad for farmers across North Dakota and the entire country, a dramatic solution was needed to help them.

The agricultural problem American farmers were facing was addressed on May 12, 1933, when President Franklin Roosevelt signed the Agricultural Adjustment Act. The primary goal of this act was to get relief to the struggling farmers across the nation as soon as possible. The act encouraged farmers to limit production, which would lead to a reduction of surpluses of



Figure 2. Dust storm in North Dakota during the 1930s.³⁶

³² Ibid.

³³ Ann Marie Low, *Dust Bowl Diary* (Lincoln: University of Nebraska Press, 1984), 99.

³⁴ Ibid.

³⁵ Catherine McNicol Stock, *Main Street in Crisis: The Great Depression and the Old Middle Class on the Northern Plains* (Chapel Hill: The University of North Carolina Press, 1992), 20.

³⁶ http://digitalhorizonsonline.org/cdm4/item_viewer.php?CISOROOT=/uw-ndshs&CISOPTR=2980&CISOBX=1&REC=7

certain commodities. To limit production, farmers were encouraged to reduce the number of acres that they were farming of certain crops, such as wheat. In exchange for reducing their acreage, the government would pay the farmers a subsidy, which was to be funded by placing a processing tax on goods made from farm commodities, such as cereal. The manufacturers of those commodities were forced to pay the processing tax, which would then be given to the farmers. Although this act was ruled unconstitutional in 1936 by the Supreme Court, it still helped millions of farmers across the country survive during the worst years of the Great Depression. By paying farmers with the money collected from the processing tax, many farmers were able to keep farming from 1933 through 1936.

Besides discussing what the AAA was, it is also important to discuss what other historians have written about the AAA. Theodore Saloutos, a leading historian of his time on United States agricultural history, wrote *The American Farmer and the New Deal* in 1982. This book reviewed how the AAA came into being, how it functioned, and what were the results of the act. Saloutos writes favorably of the AAA, but also points out that the act lacked in certain areas. He focuses on how the AAA worked on the national level and how certain farming groups, such as wheat or cotton farmers, fared under the act. Saloutos also addresses the shortcomings of the AAA, such as how the act did little to help the poor farmers and tenants and sharecroppers. Finally, Saloutos discusses the different regions of the country and how each region approved or disapproved of the administration of the AAA was. Although North Dakota is not the focus of Saloutos's book, he does discuss North Dakota occasionally and points out that "Great Plains farmers were among the strongest advocates of the AAA with 87.5% of

farmers in North Dakota participating.”³⁷ This participation level was the highest in the country and shows that North Dakotan farmers needed and welcomed the relief offered by the AAA. Saloutos felt the AAA helped get relief to the farmers, but that it did not do enough to help the poor farmers. He also felt the AAA was needed to help farmers during the Great Depression and writes that the “New Deal was the greatest innovative epoch in the history of American agriculture.”³⁸

R. Douglas Hurt also wrote about the AAA. Hurt’s book *Problems of Plenty: The American Farmers in the Twentieth Century* reviewed the agricultural developments throughout the entire 20th century. Although the entire century is covered, a large portion of his book is dedicated to the New Deal and the Agricultural Adjustment Act of 1933. Hurt discusses the basic tenets behind the AAA, such as production control and the underlying goal of price parity for the farmers. Hurt talks about three different commodity programs, including wheat, cotton and hogs. Hurt writes that the “wheat farmers welcomed the AAA benefit payments because these payments provided insurance for the drought-stricken farmers” of the plains.³⁹ Wheat farmers on the plains were the ones who were experiencing the worst effects of the Dust Bowl, including those farmers in North Dakota. Hurt also notes that since wheat was not a crop grown by an extensive number of sharecroppers and tenant farmers, the payments given by the government benefitted a higher percentage of the wheat farmers than for other crops such as cotton.

³⁷ Theodore Saloutos, *The American Farmer and the New Deal* (Ames: Iowa State University Press, 1982), 195.

³⁸ Saloutos, *The American Farmer and the New Deal*, 270.

³⁹ R. Douglas Hurt, *Problems of Plenty: The American Farmer in the Twentieth Century* (Chicago: Ivan R. Dee, 2002), 76.

While Hurt points out the positive aspects of the AAA, he also, like Saloutos, points out the negative aspects as well. Cotton, which is not grown in North Dakota but is important in examining the success of the AAA programs, was one area where Hurt felt the government failed to help the poorest farmers. Since the AAA only paid landowners for reducing their acreage, sharecroppers and tenant farmers, usually the poorest of all farmers, “seldom received any portion of the benefit checks” and were often kicked off the land due to the landowners wish to reduce the acreage they were living on or using the land for their own cultivation.⁴⁰ With cotton, Hurt clearly felt that the AAA did little for the poor farmers, while only benefitting the large farmers. Hurt felt the cotton program was inefficient, but he also believed that the wheat program was well run and did benefit the farmers of the drought-stricken plains. Saloutos was critical of the AAA’s handling of the small farmers, and Hurt was more critical of certain programs within the AAA, such as the cotton program. Hurt believed the AAA could have done more to help farmers, especially poor sharecroppers and tenant farmers of the South.

Gilbert C. Fite, who wrote *American Farmers: The New Minority*, also discusses the negative and positive aspects of the AAA. Fite examines how the AAA came into being, what the primary goals were, and how it benefitted farmers. Fite also points out objections that were made about the AAA. Since a principle component of the AAA was acreage reduction, Fite notes that many “critics attacked the plan of restricting production” of food crops when “people across the nation were going hungry.”⁴¹ Fite also notes that “commercial farmers were the main beneficiaries of the AAA” and that small farmers and tenant farmers did not receive the same

⁴⁰ Hurt, *Problems of Plenty*, 73.

⁴¹ Gilbert C. Fite, *American Farmers: The New Minority* (Bloomington: Indiana University Press, 1981), 55.

benefits as the larger farmers did.⁴² Much like Hurt and Saloutos, Fite felt the AAA failed in trying to help the poorest farmers.

Fite, Hurt, and Saloutos analyzed the successes and failures of the AAA decades after it had ended. An article written by F. B. Garver and Harry Trelogan entitled “The Agricultural Adjustment Act and The Reports of the Brookings Institution” was written in 1936 and published in the August, 1936, issue of *The Quarterly Journal of Economics*. This article was an analysis of how the AAA functioned from 1933-1936 and attempted to explain the positive and negative outcomes of the AAA, as seen from the time when the AAA had just ended.

When discussing wheat, the authors point out that “78% of the basic acreage was covered under AAA contracts in 1933-34” and that this number “was not as great as some had expected.”⁴³ Garver and Trelogan noted that the sign-up rates were higher in plains states such as North Dakota due to the environmental hardships the inhabitants of those states were facing. Although the AAA did help raise the income of the wheat farmers, the money came from the processing tax which hurt consumers across the nation. Overall, the authors felt the wheat program was a success because it “abolished the surpluses of most commodities” and “farm income was raised in all sections where the restricted commodities were produced in large quantities.”⁴⁴ The main drawback of the AAA was that the act did not make production control a permanent fixture of the Department of Agriculture. The authors believed without permanent control, the problem of overproduction would continue to be a problem in United States agriculture. Although this analysis was done right after the AAA was ruled unconstitutional, it

⁴² Fite, *American Farmers: The New Minority*, 61.

⁴³ F. B. Garver and Harry Trelogan, “The Agricultural Adjustment Act and The Reports of the Brookings Institution,” *The Quarterly Journal of Economics* 50, no. 4 [August 1936]: 601.

⁴⁴ Garver and Trelogan, “The Agricultural Adjustment Act and The Reports of the Brookings Institution,” 618.

does shed light on what experts of the time felt about the AAA. It is clear these authors felt the AAA was successful in reducing acreage and raising income for the average farmer. They did not, however, discuss the fundamental shortcomings of the AAA, such as the lack of assistance that was given to poor farmers during this period. It was Fite, Hurt, and Saloutos who showed that the poorest of farmers, who needed help from the government the most, were usually the ones left out.

The authors mentioned above point out that plains states such as North Dakota benefitted greatly from the AAA due to the disastrous environmental conditions they were enduring. Other areas of the country, such as the cotton growing south, did not fare as well. Some authors have written about the northern plains during the Great Depression and have discussed how people fared under governmental policies such as the AAA.

An author who focuses on the results of the New Deal at the local level is D. Jerome Tweton. Tweton's book *The New Deal at the Grass Roots: Programs for the People of Otter Tail County, Minnesota* assesses how the people of Otter Tail County survived during the Great Depression. Otter Tail County is located in western Minnesota and is relevant to this study, since it is located on the edge of the northern plains. Tweton focuses on the different programs that were passed by the federal government, such as the Works Progress Administration and the Civil Works Administration, as well as the Agricultural Adjustment Act. Tweton believed the benefits paid by the AAA greatly helped the wheat farmers and helped keep many on the land during the time of crisis. Tweton writes that "farm income increased strikingly during the period of the first New Deal agricultural programs."⁴⁵ He also states that "farm income was more than

⁴⁵ D. Jerome Tweton, *The New Deal at the Grass Roots: Programs for the People in Otter Tail County, Minnesota* (St. Paul: Minnesota Historical Society Press, 1988), 119.

50 percent higher in 1935 than it was in 1932.”⁴⁶ Unlike Tweton, who writes favorably of the AAA, Catherine McNicol Stock is more critical of the administration.

Stock examines North and South Dakota during the Great Depression years. Stock’s book, entitled *Main Street in Crisis: The Great Depression and the Old Middle Class on the Northern Plains*, looks at what conditions were like for the citizens of North and South Dakota in the years leading up to, during, and immediately following the Great Depression. While much of her book focuses on community relationships and the breakdown of the rural family during this time period, she also focuses on what the farmers were going through and how they were able to survive these tumultuous years. While Stock, like the previous authors mentioned, gives credit to the federal government for helping the people of the Dakotas, she argues the payments of the AAA were less of a factor in the recovery of the Dakota farmers than the rains that began to fall in the late 1930s. She writes that the help given by the government did little to slow the out-migration of people leaving the states, and that by 1940 “more than 86,000 people had left North Dakota and 103,000 had left South Dakota.”⁴⁷ Stock also notes that most Dakotans tended to “recall the problems of federal intervention during the crisis, but not the benefits.”⁴⁸ So, at a local level, Stock believed the AAA helped wheat farmers in North Dakota, but not enough to stem the large flow of out-migration that occurred during the 1930’s. While Stock felt the AAA did little to help the farmers and stop the outflow of migration from the Dakotas, Tweton believed the wheat program did much to save farmers from losing their farms during this period.

Paula M. Nelson focuses on western South Dakota during the Great Depression in *The Prairie Winnows out its Own: The West River Country of South Dakota in the Years of*

⁴⁶ Ibid.

⁴⁷ Stock, *Main Street in Crisis*, 39.

⁴⁸ Stock, *Main Street in Crisis*, 40.

Depression and Dust assesses how the rural, agricultural areas of western South Dakota fared during the depression. Like Stock, Nelson examines what life was like before, during, and after the depression hit. Like Tweton, Nelson writes favorably of the AAA and notes that the “impact of relief and agricultural programs was profound” and that “the AAA saved the west river country farmers and the payments” received by farmers “were a Godsend.”⁴⁹ Tweton and Nelson felt the AAA greatly helped the rural areas of South Dakota and Minnesota, while Stock felt the program did not do enough to help the farmers of the Dakotas.

The objective in this thesis is to assess the wheat program of the AAA in North Dakota from May of 1933 to January of 1936. This will be done by looking at Extension Service records from the 1930s, farmer journals kept during the time period, newspaper articles, and state and federal records that kept track of acreage planted and farmer participation. The facts gathered from these sources will show that North Dakotan farmers participated at a higher rate than the rest of the nation, and therefore the state as a whole benefitted more from the wheat program of the AAA than did the rest of the country. Although many North Dakotans who lived through the period may feel that the government did more harm than good, evidence is clear that without government help North Dakota would have been worse off. The next chapter examines the settlement of North Dakota, shows how wheat became the dominant cash crop in the state, and explores the problems that existed with wheat farming by the early 1930s. By 1933 farmers across the state were in economic trouble and in need of outside help, and this led to the passage of the AAA by the federal government. Chapter three focuses on the implementation of the AAA by the Extension Agents in cooperation with farmers at the local level, in which farmers and agents initiated the program successfully and with high participation numbers. Issues did

⁴⁹ Paula M. Nelson, *The Prairie Wins out its Own: The West River Country of South Dakota in the Years of Depression and Dust* (Iowa City: University of Iowa Press, 1996), 159.

arise with the implementation of the AAA, such as farmers overestimating their acreage, but farmers and county agents worked together and initiated the program effectively and without much trouble. Chapter four analyzes how many farmers participated in the AAA in North Dakota, how much money they received, and what farmers thought about the AAA. In May of 1935 farmers voted if the AAA should be continued from 1936-1939. Farmers overwhelmingly voted in favor of continuation of the program and it is clear they liked the AAA. Finally, the conclusion discusses the positive and negative results of the AAA wheat program in North Dakota from 1933 to 1936. It also examines where this thesis fits in the general field of North Dakota agricultural history as well as analyzing the long term results of the AAA. North Dakota wheat farmers benefitted tremendously from the wheat program of the AAA, and the benefits they received not only helped them survive the days of the Great Depression, but the oppressive drought that struck the state as well.

CHAPTER 2. A GOLDEN STATE OF WHEAT

The 1930s were an unprecedented time for North Dakota wheat farmers, as drought and incredibly low prices for wheat combined to make surviving, let alone thriving, a difficult task. Conditions were not always bad for farmers though, as North Dakota saw an explosion in population in the 1880s and in the first decade of the 20th century. From 1878 to 1890 the population increased from 16,000 to 191,000 people.¹ The price for wheat had fluctuated over the years, but many farmers survived and even flourished in the years leading up to the Great Depression. Wheat had become the most important cash crop in North Dakota by 1933, but there were systematic problems involved with wheat farming. This chapter examines the settlement of North Dakota, shows how wheat became the dominant cash crop in the state, and explores the problems that existed with wheat farming by the early 1930s. The cataclysmic drought that was ravaging North Dakota, along with the nation's severest economic depression in history and extremely low price levels for wheat made farming in North Dakota in 1933 a dangerous and nearly impossible endeavor. The rise of the wheat culture in North Dakota led to dire conditions by 1933.

The settlement of what was to become North Dakota actually began from the north in the early 19th century. Pembina was the first city settled in North Dakota and most of the original activity in the Red River Valley itself came from present-day Canada. Pembina served as an outpost for fur traders whose clients were the Native Americans living on the prairie. Although some crops were grown in and around the settlement of Pembina, extensive farming practices were not carried out, and the growth of the settlement was modest at best.

¹ Robinson, *History of North Dakota*, 134.

Over the next half century some settlers trickled into northern Dakota Territory, but it was not until after the Homestead Act of 1862 had been passed and the Civil War had ended that settlement began to increase. With the passing of the Homestead Act of 1862, settlers were able to acquire cheap land to build farmsteads on. Construction of a railroad to the state was a pivotal development during the early 1870s that enabled settlers to get to North Dakota was.

The construction of railroads was occurring across much of the Midwest. As the railroads progressed west across the state of Minnesota in the late 1860s and early 1870s, settlement followed and towns sprang up along the route. The Northern Pacific Railroad reached the Red River in 1871, running through the town of Moorhead, Minnesota.² By the following summer, the Northern Pacific crossed the Red River and was opened for operations on June 6, 1872, and Dakota Territory's first railroad connection to the eastern United States had been completed.³ This connection opened the door for people and goods to move to and from the state, and it was during this period that railroads pushed onto the Great Plains and opened the region up for extensive settlement.

The agricultural conditions and potential of the lands opened up by the Northern Pacific Railroad were different than those in points east. As settlers moved further west, the land became flatter and more favorable for the growing of small grain crops such as wheat. With the push west, a labor shortage also developed, as few people were living in Dakota Territory in the 1870s. Innovations such as the mechanical reaper and the binder were required to allow the settlers to farm the land extensively. One of the first successful mechanical reapers was created

² Hiram M. Drache, *The Challenge of the Prairie: Life and Times of Red River Pioneers* (Fargo: North Dakota Institute for Regional Studies, 1970), 5.

³ Hiram M. Drache, *The Day of the Bonanza: A History of Bonanza Farming in the Red River Valley of the North* (Fargo: North Dakota Institute for Regional Studies, 1964), 24.

by Cyrus Hall McCormick in 1831.⁴ The reaper cut the grain, which then fell onto a platform and was raked off by someone walking along with the machine. This greatly reduced the time it took to cut a field of grain. The shortage of manpower and the flat, treeless land of North Dakota made it ideally suited for the operation and expansion of large-scale machinery.⁵ A technological innovation that occurred in the late 1860s was the Minnesota Patent Milling process. This process was a new way of milling hard red spring wheat, a crop that grew well in the Red River Valley. The process allowed hard-red spring wheat, the only type of wheat that grew feasibly on the cold and dry northern Plains, to be milled economically.⁶ Since the northern plains were now connected via the railroad to Minneapolis, where the majority of wheat was milled, the ability to ship the commodity from Dakota Territory to Minneapolis enticed settlers to the region. These developments all helped make the settlers' decision to move to Dakota Territory easier. The growing of wheat, first in eastern Dakota Territory and later in the rest of the state of North Dakota, would lead to an agricultural and economic boom for the entire state.

Settlers approached the Red River Valley equipped with an array of technology suited to its settlement, and to wheat farming. An agricultural development that occurred earlier in the nineteenth century was the invention of the cast iron plow in the 1830s. The plow could turn the tough prairie sod and scoured well, which reduced the need for extensive power to pull it.⁷ After the settlers broke the prairie sod, they were able to seed their wheat with horse-drawn seeders, another innovation of the nineteenth century. One of the first commercially successful seeders

⁴ R. Douglas Hurt, *American Farm Tools: from Hand-Power to Steam-Power* (Manhattan, KS: Sunflower University Press, 1982), 42.

⁵ Drache, *The Day of the Bonanza*, 4.

⁶ Danbom, *Born in the Country*, 147.

⁷ Drache, *The Challenge of the Prairie*, 182.

was Seymour's Broadcast Sowing Machine, which was patented in the early 1840s.⁸ These seeders eventually allowed one man with an eight-foot, two-horse seeder to plant an average of sixteen acres per day.⁹ Before this time, a man broadcasting by hand could only plant a couple acres per day. The cast iron plow, the horse seeder and the mechanical binder allowed the settlers, who did not have a lot of manpower, to efficiently produce wheat.

The railroad also played an important role to the earliest settlers because it allowed them to ship their wheat to market to make a profit. The first settlers to the new territory who grew wheat on a large scale were in the Red River Valley. Settlers learned in the early 1870s that wheat grew extremely well on the land just west of present-day Fargo, North Dakota. Hard red spring wheat grew exceptionally well, and in 1873 a homesteader on the Sheyenne River, seven miles west of Fargo, produced 1,600 bushels of the crop on a forty-acre tract of land.¹⁰ This forty bushel per acre yield was an excellent yield for the time. Another farmer, R.M. Probstfield, who lived in western Minnesota along the Red River, "seeded fifteen acres of wheat in 1874 and his twenty-bushel-per-acre average caused everyone in the area to become quite excited about the agricultural prospects of the Red River Valley."¹¹ These early reports encouraged other settlers to move to the region and farm wheat. The settler near the Sheyenne River sold his first crop for \$1.25 a bushel and received \$2,000 in total in 1873.¹² The settler was able to ship his wheat to the market because of the railroad. Since these first farmers in the valley were having success growing wheat, investors from other parts of the country became interested in the region.

⁸ Hurt, *American Farm Tools*, 25.

⁹ Drache, *The Challenge of the Prairie*, 181.

¹⁰ Stanley Norman Murray, *The Valley Comes of Age: A History of Agriculture in the Valley of the Red River of the North, 1812-1920* (Fargo: North Dakota Institute for Regional Studies, 1967), 99.

¹¹ Drache, *The Day of the Bonanza*, 23.

¹² Murray, *The Valley Comes of Age*, 99.

This interest would lead to a boom in the settlement in the Red River Valley and would also lead to an expansive, capital-intensive type of farming that would come to be known as bonanza farming.

Bonanza farms were large farms, usually over 3,000 acres, built up and down the Red River Valley in the late nineteenth and early twentieth centuries. The farms were usually located near a railroad, so shipment of their crops was accessible. These farms varied in size and historians have often disagreed as to how large a farm was before it became labeled as a bonanza farm. Some argue that any farm over a thousand acres was a bonanza farm, while others put the number much higher at seven thousand acres. Since there were so many farms over a thousand acres and so few over seven thousand acres, historian Hiram Drache states that “3,000 acres was the minimum size to be classified as a bonanza because it put the total number of farms in the Red River Valley at ninety-one.”¹³ These bonanza farms were owned by rich investors who treated the farms like corporations. They were far larger than the average farm and were run like a professional business rather than a family farm. Even though these bonanzas were not the norm in the Red River Valley, they have become a storied part of North Dakota history. The primary purpose of these farms was to make money, which included money made from the sale of crops as well as the sale of land. The land sold by the bonanza farms was purchased by smaller farmers and helped lead to the settlement of the Red River Valley by smaller family-owned farms.

One of the first bonanza farms was the Cass-Cheney farm, which was purchased in 1874 and managed and later owned by Oliver Dalrymple.¹⁴ Dalrymple had operated nearly 2,000 acres of wheat land in southern Minnesota since 1866, and was very experienced with raising

¹³ Drache, *The Day of the Bonanza*, 72.

¹⁴ Drache, *The Day of the Bonanza*, 73.

wheat on a large scale.¹⁵ The Cass-Cheney farm was located in Cass County near Casselton, North Dakota, and would later be known as the Dalrymple farms. The farm gradually expanded



Figure 3. Crew assembled at Dalrymple Farm, 1880s.¹⁶

over the years and by 1896 Dalrymple owned 30,000 acres, and had even more land under cultivation.¹⁷ The primary crop on this farm was wheat, but oats and barley were also grown. The farm was successful and reports of its success were reported to the rest of the country and

¹⁵ Murray, *The Valley Comes of Age*, 106.

¹⁶ http://digitalhorizonsonline.org/cdm4/item_viewer.php?CISOROOT=/uwndshs&CISOPTR=1169&CISOBX=1&REC=16

¹⁷ Drache, *The Day of the Bonanza*, 73.

showed people that money could be made in the Red River Valley. The success stories of these early bonanza farms drew people from across the country to settle the region.

Another large-scale bonanza farm was the Grandin farm, located near present-day Grandin, North Dakota. This farm was subdivided into four separate operations located northwest of Mayville, ND, west of Hillsboro, ND, near Grandin, ND, and near Halstad, Minnesota.¹⁸ The Grandin farm was owned and operated by the Grandin brothers and at one point exceeded 75,000 acres.¹⁹ Dalrymple was also involved with the operation of the Grandin farm and helped plant crops the first few seasons. These two farms were massive for their times and often employed hundreds of laborers during planting and harvesting time. The Cass-Cheney farm survived well into the 20th century as a family farm, while the Grandin farms were sold in 1894 when fifty-five sections were advertised for sale on the crop-payment plan.²⁰

The Amenia and Sharon Land Company was another large bonanza farm located in the northwest portion of present-day Cass County, North Dakota. The company was incorporated in 1875 by forty stockholders of the Northern Pacific Railroad Company and would expand rapidly and eventually would own two towns and a railroad.²¹ In 1894 the company owned 20,400 acres which was valued at \$352,020.²² This land was spread out over four townships and was primarily dedicated to the raising of wheat and oats. By the end of 1900, the assets of the Amenia and Sharon Land Company totaled \$451,482.85 and included three elevators at Amenia, Chaffee, and West Superior.²³

¹⁸ Ibid.

¹⁹ Drache, *The Day of the Bonanza*, 74.

²⁰ Ibid.

²¹ Ibid.

²² Amenia and Sharon Land Company Records, 1856-1967, North Dakota Institute for Regional Studies, Fargo, ND. Box 59.

²³ Ibid.



Figure 4. Amenia and Sharon Land Company Plowing near Amenia, ND, 1888-1889.²⁴

The company continued to grow and had assets estimated at \$735,141 in 1905 and \$1,779,098.43 in 1911.²⁵ In 1911 the company planted 18,688 acres of wheat and harvested 193,884 bushels of wheat for an average yield of 10.37 bushels per acre, while also planting over a thousand acres of flax, corn and nearly a thousand acres of oats.²⁶ The total acreage planted that year was 29,394 and the company had a net profit of \$75,307.48, which did not include money the company earned from other businesses such as the three elevators they owned.²⁷ Wheat was the largest source of agricultural income as it brought in \$61,367.91, while corn

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http://digitalhorizonsonline.org/cdm4/item_viewer.php?CISOROOT=/uw&CISOPTR=984&CISOBOX=1&REC=18

²⁵ Amenia and Sharon Land Company Records, Box 59.

²⁶ Ibid.

²⁷ Ibid.

brought in \$6,038.19 and flax brought in \$3,609.36.²⁸ 1911 was a very prosperous year for the company and shows why the company was able to continue to expand and be successful.

What is important to remember about these giant bonanza farms is that they were, for the most part, models of efficiency. They were run as giant corporations that focused on financial gain. Wheat was the primary cash crop these farms grew and it was from wheat that most of the money was made. These companies even got into the business of storing and shipping their crops themselves, mostly because there was little infrastructure available at the time for storing and shipping their crops. The Grandin farm owned and operated its own rail line, while the Amenia and Sharon farm owned and operated three different elevators. These farms also occasionally owned their own stores in the towns near the farms, as well as other businesses within the local communities. These farms became small communities of their own, with power over their smaller and less-fortunate neighbors. The companies would often rent land to other farmers, and these farmers would have to bring their crops to the elevators and railroads that were owned by their landlords. It should be noted that these giant bonanza farms were not the norm in the Red River Valley. There were thousands of farms up and down the Red River Valley on both the Minnesota and North Dakota sides of the river with only 91 classified as bonanzas.²⁹ So, while these farms were massive in size and made millions of dollars over the years, they were much larger the average farm in North Dakota. These bonanza farms usually did not last long as they often broke up under the strain of tax policies and the deaths of the original owners.³⁰

²⁸ Ibid.

²⁹ Drache, *The Day of the Bonanza*, 72.

³⁰ Stock, *Main Street in Crisis*, 43.

The average farm in North Dakota in the late nineteenth and early twentieth centuries looked quite different than the bonanza farms previously mentioned. In Cass County in eastern North Dakota, there were 1,016 farms in 1880 with a total of 331,071 acres.³¹ This comes to an average of 326 acres per farm. By 1900, the number of farms jumped to 2,309 with a total of 1,080,650 acres being farmed with an average of 468 acres on each farm.³² This shows that the average size of each farm was much smaller than the giant bonanza farms. Similarly in Grand Forks County in 1880, there were 1,039 farms farming 207,441 acres with an average of 200 acres per farm.³³ By 1900 there were 2,368 farms farming 861,872 acres with an average of 364 acres per farm.³⁴ In both counties and in counties across the state of North Dakota, the size of the average farm greatly increased from 1880 to 1900, but they were still tiny in comparison to the gigantic bonanza farms. Since there were only 91 bonanza sized farms in North Dakota in the late 19th century and there were over 2,000 farms in Cass County alone, it is clear to see that bonanza farms were a rarity in North Dakota.

The number of farms and citizens of North Dakota continued to grow in numbers in the late nineteenth and early twentieth centuries. During the 1880s there was a dramatic rise in the population of Dakota Territory as improvements in flour milling and the construction of railroads greatly helped the settlement of the territory.³⁵ The peak year for public land claimed in North Dakota was 11,083,000 acres in 1884.³⁶ Millions of acres continued to be claimed throughout the 1880s and 1890s, but by 1900 most of the public land had been taken by settlers and farmers.

³¹ Department of the Interior Census Office, *Report of the Productions of Agriculture, Tenth Census, June 1, 1880* (Washington: Government Printing Office, 1883), 107.

³² United States Bureau of the Census, *Thirteenth Census of the United States, Taken in the Year 1910, Volume VII, Agriculture* (Washington: Government Printing Office, 1913), 285.

³³ Department of the Interior Census Office, *Report of the Productions of Agriculture*, 107.

³⁴ United States Bureau of the Census, *Thirteenth Census of the United States*, 285.

³⁵ Robinson, *History of North Dakota*, 134.

³⁶ Drache, *The Day of the Bonanza*, 27.

The vast majority of these claims was small in nature and was owned and operated by family farmers. The bonanza farms may have had a catalytic impact on the settlement of Dakota Territory, but it was the small family farmers that would have the greatest impact on the history of North Dakota.

The major impact the bonanza farms had on North Dakota was the successful promotion of the growth of wheat across the state. These farms grew wheat rather successfully and it was the results of their crops, such as yield, price per bushel, and money made that settlers heard about when they arrived in Dakota Territory. Farmers across the state began producing wheat at an impressive rate, and wheat was by the early twentieth century the most important crop in the state.

The United States has always been a large producer of wheat, but the percentage of the total farmland of the country that was in wheat in the early twentieth century ranged from 5 to 8 percent.³⁷ The percentage of farmland dedicated to the production of wheat was much higher in Dakota Territory. By 1910, 34.7% of the acreage in North Dakota was used growing wheat and the percentage stayed above 25 percent into the 1930s.³⁸ One in every four acres farmed in North Dakota in 1930 was growing wheat, which shows how incredibly important wheat was to the people and economy of North Dakota. North Dakota farmers also grew an extensive number of other crops such as barley, oats, corn and potatoes, but wheat was the most important cash crop, as these other crops were often grown for subsistence. As land continued to be claimed by settlers in North Dakota, the number of acres of wheat continued to rise. By 1900 4,451,251 acres of wheat were being grown in North Dakota, and 2,213,878 of those acres were grown in

³⁷ United States Bureau of the Census, *Historical Statistics of the United States: Colonial Times to 1957*, 279, 297.

³⁸ United States Bureau of the Census, *Sixteenth Census of the United States: 1940, Agriculture, Volume 1* (Washington: Government Printing Office, 1942), 370-372.

counties located along the Red River Valley.^{39 40} Thus, nearly 50 percent of the total wheat crop grown in North Dakota in 1900 was located along the Red River Valley, which is where the state had the most settlers at the time. Later, the total percentage of wheat grown in the state became spread across the entire state. A second great expansion in population occurred in the first decade of the 20th century, as an expansion in the construction of railroads allowed settlers to pour into the western part of the state. That decade was good for settlers in the western part of the state, as Elwyn Robinson notes that “plenty of rain fell and settlers on the Missouri Plateau reaped good yields with wheat.”⁴¹ In 1920 there were 9,098,042 acres of wheat with 1,656,766 acres located in the easternmost counties.^{42 43} This is just over 18 percent of the wheat being grown in the state in 1920. By 1920 much of North Dakota had been settled and people across the entire state were growing wheat.

The average farm size across the state increased dramatically in the late 19th and early 20th centuries. In 1880, the average farm size in the state was 271.2 acres.⁴⁴ By 1900 this number had jumped to 342.9 acres per farm and reached 466.1 acres in 1920, which was shortly after World War I.⁴⁵ The need for food during World War I resulted in incredibly high prices for wheat which was needed to feed the soldiers fighting in Europe as well as the Europeans whose home countries had been destroyed. The price of wheat averaged an astonishing \$2.16 a bushel

³⁹ United States Bureau of the Census, *Thirteenth Census of the United States*, 281.

⁴⁰ United States Bureau of the Census, *Thirteenth Census of the United States*, 294-298.

⁴¹ Robinson, *History of North Dakota*, 247.

⁴² United States Bureau of the Census, *Fourteenth Census of the United States Taken in the Year 1920: Volume VI* (Washington: Government Printing Office, 1921-1923), 623.

⁴³ United State Bureau of the Census, *Fourteenth Census of the United States*, 636-640.

⁴⁴ United State Bureau of the Census, *Fourteenth Census of the United States*, 617.

⁴⁵ *Ibid.*

in 1919, which was \$1.20 higher than it had been in 1915.⁴⁶ The late teens were good years for North Dakota farmers, and many expanded acreage during this period. By 1930 the average size farm was up to 496 acres, but the rate at which farm size was increasing had greatly decreased during the 1920s.⁴⁷ Whereas the size of the average farm had increased by over 123 acres from 1900 to 1920, it rose by only 30 acres from 1920 to 1930. Even with this slowdown, North Dakota farms were still much larger than the average farm in the United States. For example, the average farm size in 1900 was 146 acres in size compared to 148 acres in 1920.⁴⁸ The 1900 figure is more than 200 acres less than the average North Dakota farm and the 1920 figure is more than 300 acres less. By 1930, the national average for a farm was 157 acres, still over 300 acres lower than the average farm in North Dakota.⁴⁹

Farmers were able to expand the size of their farms due to the high prices they received for wheat, or were forced to expand because the land they farmed was not providing a high enough profit. Either way, farmers in North Dakota were expanding the sizes of their farms and wheat was a driving force behind that expansion. North Dakotan farmers learned early that the 160 acres they received under the provisions of the Homestead Act of 1862 were often not enough acres to make a profit. The land in North Dakota simply did not produce or yield the same as land did in states to the east. An example of this is a comparison between North Dakota spring wheat yields and Minnesota spring wheat yields. In 1919, North Dakota farmers harvest 61,379,904 bushels from 9,069,429 acres, which is a yield of 6.76 bushels per acre.⁵⁰ In the

⁴⁶ United States Bureau of the Census, *Historical Statistics of the United States: Colonial Times to 1970, Part I* (Washington: Government Printing Office, 1975), 511.

⁴⁷ United States Bureau of the Census, *United States Census of Agriculture, 1935, Volume II* (Washington: Government Printing Office, 1936), xix.

⁴⁸ United States Bureau of the Census, *United States Census of Agriculture, 1935*, 312.

⁴⁹ United States Bureau of the Census, *United States Census of Agriculture, 1935*, xix.

⁵⁰ United States Bureau of the Census, *Sixteenth Census of the United States, 1940*, 372.

same year Minnesota farmers harvested 36,251,452 bushels from 3,684,951 acres, which came to a yield of 9.84 bushels per acre.⁵¹ In 1929 North Dakota farmers harvested 95,141,084 bushels from 9,923,534 acres while Minnesota farmers harvested 16,224,455 bushels from 1,152,790 acres.⁵² This averages 9.58 bushels per acre for North Dakota and 14.07 bushels for Minnesota. While these numbers may not be extremely large, they are significant. If a farmer in Minnesota grew 100 acres of spring wheat in 1929 and received \$1.00 a bushel, the farmer made an extra \$400.00 compared to his North Dakota counterpart with the same acreage because he was able to raise 400 more bushels. With these lower yields it is clear to see why farmers in North Dakota were expanding faster than other farmers across the nation. The table below shows these statistics.

Table 1. Comparison of Yields of Spring Wheat between Minnesota and North Dakota.

State	Acres Harvested 1919	Bushels Harvested 1919	Average Yield 1919	Acres Harvested 1929	Bushels Harvested 1929	Average Yield 1929
N. Dakota	9,069,429	61,379,904	6.76	9,923,534	95,141,084	9.58
Minnesota	3,684,951	36,251,452	9.84	1,152,790	16,224,455	14.07 ⁵³

One of the major problems facing farmers in North Dakota was finding a variety of wheat that was suitable to the environmental conditions in the state. Some early varieties grown included ‘Red Fife’, which was introduced from Canada, and ‘Bluestem’.⁵⁴ These varieties grew well, but were prone to suffer from stem rust, which greatly decreased yields. The ‘Marquis’ variety, developed in Canada by Dr. Charles E. Saunders, was not resistant to stem rust, but grew

⁵¹ United States Bureau of the Census, *Sixteenth Census of the United States, 1940*, 6.

⁵² United States Bureau of the Census, *Sixteenth Census of the United States, 1940*, 6, 372.

⁵³ Ibid.

⁵⁴ Robinson, *History of North Dakota*, 248.

faster than ‘Red Fife’ and ‘Bluestem’, two widely used varieties of the time, and was therefore more likely to avoid yield loss caused by stem rust.⁵⁵ By 1919, Marquis was being grown on 4.5 million acres, about two-thirds of the hard red spring wheat acreage in North Dakota.⁵⁶ New varieties were continually being developed at the North Dakota Agricultural College Experiment Station. ‘Ceres’ was developed by Lawrence R. Waldron in 1925. According to Elwyn Robinson this variety “gave good yields under drought and other severe conditions, was moderately resistant to rust, and was a notable adaptation to the semiarid country” of North



Figure 5. Lawrence R. Waldron working in a greenhouse in 1949.⁵⁷

⁵⁵ Robinson, *History of North Dakota*, 249.

⁵⁶ *Ibid.*

⁵⁷ http://digitalhorizonsonline.org/cdm4/item_viewer.php?CISOROOT=/uw&CISOPTR=566&ISOBOX=1&REC=1

Dakota.⁵⁸ Although ‘Ceres’ was resistant to drought, the variety was more prone to wheat diseases such as bunt and loose smut than the ‘Marquis’ variety.⁵⁹ Even with these problems, ‘Ceres’ was the primary variety grown in North Dakota in the early 1930s, as 45% of state’s wheat acreage grown in 1934 was Ceres.⁶⁰ Even with these improvements in wheat varieties, wheat yields were poor across North Dakota in the 1930s.

The Amenia and Sharon Land Company of northwestern Cass County had 18,688 acres of wheat in 1911 and harvested 193,884 bushels for an average yield of 10.37 bushels per acre.⁶¹ Twenty-two years before that, in 1879, the Cass-Cheney bonanza farm had an average yield of 18.6 bushels per acre while the Grandin farm had a 22.2 bushel yield.⁶² Both of these farms were located in eastern North Dakota, which consistently had higher yields than the rest of the state. In 1919, a year of terrible drought for western North Dakota, the production of wheat per acre averaged only 4.79 bushels.⁶³ According to Baldur H. Kristjanson and C.J. Heltemes in their book *Handbook of Facts about North Dakota Agriculture*, the whole state of North Dakota only averaged 7 bushels of wheat per acre in 1919.⁶⁴

Over the next several years the average yield of wheat in North Dakota would rise and fall, but the highest yield between 1919 and 1936 was 15 bushels per acre, and the lowest yield was a miserable 5 bushels per acre in 1936.⁶⁵ The 1920s had decent amounts of rainfall across

⁵⁸ Robinson, *History of North Dakota*, 373.

⁵⁹ North Dakota Agricultural College, *Agricultural Experiment Station Circular 46, March, 1932* (Fargo: North Dakota Agricultural College, 1932), 2.

⁶⁰ Robinson, *History of North Dakota*, 373.

⁶¹ Amenia and Sharon Land Company Records, Box 59.

⁶² Drache, *The Day of the Bonanza*, 132.

⁶³ Mary W.M. Hargreaves, *Dry Farming in the Northern Great Plains: Years of Readjustment, 1920-1990* (Lawrence: University Press of Kansas, 1993), 20.

⁶⁴ C.J. Heltemes and Baldur H. Kristjanson, *Handbook of Facts about North Dakota Agriculture* (Fargo: North Dakota Agricultural College, Agricultural Experiment Station, 1952), 18.

⁶⁵ Ibid.

the state and the average yield for the entire decade was 11.2 bushels.⁶⁶ This average would quickly drop during the 1930s. 1931 was one of the driest years in the history of the state and farmers would only harvest 6 bushels per acre.⁶⁷ In 1932 growing conditions were better and the state averaged 10 bushels per acre, but the next five years would be the five driest consecutive years in North Dakota history.⁶⁸ From 1933-1937, the average yield never rose above 8 bushels per acre and the conditions were even worse further west in the state. In Burke County in the northwest corner of the state, 136 acres of wheat were harvested in 1934 for a total of 412 bushels.⁶⁹ Five years earlier, in 1929, the county harvested 152,419 acres of wheat.⁷⁰ Farmers were planting fewer acres of wheat in western North Dakota due to the drought and by 1934 it is clear that the drought was so severe that farmers were in desperate need for assistance.

Even without the severe droughts that struck North Dakota farmers, North Dakotans were at a disadvantage for growing crops compared to other farmers across the country. North Dakota, especially western North Dakota, receives much less annual rainfall than areas to the east such as Minnesota and Wisconsin. North Dakota averages 17.8 inches of rainfall a year, while Minnesota averages 27.8 inches and Wisconsin averages 32.6 inches.⁷¹ This lower rainfall total reduces the wheat yield and is one of the reasons why North Dakota wheat has a lower yield than Minnesota and other states to the east.

For North Dakota farmers to be successful growing wheat, they had to acquire more land and plant more acres. Since the state is semi-arid and the growing season rather short, farmers had to adapt to their surroundings in order to survive. They did this by purchasing more land and

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ Ibid.

⁶⁹ United States Bureau of the Census, *United States Census of Agriculture: 1935*, 298.

⁷⁰ Ibid.

⁷¹ <http://www.currentresults.com/Weather/US/average-annual-state-precipitation.php>

expanding their operations. But expanding acreage is not an easy task and many farmers soon discovered some of the problems that are associated with farming in North Dakota, which included debt, a harsh physical environment, and poor prices for the commodities they sold.

A good example of a farmer buying land is found in the Amenia and Sharon Land Company records. W. Henschel bought 320 acres from the Amenia and Sharon Land Company for \$9,600 in April of 1898.⁷² Henschel made a down payment of \$1,000 in 1898, and he continued to make payments over the next six years.⁷³ Henschel was eventually able to pay off the land in 1904, but it took years of saving money and hard work to pay off his total bill. Over the course of the years it took him to pay off his bill, \$2,111.02 accumulated in interest on his initial cost of \$9,600.⁷⁴ W. Henschel's total bill for 320 acres was \$11,711.02 for a total average of \$36.60 per acre. Thus it was very costly for farmers to expand, even when land was supposedly "cheap" in the late nineteenth and early twentieth centuries.

The ability to make a profit and expand production was a major problem that North Dakota farmers faced, especially the small farmers. Some small farmers were able to expand their operations and purchase new land and were successful. Many others were not as fortunate. In 1890, of the 27, 611 farms in North Dakota, over 93 percent were operated by the owners of the farms, while only 6.9 percent were run by tenant farmers.⁷⁵ By 1910 the number of farms had jumped to 74,360 with owners accounting for 85 percent of the farms and tenants accounting for 14.3 percent of the farms, while managers farmed the other 0.7 percent.⁷⁶ In twenty years the percentage of tenant farmers in the state more than doubled. Some farmers were choosing not to

⁷² Amenia and Sharon Land Company Records, Box 59.

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ United State Bureau of the Census, *Fourteenth Census of the United States*, 618.

⁷⁶ Ibid.

buy the land they rented each year, but others were finding it difficult to purchase new land. By 1920 the number of farmers in North Dakota was at 77,690 and of those 19,918 were being operated by tenant farmers.⁷⁷ This amounted to 25.6 percent of all farms being run by tenant farmers. In thirty years the number of tenant farmers as a percentage of total farmers nearly quadrupled, as some were choosing renting over buying, and others simply could not afford to buy.

Besides the difficulty of buying land without going into debt and the challenges of the environment of the northern plains, farmers also were at a disadvantage in the price they received for their wheat. Farmers sold most of their wheat to millers in Minneapolis who turned the raw commodity into a finished product such as bread. To get the wheat from North Dakota to Minneapolis the farmers had to ship their wheat on the railroads. Railroads often charged high rates to ship the wheat and farmers realized that transporting their wheat to the large commercial mills was costing them half the value of their product.⁷⁸ But the railroad also provided North Dakota with much of its wealth. Since the railroad carried the wheat to Minneapolis for milling, it also brought money back into the pockets of North Dakotans. The railroad also brought goods into the state, such as wood and iron, which helped North Dakotans build their homes and cities. John T. Schlebecker states that “the disadvantages of dependence” by the farmers “on the railroads was only temporary” as “not only farmers but others as well benefitted from the development of the railroads.”⁷⁹ For the early settlers though, the monopoly the railroad had on shipping rates was often too expensive.

⁷⁷ Ibid.

⁷⁸ Stock, *Main Street in Crisis*, 46.

⁷⁹ Schlebecker, *Whereby We Thrive*, 95.

The price farmers received for their wheat also varied greatly as the prices were usually determined in Chicago and Kansas City. There were periods when the price of wheat was high, such as during and immediately after World War I, when wheat averaged \$2.58 a bushel in June of 1920, but by the end of the 1920s the price had plummeted to \$.67 a bushel.⁸⁰ Since farmers could not control the cost of shipping nor the price they received for the wheat they sold, they were at the mercy of large corporations such as the railroad companies and the manufacturers of wheat products, such as cereal companies.

To fight these outside forces North Dakotans created the Nonpartisan League, a political party which was formed in 1915 largely due to the efforts of A.C. Townley. By 1918 the League controlled both houses of the North Dakota Congress, as well as the governorship. Over the next decade the party attempted to discount the power larger cities such as Minneapolis had over North Dakota by pushing for a state owned mill, grain elevator, and bank that would benefit the farmers of the state. Author Robert L. Morlan notes that the party “brought significant benefits to the farmers of North Dakota by providing cheaper credit and more adequate credit facilities, vastly more economical hail insurance, lower railroad rates, and achieving fair weights and dockages for farmers.”⁸¹ The party also established two institutions that remain, the North Dakota Mill and Elevator, in Grand Forks, as well as the State Bank of North Dakota.

North Dakota also had a bold leader in the 1930s named William Langer, who became governor of the state in 1932. Langer attempted to help the struggling farmers by stopping foreclosures on farm properties, placing an embargo on wheat, and by attempting to reduce the deficit of the state. When Langer became governor, one of his first initiatives was cutting the

⁸⁰ Hargreaves, *Dry Farming in the Northern Great Plains*, 10, 25.

⁸¹ Robert L. Morlan, *Political Prairie Fire: The Nonpartisan League, 1915-1922* (Minneapolis: University of Minnesota Press, 1955), 359.

biennial appropriations for the state from ten million dollars to five million dollars.⁸² Cutting appropriations did little to help the budget, but it did show farmers that Langer was serious about addressing problems facing the state. Langer issued a foreclosure moratorium in 1933, which gave the National Guard authority to prevent foreclosures on any farm or small business.⁸³ The moratorium kept many farmers from losing their farms, but it also decreased the value of farm property across the state. To combat the low prices farmers were receiving for wheat, Langer placed an embargo on wheat shipments from the state in the fall of 1933.⁸⁴ The price of wheat did rise during the embargo, but the price of nearly all farm commodities were raising in the fall of 1933 and the embargo had little to do with this. All of these initiatives were ways in which North Dakotans were attempting to overcome the Great Depression. Even with these measures, the depression and drought that struck the state in the 1930s was too much for these initiatives to overcome.

By the 1930s wheat had become the dominant cash crop of North Dakota. In 1929, North Dakota farmers harvested 95,141,084 bushels of wheat which was worth \$97,572,655.00.⁸⁵ The second biggest cash crop of 1929 was barley, which brought in \$16,440,423.00, equal to 1/6 the value of the wheat crop.⁸⁶ The importance of wheat to the farmers of North Dakota cannot be understated, but there were systematic weaknesses to wheat farming. When the 1930s started wheat was at the lowest level it had been in over a decade. This coupled with a drought that was sweeping across North Dakota, made life very difficult for the farmers of the state. By 1933 farmers across the state were in trouble and in need of outside help. This is when the federal

⁸² Robinson, *History of North Dakota*, 404.

⁸³ Stock, *Main Street in Crisis*, 140.

⁸⁴ Robinson, *History of North Dakota*, 405.

⁸⁵ United States Bureau of the Census, *United States Census of Agriculture: 1935*, 289.

⁸⁶ *Ibid.*

government introduced the Agricultural Adjustment Act in May of that year. The primary purpose of the act was to alleviate the farm crisis by helping farmers financially. The act also targeted cotton, corn, hogs, dairy cows, rice and tobacco. The implementation of the AAA would forever change the relationship the federal government had with farmers across the nation, as the government was now dictating how much farmers who signed up for the program could plant of certain commodities such as the wheat. The following chapter examines how the AAA was implemented in North Dakota and how farmers reacted to the program.

CHAPTER 3. IMPLEMENTING THE AAA

The Agricultural Adjustment Act was signed into law on May 12, 1933 by President Franklin Delano Roosevelt. This act transformed the relationship the federal government had with farmers across the nation. The government was now telling farmers how much they should plant of certain commodities such as wheat, as well as paying them to plant less acreage. To initiate the AAA, the government used 2,200 county Extension Agents across the nation who acted as “shock troops” in the campaign to encourage farmers to sign up for the AAA programs.¹ The AAA was introduced by Extension Agents to farmers at the local level and resulted in high participation numbers. There were misunderstandings in explaining the program, which resulted in overestimation of acres by farmers. These issues were handled by the local agents and the overall implementation went smoothly as farmers and agents interacted cordially to initiate the AAA.

When the AAA was signed into law its goal was “to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, and to provide emergency relief with respect to agricultural indebtedness.”² One of the main goals of the act was to achieve price parity for the farmers, with the government using the years 1909-1914 as a basis for that goal. Parity essentially meant “maintaining a balance between the production and consumption of agricultural commodities which will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles farmers buy.”³ Many

¹ United States Department of Agriculture, *Agricultural Adjustment: A Report of Administration of the Agricultural Adjustment Act, May 1933 to February 1934*, 17.

² United States, *The Statutes at Large of the United States of America from March 1933 to June 1934, Part 1* (Washington: United States Government Printing Office, 1934), 31.

³ United States, *The Statutes at Large*, 32.

believed the income farmers received and the prices they paid for farm-related goods was acceptable during the above-mentioned period, and that getting farmers back to that level of income would be very beneficial. To accomplish this parity, the AAA attempted to “enhance the agricultural prices through widespread restraints on production or the removal of supplies from the market, enlarge the farmers’ incomes through direct payments for participation in production control programs, levy taxes on processors of farm products as a means of paying the cost of ‘adjustment’ operations, and regulate marketing through voluntary agreements among processors and distributors or compulsory licensing to eliminate unfair practices or charges.”⁴ The principle ideas of production control and parity were the two most important aspects of the act, but these ideas were not new to the country. The idea of reducing acreage to help deal with the surpluses of certain crops had been in existence since the early 1920s. Over a decade earlier some agricultural experts discussed the idea of an allotment plan, in which each farmer would only be able to grow a certain number of acres of each crop. One of the main proponents for an allotment plan was Milburn Lincoln Wilson.

M.L. Wilson, a man who grew up in Iowa, graduated from the agricultural college in Ames and proceeded to farm first in Nebraska and then, lured by reports of new money-making opportunities, in Montana.⁵ While living in Montana, Wilson discovered that growing crops, such as wheat, did not work as well on the arid plains as it did in his home state of Iowa. Wilson looked at the farmers around him and saw that many were having a difficult time growing wheat because of the arid conditions. He felt if the farmers would switch to grazing cattle on the arid

⁴ Edwin G. Nourse, *Three Years of the Agricultural Adjustment Administration* (Washington: The Brookings Institution, 1937), 32.

⁵ Richard S. Kirkendall, *Social Scientists and Farm Politics in the Age of Roosevelt* (Columbia: University of Missouri Press, 1966), 12.

plains, they would be more successful. Wilson looked at farming from a scientific perspective, examining which crops grew best in certain regions of the country.



Figure 6. M.L. Wilson.⁶

M.L. Wilson began to view farming as more of a business and he felt farms across the nation should be run like a business. According to historian Richard S. Kirkendall, Wilson began calling “upon farmers to imitate the methods of the most successful businessmen and initiate production control, with the goal being higher and more stable prices for the commercial farmer.”⁷ As the late 1920s progressed and a flood of commodities from the nation’s farms glutted the market, Wilson became the leading advocate of the allotment plan.⁸ According to William D. Rowley, Wilson “actively supported national relief legislation for the wheat crop and endorsed programs to aid in the disposal of surplus wheat.”⁹ Wilson advanced through the ranks of the Department of Agriculture, eventually becoming the Assistant Secretary in 1934. Wilson

⁶ <http://www.montana.edu/econ/seminar/mlwilson/index.html>

⁷ Kirkendall, *Social Scientist and Farm Politics in the Age of Roosevelt*, 24.

⁸ Ibid.

⁹ William D. Rowley, *M.L. Wilson and the Campaign for Domestic Allotment* (Lincoln: University of Nebraska Press, 1970), 2.

was a powerful figure in the Department of Agriculture during the 1930s and his ideas helped shape the framework of the AAA.

Besides Wilson's push for an acreage allotment system, George N. Peek was a strong advocate of parity as a goal of the AAA. Peek grew up in Illinois, and after working for the John Deere and later the Moline Plow companies, eventually became the first administrator of the AAA on May 15, 1933. Unlike Wilson, Peek felt the primary goal of the AAA should be parity rather than production control. Peek had supported the McNary-Haugen plan, which had been introduced in Congress in 1924, 1926, 1927 and 1928. The main component of this plan involved the federal government purchasing certain commodities such as wheat, cotton, corn and cows at a set price, which would be high enough for the farmers to receive parity between the commodities they sold and the goods they purchased. According to historian David Danbom, under this plan "the parity price paid by government would become the domestic price for a commodity, because the government would purchase the supply in excess of domestic demand and would maintain tariff rates high enough to keep competitive commodities produced elsewhere out of the country."¹⁰ The government would then send the surplus commodities to foreign nations, even if that meant they were selling the commodities at a loss. To pay for the losses the government would take on these surpluses, and an equalization fee would be charged to the farmers whose commodities were purchased under the guidelines of the plan. Peek and farmers across the nation enthusiastically supported this bill because they believed that if the prices of certain important crops were raised, a major problem of agriculture would be solved.¹¹ Although there was strong support for this bill, it was defeated in Congress in 1924 and 1926. It

¹⁰ Danbom, *Born in the Country*, 190.

¹¹ Gilbert C. Fite, *George N. Peek and the Fight for Farm Parity* (Norman: University of Oklahoma Press, 1954), 60.

was passed by a Democratic Congress in 1927 and 1928, but Republican President Calvin Coolidge vetoed it both years. Opponents of the bill felt that it would give the federal government too much power in the business of agriculture. If the law had passed, they argued “it would create a monstrous bureaucracy” and make the federal government “paternalistic in an unnatural way in agriculture.”¹²

Despite the defeat of the McNary-Haugen bill several times in the 1920s, supporters, such as Peek, stood behind the basic principle of the plan, parity for the farmers. The idea of achieving parity continued into the 1930s and would become one of the main principles of the Agricultural Adjustment Act. The AAA did not set up a system in which the government was buying all of certain commodities at a set price, but did help farmers achieve parity by paying them for reducing acres of commodities such as wheat. By reducing the numbers and acres of certain commodities, the prices farmers received for those commodities increased in 1933, 1934, and 1935. For example, wheat rose from 37.9 cents a bushel in 1933 to 84.7 cents in 1935.¹³ While the effects of the drought on the northern Great Plains may have played a bigger role in the reduction of the wheat surplus, the reduction of acres grown with wheat encouraged by the government also contributed.

Both Peek, who would become the first head of the AAA, and Wilson, were pivotal figures in the development and implementation of the AAA at the national level. Wilson also served as chief of the AAA wheat section during 1933. Peek’s insistence on achieving parity by dumping surpluses on the foreign market and paying for the losses by an increased processing tax was ultimately his undoing as Henry A. Wallace, who was the Secretary of Agriculture,

¹² Danbom, *Born in the Country*, 190.

¹³ United States Department of Agriculture, *Agricultural Adjustment, 1933-1935: A Report of Administration of the Agricultural Adjustment Act, May 12, 1933 to December 31, 1935* (Washington: United States Government Printing Office, 1936), 147.

“disapproved of subsidizing exports and dumping surpluses as a matter of policy.”¹⁴ The two argued over this point and in December of 1933, Peek resigned as head of the AAA. But Peek’s ideas about helping farmers achieve parity continued in the program, and his and Wilson’s ideas would help build the basis of the AAA.

To initiate the programs of the AAA across North Dakota and the nation, the Department of Agriculture used the Extension Service agents that were already located in nearly every county in the nation. As previously mentioned the Extension Service was created with the passage of the Smith-Lever Act of 1914. The bill was passed in May of that year by Congress and signed into law by President Woodrow Wilson on May 8, 1914. As stated in the introduction, the primary purpose of the act was to assign extension agents to each county who would present useful and practical information on agriculture and home economics to the local residents of each county. To achieve the goal of educating farmers on agriculture, the agents were to cooperate with the Department of Agriculture and the state colleges on issues relating to education and agriculture.¹⁵ To pay for these Extension Agents, the federal government appropriated a set amount of funds to each state that was to be matched by the state. The Extension Service was closely aligned with the agricultural colleges of each state, including the Experiment Stations, which had been initiated with the passage of the Hatch Act of 1887.

The Hatch Act gave state colleges across the country funds to run the Experiment Stations, but there were flaws to the bill. One of the problems that became apparent was the issue of how funds were to be spent by the Experiment Stations. The federal government appropriated funds for the stations, but often “the Hatch Act funds inevitably drifted into the

¹⁴ Saloutos, *The American Farmer and the New Deal*, 89.

¹⁵ Scott, *The Reluctant Farmer*, 311.

college accounts, to the substantial consternation of the USDA.”¹⁶ Also, in the beginning the farmers distrusted the Experiment Stations. Farmers were just beginning to accept agricultural science as a legitimate way of improving production, but they often blamed agricultural scientists and colleges for some of their misfortunes.¹⁷ After a few years of uncertainty, the Experiment Stations proved very beneficial to the study of agricultural practices across the nation. The Experiment Stations were successful in discovering new techniques in farming and getting that information to the farmers. By the time the Smith-Lever Act was passed in 1914, the Experiment Stations were nearly two decades old and had greatly contributed to the advancement of knowledge in the field of agriculture.

The Extension Service became the conveyors of the agricultural knowledge discovered at the Experiment Stations to the farmers. The Extension Agents in each county also helped explain new government policies to farmers at a local level in meetings that were held throughout the year in each county. These meetings were often held at local schoolhouses, courthouses, or on farms. By the time the AAA was enacted, the Extension Agents had been active in nearly every county across North Dakota for over a decade. Although many counties had an agent present since 1916, and others such as Cass, Burleigh, Dunn and Divide had had agents since 1919, some counties in the state did not get agents until much later. Ransom County did not have an agent until 1927, and Logan and Kidder Counties did not get an agent until 1932, 3 years into the Great Depression. There were also a number of counties that did not have an agent until the year the AAA was enacted, 1933, which included Billings, Griggs,

¹⁶ David B. Danbom, *Our Purpose is to Serve: The First Century of the North Dakota Agricultural Experiment Station* (Fargo: North Dakota Institute for Regional Studies, 1990), 14.

¹⁷ Marcus, *Agricultural Science and the Quest for Legitimacy*, 220.

McIntosh, Oliver, Rolette, Sheridan and Sioux. Each of these counties received an agent to help initiate the AAA and to help give farmers information about the procedures involved in the act.

While some counties had agents continuously from the first hire, others had an agent for a time, but decided not to keep one due to budgetary concerns or the thought that the agent was doing little to help the local farmers. Ward County had an agent from 1916-1918, but did not have one in 1919 and 1920. An agent returned in 1921 and an agent stayed in the county from that point forward. Traill County did not get an agent until 1928, but the agent left after one year and another one did not return until 1933. Sargent County also had an agent for a time, from 1919 to 1922, but did not have one from 1923 until 1933 when one returned for the implementation of the AAA.

McLean County Extension Agent George Stutsman noted in his 1934 report that the voters of McLean County voted to discontinue Extension Work in 1932.¹⁸ The people of McLean County clearly felt the Extension Agent was not worth keeping. Stutsman went on to state that by 1934, “there has been a reversal of public opinion regarding Extension work in McLean County” as farmers have shown a complete willingness to cooperate with the Extension Agent.¹⁹ Pembina County also felt the Extension Agent was not worth keeping in 1932 and voted the agent out by 6 votes.²⁰ However, by the fall of 1933, Pembina voters overwhelmingly voted the Extension Service back as 3,783 people voted in favor of an agent, while 1,990 voted against it.²¹ The implementation of the AAA would change many farmers’ minds about Extension Work.

¹⁸ North Dakota Cooperative Extension Service Annual Reports, McLean County, North Dakota Institute for Regional Studies Fargo, ND Box 37, Folder 35.

¹⁹ Ibid.

²⁰ N.D.C.E.S.A.R., Pembina County, N.D.I.R.S. Fargo, ND Box 45, Folder 32.

²¹ Ibid.

T.X. Calhoun, the Extension Agent from Barnes County in eastern North Dakota, stated in his 1933 annual report that “an improved attitude toward extension work has been evidenced during the past year because of Adjustment Programs where it was necessary for nearly everyone in the county to come in contact with extension work” and because “extension workers found an opportunity to use and become acquainted with farmers and farm women who previously had not used the Extension Office for government activities such as Agricultural Adjustment Activities.”²² Mary C. Laycock, the Assistant Extension Agent of Barnes County noted in the same year that “the A.A.A. program” has provided a “great benefit” to the Extension Service and “people have visited the extension office and working with the Extension Agents has given them a more friendly feeling” about the Extension Service.²³ The AAA had a positive effect on how farmers across North Dakota viewed the Extension Service. Extension Agent Ben H. Barrett of Cavalier County noted in his 1933 annual report that “the emergency work of the Wheat Allotment campaign has given Extension Work considerable prestige and has made possible contacts which should later be of benefit to an educational program.”²⁴ This is what the AAA did for local Extension Agents, it gave the work they did a sense of prestige, according to them. These interactions with farmers also gave agents power as the farmers needed the agents when it came to signing up for and getting information about the AAA. By forcing farmers to interact with their local county agents, the AAA allowed relationships to develop between Extension Agents and local farmers. Up to this point in time, the relationship between farmers and county agents had been distant or nonexistent in many cases.

²² N.D.C.E.S.A.R., Barnes County, N.D.I.R.S. Fargo, ND Box 3, Folder 6.

²³ N.D.C.E.S.A.R., Barnes County, N.D.I.R.S. Fargo, ND Box 3, Folder 7.

²⁴ N.D.C.E.S.A.R., Cavalier County, N.D.I.R.S. Fargo, ND Box 16, Folder 48.

The contact between the county agents and local farmers that the work of the AAA facilitated also allowed county agents to build relationships towards the future. William R. Page, the county agent from Grand Forks County stated in his 1933 report that “personal contacts with extension office were increased through the emergency work of the AAA which may increase the effectiveness of future extension efforts.”²⁵ Agents were also quick to realize that the work they were doing on behalf of the AAA was giving them access to many more farmers. Raymond Douglas, the agent from Ramsey County noted in 1933 that “the broadening of work by the new



Figure 7. A farmer, right, fills out a Wheat Reduction Contract with Cass County Extension Agent E.A. Calhoun.²⁶

set up of the Agricultural Adjustment Administration and the contacts made by this expansion have been of great value in making the work stand out more than ever before.”²⁷ Douglas also

²⁵ N.D.C.E.S.A.R., Grand Forks County, N.D.I.R.S. Fargo, ND Box 25, Folder 45.

²⁶ N.D.C.E.S.A.R., Cass County, N.D.I.R.S. Fargo, ND Box 14, Folder 28.

²⁷ N.D.C.E.S.A.R., Ramsey County, N.D.I.R.S. Fargo, ND Box 48, Folder 43.

stated that “extension work has played some part on the farm or in the home of nearly every farmer in the county during the last twelve months.”²⁸ Simply coming into contact with the farmers and their families allowed the agents to build relationships that would make the farmers more trustworthy of the work they were doing.

County agent first interacted with farmers in meetings in 1933 designed to explain what the AAA was and how it would work to the farmers. The administration would use the years 1930-1932 as the base years for acreage reduction. The average acreage grown for those 3 years would be the average used in determining how many acres should be taken out of production in 1934. To get these averages, the agents asked the farmers to report how many acres of wheat they had grown in each of those years. This was not so easy as some farmers would lie about how many acres they grew in an attempt to try to plant more acres in 1934 and get more money from both the government and from selling the wheat they grew. In Ramsey County, the official three year acreage average for 1930-1932 according to the government was 263,000 acres.²⁹ The number of acres the farmers reported was over 295,000 acres per base year, which was 32,000 acres more than the government estimates.³⁰ In McLean County, the acreage reported by farmers was 33% higher than government estimates.³¹ In Burke County, farmers listed approximately 42,000 more acres of wheat than the government’s official figures.³² This was a common occurrence across the entire state as farmers either purposely reported inflated acreage numbers to try to get the most money, or honest mistakes were made as farmers often had trouble understanding the instructions on the forms issued to them by the agents.

²⁸ Ibid.

²⁹ Ibid.

³⁰ Ibid.

³¹ N.D.C.E.S.A.R., McLean County, N.D.I.R.S. Fargo, ND Box 34, Folder 34.

³² N.D.C.E.S.A.R., Burke County, N.D.I.R.S. Fargo, ND Box 10, Folder 39.

To solve the problem of inflated acreage claims, the agents conducted meetings in which farmers elected local farmers, often their neighbors or close friends, to serve as members of each county's Wheat Production Control Association. Each county was divided into districts with associate members in charge of each district. For example, Ramsey County was divided into 7 districts, and 7 farmers were elected to serve on the permanent board of the Ramsey County Wheat Production Control Association.³³ Richland County was divided into 9 districts, with each district having between 2 and 3 committee men.³⁴

One of the primary tasks these board members were charged with undertaking was the assessing of acres reported by farmers within their districts. These members would visit local farms that appeared to be reporting more acres than they actually farmed and discovering the truth as to how much the farmers actually planted in the base period of 1930-1932. Checking the acreage of various farmers was time-consuming, but according to Extension Agent Ben Kienholz from Ramsey County, the board members usually discovered the discrepancies and “squeezed out all of the watered acres in which the board could definitely determine that the acres had been submitted too high.”³⁵ In each county “the work of taking out the overrun of acres was left largely to the allotment committee.”³⁶ Since these committeemen were local farmers, they knew what their neighbors grew and were quick to spot padded claims. This greatly assisted the county agents with their work. It also allowed the program to obtain credibility as local farmers were checking other farmers for false claims, rather than an agent who was not from the area. When farmers were discovered padding their claims, the “committees did painstaking work to

³³ N.D.C.E.S.A.R., Ramsey County, N.D.I.R.S. Fargo, ND Box 48, Folder 43.

³⁴ N.D.C.E.S.A.R., Richland County, N.D.I.R.S. Fargo, ND Box 53, Folder 8.

³⁵ N.D.C.E.S.A.R., Ramsey County, N.D.I.R.S. Fargo, ND Box 48, Folder 43.

³⁶ N.D.C.E.S.A.R., Richland County, N.D.I.R.S. Fargo, ND Box 53, Folder 8.

make the cuts” in acreage “as fair as records and human judgment would permit.”³⁷ The process of determining which farmers overstated their acreage and which ones did not left some farmers unhappy, but nearly every county agent reported that farmers accepted the local committees’ decisions and did not fight against their claims.

The farmers would also select other farmers from within the county to serve as compliance supervisors, who oversaw the allotment committees. The compliance supervisors were taught how to use the measuring wheels, check for padded claims, and how to calculate acreage. In Ramsey County 50 supervisors were chosen to be educated on compliance work, and of the 50 the top 34 were chosen to investigate claims in the 34 townships in the county.³⁸ The



Figure 8. Grand Forks County Wheat Allotment Committee, 1933.³⁹

³⁷ N.D.C.E.S.A.R., Grand Forks County, N.D.I.R.S. Fargo, ND Box 25, Folder 45.

³⁸ N.D.C.E.S.A.R., Ramsey County, N.D.I.R.S. Fargo, ND Box 48, Folder 45.

³⁹ N.D.C.E.S.A.R., Grand Forks County, N.D.I.R.S. Fargo, ND Box 25, Folder 45.

number of compliance supervisors varied from county to county, but Richland County had 32 supervisors who, according to agent Neil Coit, were “selected from a list of names submitted by the board of directors of the allotment committee.”⁴⁰ The directors of Richland County “made it a rule that supervisors must be contract signers or sons of contract signers residing on the farm.”⁴¹ This appears to be an attempt to assure fairness in the measuring of acreage within the county. Cass County had 35 compliance supervisors who assisted in measuring acreage and checking wheat contracts for mistakes.⁴² The Benson County Agent noted that he liked hiring college educated men to be compliance supervisors because they were “keen-minded, able to spot an error a mile away and ambitious to work hard as their wages were set on the accuracy of their work.”⁴³ Over time these supervisors became better at spotting padded claims. These farmers who were compliance supervisors were one of the main reasons why the AAA ran so smoothly across North Dakota.

Once the agents determined how many acres each farmer had planted for the base years, they could then determine how many acres each farmer should take out of production for 1934. The number of acres that were to be taken out of production, which was decided upon by the United States Department of Agriculture, amounted to 15% of the total acres of wheat grown during the base years. If a county had averaged 300,000 acres of wheat grown for the base years, then it was supposed to take 45,000 acres out of production for 1934. The table below shows how many acres each county reduced and harvested in 1934. In Barnes County 34,244 acres of wheat were taken out of production in 1934.⁴⁴ In Benson County 46,220 acres were taken out of

⁴⁰ N.D.C.E.S.A.R., Richland County, N.D.I.R.S. Fargo, ND Box 53, Folder 10.

⁴¹ Ibid.

⁴² N.D.C.E.S.A.R., Cass County, N.D.I.R.S. Fargo, ND Box 14, Folder 29.

⁴³ N.D.C.E.S.A.R., Benson County, N.D.I.R.S. Fargo, ND Box 6, Folder 7.

⁴⁴ N.D.C.E.S.A.R., Barnes County, N.D.I.R.S. Fargo, ND Box 43, Folder 8.

production, while Cass County took 41,000 acres of wheat out of production, Cavalier County took 38,547 acres out, and Ramsey County took 40,407 acres out of production.^{45 46 47 48} Agents across North Dakota stated that they had little trouble getting the farmers to follow the rules and guidelines set forth by the AAA, and the reduction in acres occurred efficiently across the entire state. Agent E.A. Calhoun of Cass County noted that “almost without exception the farmers have lived up to the terms of their contracts, and where there has been any deviation from the requirements it has been found to be unintentional and that those involved were willing to do whatever was necessary to have their contracts kept in full force.”⁴⁹ E.M. Gregory of Burke County also wrote positively of the farmers’ cooperation when he stated that “farmers have a very enthusiastic attitude toward the wheat program and with but very few exceptions are

Table 2. Acres Reduced and Harvested in Select Counties across North Dakota in 1934.

County	Acres Reduced, 1934	Acres Harvested, 1934	Percentage
Barnes	34,244	160,568	21%
Benson	46,220	107,696	43%
Cass	41,000	215,428	19%
Cavalier	38,547	170,884	22%
Grand Forks	22,533	162,236	14%
McLean	60,096	94,334	64%
Ramsey	40,407	178,608	23%
Richland	21,000	40,431 ⁵⁰	52%

⁴⁵ N.D.C.E.S.A.R., Benson County, N.D.I.R.S. Fargo, ND Box 6, Folder 6.

⁴⁶ N.D.C.E.S.A.R., Cass County, N.D.I.R.S. Fargo, ND Box 14, Folder 29.

⁴⁷ N.D.C.E.S.A.R., Cavalier County, N.D.I.R.S. Fargo, ND Box 16, Folder 49.

⁴⁸ N.D.C.E.S.A.R., Ramsey County, N.D.I.R.S. Fargo, ND Box 48, Folder 44.

⁴⁹ N.D.C.E.S.A.R., Cass County, N.D.I.R.S. Fargo, ND Box 14, Folder 29.

⁵⁰ Bureau of the Census, *United States Census of Agriculture, 1935*, 298-301.

fulfilling their contracts in a highly cooperative spirit.”⁵¹ This sentiment was echoed across the state as agents found that farmers were cooperative and willing to take acres out of production in exchange for subsidies paid by the government.

The percentage of farmers who participated in the reduction program varied from county to county, but it was near or above 90% across the entire state. 1,890 out of 1,980 wheat farmers in Barnes County signed up and completed their wheat contracts in 1934, which is over 95%.⁵² In Benson County, 308,136 acres of wheat out of a total of 308,499 acres were under Wheat Production Control Contracts in 1934, which was 99.8% of the total wheat acreage in the county.⁵³ Cass County had 2,193 of 2,450 farmers sign contracts, which amounted to 89.5% of the wheat farmers in the county.⁵⁴ Cavalier County also had a high participation rate as 1,953 out of 2,148 wheat farmers signed contracts with the AAA, which was 90.9% of the farmers in the county.⁵⁵ Farmers enthusiastically and in very high numbers signed wheat contracts with the AAA and carried out the contracts they had signed.

While farmers across the nation signed reduction contracts with the AAA, North Dakota had the highest percentage of farmers who participated in the Wheat Reduction program, with 93% of the wheat growers participating.⁵⁶ This is a clear indicator of how bad things were for farmers in North Dakota. Selling wheat was the primary source of income for many farmers, and since the state was experiencing the worst drought in its history, farmers across the entire state welcomed the relief offered by the AAA. As stated above, the initiation of the AAA at the local

⁵¹ N.D.C.E.S.A.R., Burke County, N.D.I.R.S. Fargo, ND Box 10, Folder 40.

⁵² N.D.C.E.S.A.R., Barnes County, N.D.I.R.S. Fargo, ND Box 3, Folder 8.

⁵³ N.D.C.E.S.A.R., Benson County, N.D.I.R.S. Fargo, ND Box 6, Folder 6.

⁵⁴ N.D.C.E.S.A.R., Cass County, N.D.I.R.S. Fargo, ND Box 14, Folder 29.

⁵⁵ N.D.C.E.S.A.R., Cavalier County, N.D.I.R.S. Fargo, ND Box 16, Folder 49.

⁵⁶ United States Department of Agriculture, Agricultural Adjustment Administration, *Agricultural Adjustment: A Report of Administration of the Agricultural Adjustment Act, May 1933 to February 1934*, 53.

level ran very smoothly across the state, with county agents noting how accommodating and cooperative the farmers of North Dakota were. There were issues of farmers overestimating their acreage, but these issues were handled by the agents and allotment committee members, in which farmers complied with the orders of the committees. The successful implementation of the AAA would not have occurred without the farmers' willingness to adhere to the rules and regulations of the program, as well as the invaluable work done by the farmers who served on the allotment committees. It is because of the work done by the county agents and the local farmers that the AAA was able to be initiated with success and with high participation numbers. While this chapter focused on the launching of the AAA in North Dakota, the next chapter will examine the results of the AAA and what the farmers of North Dakota thought about the program.

CHAPTER 4. THE RESULTS OF THE AAA

The first checks farmers received from the AAA arrived in North Dakota in the fall of 1933. The amount of these checks varied from farm to farm, depending on the size of the farm, how much wheat each farmer grew, and how many acres each farmer took out of production. The amount of money received by the farmers of each county also varied across the state, as some counties grew more wheat than other counties. Since many farmers relied primarily on the sale of wheat as a source of income and since the price of wheat was so low, the money the farmers received from the AAA often served as one of their only sources of income for the year. 1934 was also one of the driest years in the history of North Dakota, and crop failure occurred across the state. An average of 9.5 inches of rain fell across the state in 1934.¹ The average rainfall for the state is nearly double that, at 17.8 inches.² The money farmers received from the AAA helped ease the financial strain they were facing and most, if not all, were thankful for the money the AAA paid. The AAA was a form of relief and did not greatly alter wheat farming in North Dakota. The farmers who did oppose the AAA did not have to participate in the program, and they chose not to. Farmers overwhelmingly voted in favor of continuing the AAA in 1935, and the high participation rates of farmers in the AAA make it clear that they were happy with the results of the program.

Since only farmers who signed wheat contracts with the AAA were eligible to receive benefits from the AAA, not all farmers growing wheat in North Dakota received money from the AAA. The percentage of farmers who did not sign wheat contracts varied from county to county, but most counties had 10% or less of eligible farmers who did not sign wheat contracts.

¹ Robinson, *History of North Dakota*, 398.

² <http://www.currentresults.com/Weather/US/average-annual-state-precipitation.php>

The farmers who did sign wheat contracts were paid for reducing their wheat acreage in 1934 and 1935 under the first Agricultural Adjustment Act.

Extension reports from the county level demonstrate how ready farmers were to participate in the AAA, and the following statistics detail the results of the AAA. The table below shows how many farmers participated in the Wheat Reduction Program in select counties and years, as well as how much money was earned by those farmers.

Table 3. Money Earned by Select Counties in North Dakota from the AAA.

Select County	Select Year(s)	Farmers Participating	Amount Earned in County	Amount Earned Per Farmer
Barnes	1934	1,890	\$395,325.00	\$209.16 ³
Benson	1934	1,700	\$540,165.50	\$317.74 ⁴
Cass	1934	2,193	\$442,000.00	\$201.55 ⁵
Grand Forks	1933	2,547	\$261,167.00	\$102.54 ⁶
Pembina	1933/1934	1,620	\$392,975.99	\$242.58 ⁷
Ramsey	1933/1934	1,479	\$401,000.12	\$271.13 ⁸

In Pembina County the payment was \$0.20 per bushel for the first payment of the 1934 crop, according to the Extension Report.⁹ This is much lower than farmers would have received if they had grown a crop with the same amount of bushels the government was paying them for and sold the bushels on the market. But since 1934 was such a dry year, the farmers who signed

³ North Dakota Cooperative Extension Service Annual Reports, Barnes County, North Dakota Institute for Regional Studies, Fargo, ND Box 3, Folder 8, 10.

⁴ N.D.C.E.S.A.R., Benson County, N.D.I.R.S. Fargo, ND Box 6, Folder 6.

⁵ N.D.C.E.S.A.R., Cass County, N.D.I.R.S. Fargo, ND Box 14, Folder 29.

⁶ N.D.C.E.S.A.R., Grand Forks County, N.D.I.R.S. Fargo, ND Box 25, Folder 46.

⁷ N.D.C.E.S.A.R., Pembina County, N.D.I.R.S. Fargo, ND Box 45, Folder 32.

⁸ N.D.C.E.S.A.R., Ramsey County, N.D.I.R.S. Fargo, ND Box 48, Folder 44.

⁹ Ibid.

wheat contracts made more per acre than the farmers who did not sign contracts. Pembina County Extension Agent Earl Hodgson estimated that “farmers received \$18.44 per contracted wheat acre in 1934 while the gross income per wheat acre in Pembina County was \$6.00 per acre.”¹⁰ The farmers who signed wheat contracts made \$12.44 more per wheat acre than the farmers who did not sign contracts, according to the Pembina County estimates. If a farmer took 20 acres out of production, they made roughly \$248.80 more than someone who planted those 20 acres and sold the wheat on the open market.

In Ramsey County in 1934, there were 1,510 wheat growers with 1,479 participating in the Wheat Reduction Program of the AAA.¹¹ This means that nearly 98% of the wheat farmers in the county signed wheat contracts and received payments from the AAA. The 1,479 farmers who participated in the program signed 2,028 wheat contracts in total, and of those 2,028 contracts, 1,960 of the contracts were fulfilled honestly and completely by the farmers.¹² Nearly 97% of the contracts signed by Ramsey County farmers were fulfilled without issue, and the few that were not were often cases of a farmer over-seeding without knowing it, according to the Extension Agent of the county.¹³ Usually if the farmers did over-seed, the agent in Ramsey County would ask the farmer to cut the excess acreage for hay, and most of the time the farmer complied with this request.¹⁴

The high percentage of farmers in Ramsey County who signed contracts and who followed the rules of the contracts shows the farmers’ willingness to cooperate with the local agents in undertaking the massive program of AAA. The high numbers also indicate the farmers

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

approved of the AAA, and the county agent noted in his 1934 report that “the feeling of the farmers in general towards the Wheat Program is very favorable” and that “it is safe to say that our farmers are nearly solid behind the program.”¹⁵ The high percentage of participation in the AAA was no doubt attributed to the poor financial condition the farmers were in as well as the devastating drought that was decimating North Dakota crops. But the numbers also show that farmers were overwhelmingly in favor of the AAA, even the farmers who were not struggling financially.

Barnes County also had a high number of farmers sign up for the Wheat Reduction Program in the fall of 1933. Of the 1,990 wheat growers in the county, 1,890 farmers signed wheat contracts and lived up to the terms of their contracts.¹⁶ This shows that nearly 95% of the wheat growers in the county signed up and completed their wheat contracts. Barnes County had very few issues with people violating the terms of the contracts they signed, according to the county agent. Agent T.X. Calnan noted that “there have only been two violations of the contract and these violations were made not understanding that wheat could not be increased on non-contracted land.”¹⁷ This was often the case across the state, as agents reported frequently that farmers who did violate the terms of the contracts were unaware that they were doing such a thing. Some farmers measured their acreage wrong and would end up over-seeding. Other farmers, such as the two mentioned above by Calnan, would seed more acres of wheat on land that was not under contract. Many did not realize that when they signed a contract that said how many acres of wheat they could plant, that they could not make up the acreage lost in other fields. These simple misunderstandings were usually corrected, as farmers who over seeded

¹⁵ Ibid.

¹⁶ N.D.C.E.S.A.R., Barnes County, N.D.I.R.S. Fargo, ND Box 3, Folder 8.

¹⁷ N.D.C.E.S.A.R., Barnes County, N.D.I.R.S. Fargo, ND Box 3, Folder 8.

would cut the extra wheat for hay, plow under the extra acres, or thresh the extra wheat and mix it in with animal feed.¹⁸ Of course some farmers did try to plant more acres deliberately in an attempt to make more money, but agents often made light of these incidences in their reports.



Figure 9. Erwin Thompson measuring acres in Grand Forks County, 1935.¹⁹

All the information provided above makes it abundantly clear that farmers who signed Wheat Reduction Contracts with the AAA for 1934 and 1935 received significant financial help from the AAA. Some received more than others, with the larger, wealthier farmers receiving more than the smaller, poorer ones. This was one drawback of the AAA, but money still did get to all those farmers who signed contracts and complied with the rules and regulations of the contracts. This helped put money into all the farmers' pockets that were willing to sign Wheat Reduction Contracts.

¹⁸ Ibid.

¹⁹ N.D.C.E.S.A.R., Grand Forks County, N.D.I.R.S. Fargo, ND Box 25, Folder 47.

On May 25th, 1935, farmers across the state were asked if they wanted to continue the Wheat Reduction Program for the years 1936-1939. Each county held meetings in which farmers could vote either for or against the continuation of the AAA in their counties. Farmers were overwhelmingly in favor of the continuation of the program across the state. The table below details how many farmers supported the continuation of the AAA in select counties, with those who voted yes to the continuation of the AAA in the “In Favor” columns, and those who voted no in the “Against” columns.

Table 4. Results of Vote to Continue AAA in May, 1935.

Select County	Contract Signers		Non-Contract Signers		Total Votes	
	In Favor	Against	In Favor	Against	In Favor	Against
Cass	1,534	36	151	11	1,685	47 ²⁰
Grand Forks	1,090	27	279	25	1,369	52 ²¹
Pembina	1,169	39	230	17	1,399	56 ²²
Ramsey	1,661	7	55	1	1,716	8 ²³

Farmers voted heavily in favor of the continuation of the program. Even farmers who did not sign contracts favored the continuation of the AAA. Similar statistics are found across the state and it is clear that farmers supported the program. Neil B. Coit, the Emergency Agricultural Assistant for the Richland County, noted that the main reason farmers supported the AAA was “because of the failure of the wheat crop to materialize during the past few seasons,” and due to these crop failures “the adjustment payments and crop insurance feature of the

²⁰ N.D.C.E.S.A.R., Cass County, N.D.I.R.S. Fargo, ND Box 14, Folder 29.

²¹ N.D.C.E.S.A.R., Grand Forks County, N.D.I.R.S. Fargo, ND Box 25, Folder 47.

²² N.D.C.E.S.A.R., Pembina County, N.D.I.R.S. Fargo, ND Box 45, Folder 33.

²³ N.D.C.E.S.A.R., Ramsey County, N.D.I.R.S. Fargo, ND Box 48, Folder 45.

program have been very beneficial to the farmers of the county.”²⁴ Overall, 60,291 farmers across the state voted in favor of continuing the AAA, while 2,297 voted against it, which means over 96% of the farmers in North Dakota who voted were in favor of continuing the AAA.²⁵ This means that the vast majority of wheat farmers across the entire state were happy with the AAA and wanted the Wheat Reduction Program to continue. If they did not want the program to continue, they would have voted against it.

Individual farmers have not been discussed thus far and a few will be examined now. John Fay, a farmer farming near York, ND in the 1930s, kept a record of his expenses and his income for 1934 and parts of 1935. In 1934, Fay’s total expenses for the year were \$4,073.63.²⁶ Fay’s total income for the year was \$3,050.13, which shows that Fay ended the year losing over a thousand dollars.²⁷ 1934 was not a good year for the Fay farm, but it could have been much worse. Of the \$3,050.13 that Fay earned that year, \$1,438.07 came from wheat allotment checks from the AAA.²⁸ The wheat that Fay did harvest and sell netted him only \$283.85.²⁹ This means that Fay made over five times more from his wheat allotment checks than he did from growing and selling wheat that year. Nearly half of John Fay’s total income for 1934 came from the AAA. Benson County, which is where York is located, averaged \$317.74 per farmer from the AAA in 1934. Fay’s income from the AAA is extremely high when compared to what the average farmers in the county received, which was because Fay likely had more acres than the

²⁴ N.D.C.E.S.A.R., Richland County, N.D.I.R.S. Fargo, ND Box 53, Folder 10.

²⁵ North Dakota County Agent Leader Annual Report, 1934-1935 (North Dakota Institute for Regional Studies, Fargo, ND), Box 82, Folder 3.

²⁶ John Fay, “John Fay Papers, 1903-1986” (North Dakota Institute for Regional Studies, Fargo, ND), Box 1, Folder 5.

²⁷ Ibid.

²⁸ Ibid.

²⁹ Ibid.

average farmer. Regardless of the size of his farm, Fay benefitted greatly from the AAA and nearly half of his income in 1934 came from his wheat allotment checks.

In 1935, Fay earned \$295.45 from selling his Ceres hard red spring wheat.³⁰ He also earned \$451.75 from selling durum wheat.³¹ In total, he earned \$747.20 from selling wheat that year, which is much more than he received in 1934. He also received \$778.26 in wheat allotment checks from the AAA, which is much lower than 1934.³² While the statistics are not as startling as they were for the 1934 growing season, it still shows that Fay made more money from the AAA in 1935 than he did from the wheat he grew.

Another farmer with records from 1934 is Jules Lebrun. Lebrun farmed near Langdon, which is located in Cavalier County, and he kept a detailed account of his farm income and expenses in 1934. For the year, Lebrun's farm made \$2,677.90 while having expenses of \$2,620.60.³³ Lebrun avoided going into debt for the year by a mere \$57.30. Lebrun was able to pay off his bills thanks in part to the money he received from the AAA. For 1934, Lebrun received \$229.25 for reducing his wheat acreage.³⁴ This is a much smaller percentage of his total income than what Fay earned, but it still amounts to over 8.5% of Lebrun's total income for the year. This is a significant portion of his income that he would not have earned if he had not signed a wheat contract with the AAA. The subsidy from the AAA allowed him to actually make a profit as a wheat farmer in North Dakota in 1934, the driest year in the history of the state.

³⁰ Fay, "John Fay Papers, 1903-1986," Box 1, Folder 14.

³¹ Ibid.

³² Ibid.

³³ Jules Lebrun, "Jules Lebrun Records, 1930-1975" (North Dakota Institute for Regional Studies, Fargo, ND), Box 1 Folder 3.

³⁴ Ibid.

Fay's records show that some farmers received more money from the AAA than they did from the crops they were growing and selling. Lebrun's records show that some farmers were able to stay out of debt because of the money they received from the AAA. This money served as a primary source of income for many farmers and a safety net for many others. The money paid out by the AAA helped farmers survive the toughest years of the Great Depression.

The AAA was ruled unconstitutional on January 6, 1936, by a 6 to 3 vote from the Supreme Court. The *Fargo Forum* noted on that day that the court "killed the extraordinary New Deal farm relief plan under which over a billion dollars has been paid to men of the soil since May, 1933."³⁵ The court's decision had been expected since late 1935, but still came as a surprise to the farmers of North Dakota. Many farmers had become used to receiving funds from the AAA, and these funds were a substantial source of income for thousands of North Dakota wheat farmers. The Supreme Court argued that the processing tax which had been placed on producers of farm commodities, such as cereal makers, was unconstitutional. The Supreme Court went on to state that the "Constitution did not authorize Congress to regulate farm production or to levy a processing tax to make benefit payments."³⁶ The processing tax, which was passed from the manufacturers to the consumers, was the ultimate undoing of the AAA because the Supreme Court argued it was unconstitutional to tax one group of citizens, the consumers, and give that money to the farmers. Many farmers expressed outrage over the court's ruling.

Walter Maddock, the secretary of the Farmers Union Terminal Association, stated that "the decision invalidating the AAA is a terrible blow to the American farmer" and that "the

³⁵ Unknown Author, "Entire AAA Held Unconstitutional in 6 to 3 Supreme Court Decision" *Fargo Forum*, Jan. 6, 1936.

³⁶ Fite, *American Farmers*, 60.

ruling demands immediate action by the farmer to find some new procedure to attain the goals of controlled production and parity prices.”³⁷ Parity had been the main goal of the AAA, with 1909-1914 designated as the base years, and some gains had been made with regard to achieving parity. In 1935, “prices farmers received for their products were averaging 86% of parity, which was a gain of 8% from 1934.”³⁸ Maddock, in the same article, said that “the decision of the court is a challenge to the intelligence of the American farmer” and that the “American farmer” is not going to “remain an economic slave.”³⁹ In a letter to the editor in the *Fargo Forum* published on January 7, 1936, an anonymous writer stated that the “AAA has brought many benefits to agriculture, which also brought about some benefits indirectly to business and industry.”⁴⁰ The writer also stated that “it is now our duty of finding a constitutional way whereby agriculture, upon which 40 million of our people depend for a direct livelihood, can accomplish the objectives intended in the AAA.”⁴¹ These writers clearly favored the AAA and were disappointed when it was declared unconstitutional by the United States Supreme Court.

Shortly after the AAA was declared unconstitutional, the federal government passed the Soil Conservation and Domestic Allotment Act and the act was signed into law on March 1st, 1936. The act differed from the AAA in that it paid farmers to plant soil conserving crops rather than soil depleting crops, while the AAA had paid farmers for reducing acreage. The same results occurred though because the soil depleting crops happened to be cotton and wheat, the two crops the AAA was primarily directed at and the two crops that had the largest surpluses. To pay the farmers, Congress appropriated a general fund rather than issuing a processing tax on

³⁷ Unknown Author, “Maddock Calls Decision ‘Blow’” *Fargo Forum*, Jan. 6, 1936.

³⁸ Unknown Author, “Entire AAA Held Unconstitutional in 6 to 3 Supreme Court Decision” *Fargo Forum*, Jan. 6, 1936.

³⁹ Unknown Author, “Maddock Calls Decision ‘Blow’” *Fargo Forum*, Jan. 6, 1936.

⁴⁰ Editorial, “The AAA Decision” *Fargo Forum*, Jan. 7, 1936.

⁴¹ *Ibid.*

manufacturers of agricultural commodities. By making these adjustments, the SCDAAs were not ruled unconstitutional by the Supreme Court and survived until 1938, when the second AAA was passed. The AAA of 1938 kept many of the principles of the SCDAAs, but also featured marketing quotas, which were determined by the Secretary of Agriculture and voted on by the producers of a particular commodity, such as wheat.⁴² If two-thirds of the farmers agreed to the marketing quotas, then the quotas became law and farmers who sold more than their quotas were subject to a stiff tax.⁴³ Marketing quotas continued for the next forty years, while paying farmers subsidies has continued to the present. Many farmers may not need subsidies today, but they certainly did in the 1930s.

For 1934 and 1935, North Dakota averaged \$17,500,000 in benefit payments from the AAA.⁴⁴ Of that total, \$14,000,000 was paid in wheat benefits.⁴⁵ This money greatly helped not only the farmers of North Dakota, but all citizens, either directly or indirectly. Since farmers were able to keep their land and continue farming, local businesses were able to stay open. Farmers clearly favored the results of the AAA as judged by their overwhelming support of the continuation of the program. In the three years of the AAA, North Dakotan farmers completed 104,326 wheat reduction contracts, more than any other state in the country.⁴⁶ Kansas had the second most contracts completed with 94,061.⁴⁷ North Dakota also had the highest percentage of wheat acreage under contract with the AAA, with 94% of the wheat in the state under

⁴² Fite, *American Farmers*, 60.

⁴³ *Ibid.*

⁴⁴ Unknown Author, "Entire AAA Held Unconstitutional in 6 to 3 Supreme Court Decision" *Fargo Forum*, Jan. 6, 1936.

⁴⁵ *Ibid.*

⁴⁶ United States Department of Agriculture, *Agricultural Adjustment, 1933-1935: A Report of Administration of the Agricultural Adjustment Act May 12, 1933, to December 31, 1935*, 150.

⁴⁷ USDA, *Agricultural Adjustment*, 149.

contract.⁴⁸ The AAA used 9,929,000 acres as its official base for the years 1930-1932. North Dakota farmers were to remove 15% of that figure from production for the 1934 crop, which would have amounted to 8,439,650 acres being planted. Farmers harvested only 2,941,154 acres in 1934, which is much lower than what they were allowed to.⁴⁹ The majority of this shortfall may be attributed to the devastating drought of 1934, but even if the drought had not hit, the cap on how many acres farmers could have planted would have curtailed the total number. County Agent Leader Gorman stated it best when he noted that “the increased prices of wheat in 1934 meant little to the North Dakota farmers since the crop was reduce by one-third due to drought, but the near 15 million dollars in benefit payments distributed to the farmers was a large benefit to them.”⁵⁰

The AAA may not have achieved all of its goals, but it helped the wheat farmers of North Dakota during the toughest years of the Great Depression. The program was intended to get relief to the farmers of North Dakota, and that is exactly what it did. The problem of overproduction was corrected in the short term, partially due to drought, and partially due to the reduction contracts offered by the AAA. Parity was not achieved, but the level of parity did increase in both 1934 and 1935. The AAA did not solve long-term problems with wheat farming in North Dakota, but it did help farmers keep farming at least a few more years. The AAA helped farmers in the short term, and the wheat farmers who signed contracts with the AAA from 1933-1936 in North Dakota benefitted greatly from the program and were thankful for the relief the program offered.

⁴⁸ USDA, *Agricultural Adjustment*, 150.

⁴⁹ United States Bureau of the Census, *United States Census of Agriculture, 1935*, 289.

⁵⁰ North Dakota County Agent Leader Annual Report, 1934-1935, Box 82, Folder 3.

CHAPTER 5. CONCLUSION

George Stutsman, the county extension agent for McLean County, noted in 1934 that “the farmers feel that the reduction program has been a very good one because in many cases, due to the severe drought (of 1934), the only source of revenue has been the wheat payments.”¹ The Agricultural Adjustment Act provided farmers with a safety net during the drought-stricken years of the mid-1930s, years in which little grew, and what did grow was not enough to provide a living. In 1929 North Dakota wheat farmers harvested an astonishing 95,141,084 bushels of wheat, worth \$97,572,655.00.² In 1934, the driest year in the history of North Dakota at that point in time, farmers only harvested 17,832,954 bushels of wheat valued at \$17,301,567.00.³ From 1929 to 1934 the value of the North Dakota wheat crop, which was the most valuable cash crop the state grew, had dropped over eighty million dollars. Wheat farmers needed help during this period, and they got it with the AAA.

The extensive drought that hit the state from 1933 to 1936 diminished the hopes of thousands of wheat farmers across the state, as it reduced crop productivity and severely hurt the farmers’ ability to make a cash income. North Dakota’s reliance on wheat as a substantial piece of its economy was put in jeopardy when crops across the state failed in 1933, 1934, and 1935. Worse was the price farmers were receiving for the wheat they were able to grow, harvest, and sell. For the 1932 growing season, wheat averaged \$0.38 a bushel, which is less than half what it was in 1929.⁴ The extremely low prices coupled with the severe drought made North Dakota

¹ North Dakota Cooperative Extension Service Annual Reports, McLean County, North Dakota Institute for Regional Studies Fargo, ND Box 37, Folder 35.

² United States Bureau of the Census, *United States Census of Agriculture, 1935*, 289.

³ Ibid.

⁴ United States Department of Agriculture, *Agricultural Adjustment, 1933-1935*, 147.

wheat farmers desperate for some type of assistance. This is why most farmers turned to the AAA when it was introduced in May of 1933.

North Dakota farmers participated in the AAA Wheat Reduction Program at a higher rate than any other state, with 93% signing Wheat Reduction Contracts.⁵ North Dakota was second in the nation in terms of the total amount of money received by farmers whose contracts were valued at \$36,715,000.00.⁶ Only the state of Kansas received more money from the AAA Wheat Reduction Program than North Dakota. The farmers welcomed the relief offered by the AAA and most supported the program. When it came to decide if the program should be continued for the years 1936-1939, farmers overwhelmingly supported the continuation of the program. Not only did North Dakota wheat farmers participate in the program in record numbers, but they also wanted the program to continue in its current form. The AAA may have had its shortcomings with certain commodities or with certain regions of the country, but the Wheat Reduction Program was a resounding success in the state of North Dakota. Farmers participated in the program, helped police it through the allotment committees, encouraged their neighbors and friends to join the program, and wanted the program to continue, but it was declared unconstitutional in January of 1936. The AAA was a safety net that was needed at the time, and it helped prolong family farming in North Dakota, at least for a few years longer.

The AAA has been covered extensively by historians over the past seventy-plus years. Many historians have focused on the AAA at the national level, analyzing how successful or unsuccessful the program was across the entire nation. Historians, such as Saloutos and Fite, have analyzed all the commodity programs within the AAA, including the wheat, corn-hog,

⁵ United States Department of Agriculture, Agricultural Adjustment Administration, *Agricultural Adjustment: A Report of Administration of the Agricultural Adjustment Act, May 1933 to February 1934*, 53.

⁶ United State Department of Agriculture, *Agricultural Adjustment, 1933-1935*, 150.

cattle, rice, tobacco, and cotton programs, and they have shown how these various programs worked, whether or not they were successful in achieving their goals, and the long-term results of these programs. Their analysis of the AAA is critical to understanding how the program worked at the national level and determining which programs within the AAA were successful, which ones were not, and why they were or were not successful. A problem with their evaluations is that they do not show how the AAA worked at a local level. A program of the AAA may have been a complete disaster when it is looked at from a national perspective, but it may have benefitted some local towns or counties greatly. It then could be said that the program was a huge success in some locations, but overall was a disaster for the country. A localized look at the AAA is needed to understand how the program benefitted or hindered certain parts of the country.

Authors who have reviewed the successes and failures of the AAA at the local level include McNicol Stock and Tweton, who were both discussed in chapter 1. Tweton analyzes the entire New Deal and how the programs of the New Deal affected the residents of Otter Tail County in central western Minnesota. He does discuss the AAA, but it is not the primary focus of his book, nor is the wheat program of the AAA. His analysis is insightful in how it describes the way the AAA benefitted the farmers of Otter Tail County, but it does not focus on North Dakota, which is what this thesis does. Tweton shows how the wheat program of the AAA benefitted farmers at the local level, which helps shed light on how the AAA functioned locally in Minnesota.

McNicol Stock, on the other hand, analyzes what the people of North and South Dakota went through in the years of the Great Depression. Her analysis shows what life was like for the residents of the two states, and she also discusses the AAA and its results throughout the book.

But her focus is not on the AAA, and therefore her work does not examine the program in detail and show how the AAA functioned in North Dakota, what were the results of the program, and what the farmers of North Dakota thought about it.

This thesis evaluates how the AAA worked in North Dakota and why the program was such a massive success in the state. No previous historian has focused exclusively on the AAA Wheat Reduction Program in North Dakota. This thesis examines how the program worked in North Dakota, including how it was set up, how it was run, and how farmers participated in regulating it. The county extension records were used extensively in writing this thesis, and many of the records have not been looked at before this time. By using these records, this thesis is able to show how the extension agents handled the implementation of the AAA and what they thought about the program. The weakness of the Extension Records is that they are biased though, as they focus more on the successes of the AAA, rather than the failures. The records rarely discuss problems the Extension Agents had with farmers, and when they do, the problems are made light of and are rarely discussed in detail. The agents wrote their reports for their superiors and they wrote positively about the program to make themselves, and the program, look good. When a problem is discussed, such as a farmer over-seeding or lying about their acreage, the agents stated the farmers were always more than willing to compromise and correct the mistakes that had been made. This was not always the case, as some farmers disagreed with the agents' decisions and were not happy if they had to reduce acreage in fields that had already been planted. Even with the biases of the Extension Reports, the fact remains that farmers did overwhelmingly support the AAA, as the statistics from the program indicate. The positive opinions of the Extension Agents in their reports may be biased, but the statistics, such as farmer participation levels and the number of acres of wheat reduced, are not. The Extension Agents'

reports are helpful in understanding how the Wheat Reduction Program was run because the reports are primary documents written at the time the program was run, and the statistics on farmer participation levels back up the agents' claims in the reports.

Wheat was and still is one of the most valuable cash crops in North Dakota and makes up a large part of the state's economy. Writing about the wheat program of the AAA is crucial in understanding the history of North Dakota. The Great Depression was a critical time in the history of North Dakota, and the help the AAA offered the wheat farmers of North Dakota allowed them to keep farming a bit longer. It is important to show how the AAA affected North Dakota wheat farmers, and that is what this thesis does. The wheat program in North Dakota was more successful than other programs within the AAA, such as the cotton program in the South. From 1932 to 1935, the price of wheat more than doubled from 37.9 cents a bushel to 90.1 cents a bushel.⁷ Cotton during the same period did increase in price, but only from 6.5 cents per pound to 11.1 cents per pound.⁸ Sharecroppers and tenant farmers, mostly found growing cotton in the South, did not benefit from the adjustment payments and many were thrown off their land during the AAA. It is estimated that by 1935 100,000 cotton sharecroppers and tenants were evicted from their lands, all since the beginning of the AAA in 1933.⁹ Owners of the land would evict the sharecroppers and tenants and reduce the acreage those farmers were using. The owners would then collect money on those reduced acres from the AAA. Since the majority of North Dakota wheat farmers were owners of their land, they benefitted at a higher rate than the cotton farmers of the South. The cotton program was not a failure, but it did not benefit as many farmers in the South as the wheat program did in North Dakota. The Wheat

⁷ United States Department of Agriculture, *Agricultural Adjustment, 1933-1935*, 147.

⁸ United States Department of Agriculture, *Agricultural Adjustment, 1933-1935*, 119.

⁹ Fite, *American Farmers*, 61.

Reduction Program did help the wheat farmers of North Dakota, including the small, poorer farmers and this thesis helps shed light on what the AAA did locally for the farmers of North Dakota, something that was missing in the field of North Dakota history, as well as the field of United States agricultural history.

The Great Depression is not a forgotten period in North Dakota history, but it is a period that has been overlooked at times. The 1930s were an important time in not only the nation's history, but North Dakota's as well. Many people today have grandparents who lived through the Great Depression, and it is the generation that lived through the depression and fought in World War II that has been labeled as "The Greatest Generation" by society at large. It was this generation that lived through the toughest economic time our nation has ever faced. It is important to understand what the people went through during the Great Depression, and since North Dakota is such an agricultural state, it is especially important to understand what the farmers went through who lived during the drought and despair of the 1930s. Farmers were able to survive the dust, drought, and depression of the 1930s in large part because of the money they received from the federal government. Farmers such as John Fay of York and Jules Lebrun of Langdon, who were discussed in chapter 4, both received a substantial amount of money from their participation in the AAA Wheat Reduction Program, and the money they received greatly helped them survive 1933, 1934, and 1935. Many people today look at the federal government as a nuisance, as an institution that no longer serves the best interest of the people. While the farmers living in North Dakota during the 1930s may have felt the same way, it is clear from the statistics that the AAA greatly helped them and many would not have been able to keep farming if it were not for the money they received from the wheat program. Most farmers did appreciate

the help they received from the AAA and the success of the AAA in North Dakota is an important chapter in North Dakota's history.

Another important aspect to remember about this period is that North Dakota wheat farmers greatly supported an initiative that was introduced by the federal government. Before the New Deal agricultural program, many farmers in North Dakota and across the nation felt that the government was an institution that was broke and that it could not fix the problems the country was facing. Many farmers were skeptical about the AAA when it was first announced as a relief plan for the agricultural sector. As details about the AAA were transmitted to the farmers across North Dakota and the nation, and the principle parts of the AAA were explained to them, the attitudes of the farmers began to change from skepticism towards the program to an openness towards it. Since the basic principle of the AAA, farmers reducing acreage and getting paid for that reduction, did not drastically alter the fundamental structure of wheat farming in any significant way, farmers were able to support the program and sign up for it in record high numbers. Farmers got behind the program because they understood the simplicity of it and were in such a poor financial situation that they needed all the help that they could get. This was a federal program that average farmers in North Dakota liked and embraced, because it offered them help when they desperately needed it. Not all federal programs are embraced by the people who the programs affect, but this is one program that was a resounding success with the farmers of North Dakota. The AAA was by no means a perfect solution to the agricultural crisis of the 1930s, but it was a solution that helped the farmers and one that the wheat farmers of North Dakota greatly supported.

Although the AAA was not solely responsible for the rise in the price of wheat from 1933 to 1935, it did help. The fact is that the severe drought of 1934 and 1935 played a bigger role in

the reduction of wheat acres across North Dakota and the entire United States than the AAA. The reduction in production of wheat resulted in a decrease of wheat on the market, which resulted in higher prices for the farmers. Part of the rise in prices, however, can be attributed to the reduction in acres that occurred due to farmers participating in the Wheat Reduction Program of the AAA. The rise in the price of wheat was not the most important result of the AAA, but it did help the farmers nonetheless. The most important outcome of the AAA was that it put money into the pockets of farmers across North Dakota and the country. One of the primary goals of the AAA had been achieving parity for the farmers, which did not occur by 1936, when the AAA was declared unconstitutional. Parity had risen for the wheat farmers of North Dakota, but only to 86%.¹⁰ In this respect, the AAA was not successful, but the money the farmers received allowed many to avoid bankruptcy and to keep farming. Many farms today are owned by the same families they were owned by in 1930s thanks in part to the benefits paid out by the AAA. Wheat farming is an important part of North Dakotans' lives, and the AAA kept farmers on the land during a time when drought and depression nearly forced them off the land.

The current federal farm policy is still paying wheat farmers subsidies, even though many feel there is no longer a need for these subsidies. While this may be true today, this was not the case during the 1930s. Wheat farmers in North Dakota during the 1930s needed financial help to survive and keep farming. Without help from the federal government, many more farmers would have had to quit farming, and the state would have lost thousands of people to migration to other states. It is important, when looking at farm subsidies, to view them through the eyes of farmers living during the 1930s. These subsidies were needed to save thousands of farmers' careers in

¹⁰ "Entire AAA Held Unconstitutional in 6 to 3 Supreme Court Decision," *Fargo Forum*, Jan. 6, 1936.

North Dakota. This is not the case for most wheat farmers today, but it was the case in the 1930s, and the AAA kept many families going during that tumultuous decade.

There is clear and concise evidence that shows the farmers of North Dakota supported the AAA Wheat Reduction Program. When it came to vote in May of 1935 whether the AAA should be continued, over 96% of the farmers in the state voted in favor of continuation of the program.¹¹ Farmers supported the program because they desperately needed the financial help and because it was not that difficult for them to comply with the rules and regulations of the program. All they had to do was reduce their acreage of wheat, and they received a check from the AAA. Some of the county extension reports may be biased to favor the program, with some agents only writing about the positive outcomes of the program while ignoring the negative ones. But the fact remains that North Dakota had the highest participation rate in the country, had the highest percentage of wheat acres under contract, completed the most wheat contracts, and received the second highest amount of money of any state in the nation. The farmers of North Dakota needed the AAA, and the program was an overwhelming success in the state. The AAA did not end the agricultural problems North Dakotans were facing, but it did help them. Although there was opposition to other New Deal programs in North Dakota, there was not much opposition to the AAA because it was a relief program, rather than a reform program. The program did not radically change wheat farming in the state, and that is why farmers supported and were enthusiastic about the program. The AAA Wheat Reduction Program was a resounding success in North Dakota.

¹¹ North Dakota County Agent Leader Annual Report, 1934-1935 (North Dakota Institute for Regional Studies, Fargo, ND), Box 82, Folder 3.

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