Student at University of Illinois. Shuman came to the University in the fall of 1924 as a freshman and graduate of Sullivan Township High School. Enrolled in the College of Agriculture because his father had come here 25 years before and had taken a short course. Shuman was raised on a farm and face the prospect of becoming a farmer. Most farm operators at the time did not have a college education. His first impressions were those of a big city. There were street cars and it was big and busy; although there were only 8 to 10,000 students, it was huge at that time.

Encouragement to attend college. There was a farm advisor in Moultrie County; Shuman knew him, but they did not discuss college. High School teachers encouraged him to attend college, although there was no vocational agriculture taught at that time. There was also peer group pressure to attend the university.

College of Agriculture. The college was not large, so Shuman knew many faculty members and most students. Shuman had enough credits to graduate in February of 1928, but stayed to do graduate work and received a Masters degree in 1929. He was encouraged by the faculty and became well acquainted with them. He majored in crops and his research paper was on the effect of temperature on the root growth of winter wheat seedlings. His minor was in agricultural economics. This exposed Shuman to Dr. L. J. Norton and Dr. C. L. Stewart, who had a strong influence on him. Shuman worked for the university; during one summer he did statistical research for the Marketing Department and another summer worked on a consumer preference survey in the Rock Island-Moline area. Shuman came into close contact with and under the influence of men like W. L. Burlison, H. C. M. Case, H. P. Rusk and J. C. Spitler and they had more influence than Shuman's formal agricultural training.

Family Farm. Returned to the farm in 1929 when he borrowed $5000 from his family. He had to borrow additional money and owed over $7000. It took until 1937-38 to pay it all back. 1929 was the wrong time to start farming; very rough times existed.

First Contact with Farm Bureau. Shuman's first contact with the Farm Bureau was on the campus at the state convention in 1927 or 1928. He head Sam H.
Thompson, president of the I.A.A., and it made a real impression. Thompson was an impressive person. He expressed very well the feeling that farmers were not being treated fairly. After World War I government policies hurt agriculture. High tariffs really hurt farmers; we had a first rate depression in the 1920's.

Moultrie County Farm Bureau. Shuman joined the Moultrie County Farm Bureau in 1929 and became fairly active in the organization. His first official job was as township organization chairman; he was later elected County President and then elected by the district to the State Board of Directors around 1940.

Elected to positions in I.A.A. Shuman was elected by the district to the State Board of Directors around 1940. In 1945 Earl Smith retired as president and Shuman was elected. Being I.A.A. president was a full time job; it was equally divided between travel and office work. The State Offices were located in Chicago. Shuman spent weekends on his farm in Moultrie County.

Problems of Illinois Agriculture after World War II. Everyone feared a surplus problem, but it never materialized because national policies were different than after World War I. We now helped our enemies so farm output was used. Fears of post World War I problems were responsible for some unwise agricultural support and subsidy legislation.

Southern Congressmen. Southern congressmen were particularly responsible for these fears. Herman Talmadge was a conservative, but still favored supports.

Contacts with College of Agriculture. During the time he farmed, Shuman was on the College of Agriculture Advisory Committee, so he kept his contacts with the university and these have remained close throughout his of. He knew Dean Eugene Davenport slightly. His philosophy was carried on by others. Davenport did not want to see the Extension Service dominated by Washington; he was an individualist, but cooperated with farm organizations.

Start of Farm Bureau in Illinois. Farmer Institute in Moultrie County helped organize Farm Bureau. Shuman involved with the Institute. It encouraged further organization. The DeKalb Agricultural Association and Kanakae Soil Improvement Association were two of the first "bureaus" in Illinois. University of Illinois Extension people like J. C. Spitler pretty well developed the idea of local farm organizations. Spitler helped organize in Moultrie County. M. L. Moser was also important. These men traveled all over the state. The original intent of local bureaus was 90% extension
sponsored. Over the years more emphasis was placed on action programs like cooperatives and legislation.

352-465 **Beginnings of Agriculture Adjustment Policies.** There is a shift in direction starting with Sam Thompson, who demanded federal action. The first proposal was the McNary-Haugen bill which was introduced in Congress through the efforts of M. L. Wilson and other extension people. It proposed a tariff for agriculture or an export subsidy or export dumping plan. It was strongly supported by the Farm Bureau. The Grange proposed a variation, but all these plans were similar. President Coolidge vetoed the bill twice. Hoover was an internationalist who opposed dumping. He proposed agricultural marketing legislation in the Federal Farm Board. The Board was to buy, store and sell agricultural surplus. It did not have enough money to really deal with the problem. Sam Thompson resigned as president of the Farm Bureau to serve on the Federal Farm Board in 1929. National marketing cooperatives started to organize under encouragement from the Board. Livestock cooperatives have lasted to this day. Dean Mumford was chairman of the advisory committee of the I.A.A. for livestock marketing. Mumford worked closely with the I.A.A. The grain program never succeeded, but some residual operations lasted.

466-525 **Adjustment idea widely accepted.** The adjustment idea did not get off the ground until the export dumping plans died. It seemed logical that reducing acreage would reduce the agricultural surplus. But during the 1930's reduced acreage did not lower production levels. F. D. Roosevelt promised adjustments to farmers. Ed O'Neal, President of the Farm Bureau, was close to Roosevelt. The adjustment idea was widely accepted and Roosevelt tried hard to implement it. Henry Wallace, Secretary of Agriculture, was an intellectual who was pretty well imbued with the "socialist idea that you can manage people better than they can manage themselves." Christiana M. Campbell's book, *The Farm Bureau and the New Deal* (1962) is an excellent analysis of the period.

526-626 **Rapid growth of Farm Bureau and relationship with Extension Movement.** Farm Bureau grew very rapidly for a time after its founding. This is natural, for the organization at first makes promises which attract members. The rapid growth was also added by the Smith-Lever Act and other federal legislation. County agents realized they could not get local financial support by themselves without a sponsoring organization. Many local bureaus provided money for supporting local agents. The county agent movement and farm bureaus grew up together, but there would have been a farm bureau even without outside support. The farm bureau was more business oriented than
the Patrons of Husbandry. It was also locally based due to the disasters of earlier national cooperative enterprises. Moreover, many farm bureau leaders though of farming as a business rather than a way of life, and this was a key to later developments such as improving efficiency and marketing.

Separation of Farm Bureau and Extension Service. The final separation of the Farm Bureau and Extension Service by order of Ezra Taft Benson was welcomed by most Farm Bureau leaders, particularly at the national level. The close relationship with extension strapped the financial resources of many local bureaus. The separation was overdue.

Dynamics within the American Farm Bureau Federation. Shuman's rise in the organization is used as an illustration. He moved up from the county level. The Farm Bureau is organized on a county, state and national basis with delegate bodies. Policy is developed first at the local county and then at higher levels through delegates. Members and officers of the Farm Bureau must actually be farmers. The Illinois Agricultural Association has a larger staff than the American Farm Bureau Federation. Illinois in the early years was the largest state organization. It is now second to Indiana. Texas is now number three, but will soon be number one. In the New Deal days farm bureaus in the midwest were relatively stronger than elsewhere, but southern organizations have been strong and politically powerful too. Because presidents in recent years have come from the midwest it is charged that this region dominates, but this is not entirely true. There is a "pretty delicate balance with the midwest and the south being the two big power areas with the northeast and the west being quite a bit weaker." California is strong, but other western states are not.

Influence of Ed O'Neal and Earl Smith. There has been a real touch and go balance between the midwest and south, even through the days of Ed O'Neal, a southerner. The Vice President of the A. F. B. F. was Earl C. Smith, President of the I.A.A. Smith was the most powerful person in shaping agricultural policy. O'Neal was a politician and compromiser who understood souther politics. Smith and O'Neal made a great team, although O'Neal perhaps went two years too long as president. Allan Kline, a well educated farmer from Iowa, followed O'Neal as President, and was a tremendous person. Smith and O'Neal did more to shape agricultural legislation than any other two men in the 1930's. Although O'Neal had ties with the University of Alabama, he and Smith were not economists. Henry Wallace, M. L. Wilson of Montana and Chester Davis all offered ideas. John Kenneth Galbraith was on a staff of the A.F.B.F. in the 1930's for a short time. Staff economists helped evaluate the literature.
Agricultural adjustment programs of the 1930's. The major issue in the 1930's was agricultural adjustment and an adjustment program. Most people, including Shuman, swallowed the idea. Before too long Shuman developed doubts partly due to his involvement in the local administration of the wheat adjustment program. Dealing with a bureaucracy forced you to change your ideals. To reduce acreage, you had to study each farmer's history. Politicians were reluctant to reduce acreage when it came to specific individuals. The exceptions an appeals almost offset any reductions. The adjustment programs of the 1930's failed because the politicians could not stand the heat of actually making cuts on farmers. Shuman got off the local committee and never participated in the program again. Shuman tried to get the Farm Bureau to change its policy. Although the Bureau never advocated a permanent adjustment program, it was naive to think it would be only a temporary program. it has lasted 40 years. Shuman and others tried to show that the idea of government management of price or production will not work. If you let the government manage prices, it will hold them down to please the 95% of the American people who are not farmers. The government cannot manage supply because so many farmers are unhappy with their allotments. Some southerners, however, still believed in political manipulation.

"Devil Theory" of Agricultural Problems. When farmers lost their majority status, they took a more realistic view of their economics situation. In the 1920's farmers cried against Wall Street. In the earlier Granger era farmers attacked the railroads, trusts and big corporations. Shuman and Allan Kline recognized the so called devil theory and the fact that certain economic interest received favorable legislation. Rather than seek special treatment for agriculture, they felt special powers should be removed. the power of trusts should be limited and tariff barriers should be lowered. This is why today in arm Bureau circles the big devil power group is labor, because they have monopoly powers nobody else has. The whipping boy for farmers has changed from Wall Street to organized labor. The devil theory was used by advocates of government intervention in agriculture, so anew devil has been developed - big government which may be even a greater danger. O'Neal did not fully recognize this danger. He felt politicians would treat farmers right, but he was wrong. It took a long time to get farmers to recognize this fact.

Free market versus political market. Shuman does not accept the fact that the free market is any more brutal than the political market. The market system is less brutal because it gives its signals quite early, while the politician tends to try to put things off as long as he can.
Market System versus political system. Market system is the best mechanism to change production, marketing and operating problems. It gives signals early. Changes are over harsh, but after we get geared to the market system and quit looking at the politicians, we will get the signal more quickly. The market system is also far more humane because it produces what people want. The political system produces what the politician thinks will get him the votes.

President Eisenhower's continuation of adjustment programs. A candidate for president must carry out their commitments. Dwight D. Eisenhower promised to continue adjustment programs for two years and this made it impossible for him to make significant changes in government programs. Clifford Hope, a Republican Congressman from Kansas, put the remarks in Eisenhower's speech and he was struck with it.

National farm organizations. The major organizations have included the A.F.B.F., with four times the membership of the others combined; the National Grange; and the National Farmers Union, which is inclined toward government management of agriculture and is strong mostly in the Great Plains states region. The Union was fairly politically potent. Jack Kennedy, when campaigning for the presidential nomination, recognized the Union's influence in delivering votes from the Great Plains states. The Union cast its lot with the Democratic Party and labor organizations. The Farm Bureau has had farm more influence than any other organizations, although at times the Farmers Union has been able to exert some influence. For all the years Roosevelt was President, the A.F.B.F. was the principal organization that influenced decisions. Jim Patton was president of the National Farmers Union. The Union is a check-off organization whereby dues were deducted automatically at grain elevators. It also had a fairly successful insurance operation.

Brannan Plan, Wheat Referendum and other major legislative turning points. When Charles Brannan was Secretary of Agriculture, the Union had more influenced, but actually they were also as unhappy at times as the Farm Bureau. The fight over Brannan plan was a real turning point. The plan was to pay the difference to farmers between the actual market price and parity price. The Farm Bureau drew the line and beat the plan in the Congress. When Orville Freeman was Secretary of Agriculture, the wheat referendum was another turning point in agricultural legislature. Actually, another major turning point was during the Eisenhower administration over continuation of adjustment programs. The turning point in the Farm Bureau leadership had
already come before it did in the Congress or with the farmers. A militant southern minority disagreed, showing the diverse views within the Bureau.

161-194 Outstanding leaders in Illinois agriculture. Shuman has already mentioned J. C. Spitler, Earl C. Smith and Sam Thompson. In the early period Frank I. mann, Henry Parke and H. P. Rusk were important. Herbert W. Mumford was a good administrator, but not as influential as Tusk. Governor Frank O. Lowden was a great man in agriculture; farmers liked him. In the Farm Bureau, an attorney named Donald Kirkpatrick who served as legal counsel for the I.A.A. and A.F.B.A., Kirkpatrick who served as legal counsel for the I.A.A. and A.F.B.A., was "a tremendous brain."

195-208 Shuman associated in Farm Bureau. On staff of A.F.B.F. were secretary-treasurer Roger Fleming from Iowa and Eugene Hamilton, chief economist. They worked behind the scenes.

209-270 President Richard M. Nixon. Shuman has known him many years. He illustrates the problems of depending on government for economic decisions. Nixon couldn't answer whether he was a liberal or conservative in economics. Shuman called on him before the 1968 election to explain the political lineups on agricultural policies. Nixon understood the southern-northwest support for continued high agricultural supports and subsidies. Shuman urged that the present legislation not be extended and Nixon clearly gave Shuman the impression that he was against extension. Yet right after is election he came out for continuation of the programs. Since then Shuman has never had great confidence in Nixon as a "man you could depend upon." But shuman has even less respect for George McGovern.

271-354 Business involvement of the Farm Bureau. Joseph Y. Resnick was trying to make political capital with an attack on the Farm Bureau. [See book by Samuel Berger, Dollar Harvest: The Story of the Farm Bureau (1971)]. He picked on an organization not important in his district. Shuman knew him; "he talked without listening to what you said." He attacked the Bureau as a big commercial organization not interested in the farmer. This is just not true. Although the Farm Bureau has big business affiliations in farm supply, insurance, and cooperative marketing and they do have an influence, the prime interest is the individual farmer and his best welfare. He draws up policy, not the industries. The businesses are independent operations which are run separately. The Farm Bureau is not always consistent as, for example, when it favors export bans on fertilizer but not on soybeans. Yet this is not dictated by the commercial interests, but by a need at the time. Commercial interests have "very, very little to do with the policy direction."
Commercial activities are important in Illinois and Indiana, but not in many states, so they do not have much political influence.

**Milk Producers Cooperative.** The Milk Producers is an example of an association trying to buy political favor. A.M.P.I. is not Shuman's idea of a farmer bargaining association. In the 1930's legislation provided for milk marketing orders and milk marketing boards which restrict production and influence price. The association concentrates on influencing the board and consequently has not obtained as favorable a reflection of market trends as if it had bargained directly with buyers. It is natural that the national association would try to apply political pressure on presidential candidates. In both 1968 and 1972, however, the milk producers put their money on the wrong man. Shuman thinks maybe they will learn you cannot buy what you want.

**Government too large.** The basic trouble in America is that the government is too large to be manageable by anybody. We will not have another successful president until we find a way to reduce the size of the bureaucracy.

**Role of higher education.** A better informed citizenry can make changes. The people have asked for a large government. The only way to offset this is a citizenry well enough informed to look for real answers. Education is slow and it is difficult to put your finger on what should be done at a certain time. Economic education should be stressed. As Secretary of Agriculture EArly Butz said recently, "There is no free lunch."

Tape recorded lecture by Charles B. Shuman, past president of the American Farm Bureau Federation, on 4/26/73 in 305 Mumford Hall "Secretaries of Agriculture as I Have Known Them"

Total time: approximately 75 minutes

One reel, 1224' + 135' at 3 3/4 IPS

Statement of present status: I have certain biases. Not familiar with present situation. I knew seven secretaries of agriculture "fairly well."

I. Henry A. Wallace (1933-40), a Democrat, Editor of Wallace's Farmer, scientist, corn breeder, debater (liked to take minority side), dreamer. Not a politician but a reformer and considered himself such. A plant breeding genius. Went back to breeding after political life. Significant developments:
1 - Concept of government management of agricultural production and prices was sold to many farmers and congressmen. M. L. Wilson, a tremendous salesman, got a hold of Wallace. "Socialized agriculture means government management of agriculture."

2 - USDA role changed from one of administrator to advocate of legislation.

3 - Bureaucracy expanded: 27,000 to 98,000 employees.

4 - American Farm Bureau under Ed O'Neal supported New Deal Programs. An Alabama man, O'Neal believed in trade and extension work. Agree to McNary-Haugen bill because he saw no way of getting industrial tariffs reduced. Develop exports. AFB split with New Deal, when Wallace both the concept of government management of agriculture - internal struggle at first. Read Farm Bureau and the New Deal. We were naive - though program only temporary. The incident at Minneapolis-St. Paul illustrates a split - Wallace had Communist support although he was not a Communist. He later repudiated government control production.

II. Claude Wickard (1940-45) was a good Indiana farmer, but not a sharp politician or good administrator. Farm program n trouble in 1940. Production control programs failed. By 1937 acreage controls did not work. Wick lucky. The European War bailed out the farm program.

1 - He decided to keep the bureaucracy alive during the war.

2 - Bureaucracy needed to stimulate production (although high war prices were enough). "Food will win the war and write the peace." Inept; demoted to REA administrator

III. Clinton P. Anderson (1945-58) was a New Mexico farm owner, congressman and one of our best Secretaries of Agriculture. Served in senate in 1948 to 1972. High type liberal politician but who didn't believe in government managed agriculture. A wonderful person and very good friend. Significant developments: reversed Wallace format of lobbying; cooperated with AFB and republicans; he was non-partisan. Agriculture Act of 1948 (Hope-Aiken Bill) provided for flexible price supports. Never allowed to go into effect.

IV. Charles Brannan (1949-52) an attorney with government experience in Farm Security Administration. He is an opportunist. He knew the bureaucracy. A socialist; short tempered. Allan Kline of AFB and I participated in potato acreage control discussion with Brannan in Des Moines in which Brannan lost temper.

1 - Launched a campaign for compensatory payments in lieu of price
supports - the Brannan Plan. It would never work; would make farm income dependent on congressional appropriations. AFB attacked socialized agriculture and defended the market system. The Plan was defeated in Democratic congress - a major turning point.

353-454  V.  Ezra Taft Benson (1953-60) Farmer and county agent. A Cooperative Executive and Mormon. He put too much trust in the bureaucrats. He did not understand politicians. Undercut by bureaucrats. His religious faith closed his mind - believed God guided him. He was very firm. In 1952 D. D. Eisenhower spoke at Kasson, Minnesota and in three sentences promised not to do anything to farm price supports for two more years. (By the end of that time the Democrats had control of Congress.) The phrase came from the National Farmers Union via Charles Brannan and Cliff Hope. A minor Watergate - USDA tried to discredit Benson. He was double crossed by his department. He did not understand political discipline. Eisenhower and Benson did not understand when to compromise; they were pushed around. Benson was right, but inept.

455-620  VI.  Orville Freeman (1961-69) nominated Kennedy at convention; Governor of Minnesota, attorney and doctrinaire socialist. Believed in strong central government. He brought Prof. Willard Cochrane as chief economic advisor. Cochrane thought:

1. If you are going to have price supports, you must control production.
2. It is not possible to control only part of agriculture. AFB fought Cochrane - Freeman Plan. We wanted a producers referendum - 2/3 vote required. AFB conducted a major campaign against 1963 wheat control referendum. USDA campaigned for it. It failed. JFK was extremely angry. He played to win. It was a great turning point in farm programs. Since then they have been going downhill - no workable controls proposed. S101 - First Agricultural Bargaining Act; pushed by AFB. Act provided that buyer could not discriminate against producer who belonged to a bargaining association. Freeman said he would support Agriculture Bargaining Act. Freeman came to St. Louis. He was a man of his word when you held him to it.

621-666  VII.  Cliff Hardin (1969-72) Nebraska chancellor. Charming man, but a neutralist. Nixon wanted this kind of man. He then fired him. Few developments. the 1970 Agriculture Act was an attempt to drift - to please everybody. AFB opposed it because they wanted a more definite phase out. Farmers were ready too phase out controls. Cotton, peanuts, tobacco and rice are must be excepted because they
have a bonanza going for them. In 1972, Nixon probably didn't understand why the USDA was a liability, but he appointed . . .

Earl Butz (1972- ). I have known very well. I like Earl Butz, who is an economist who doesn't let his economics stand in the way of his politics. He was fitted to be Secretary of Agriculture. Speech maker. A tremendous person who will do a great deal. On Purina Board of Directors, he found a job for Hardin. Significant developments: In Spring of 1972, he secured a significant upturn in farm prices. Russian wheat sale would help prices. They were not well informed about real situation. No dishonesty. Russia got a good deal. Large sales made grain prices a function of the competitive market. The Commodity Credit Corporation lost control of the market for the first time in 40 years; they are now trying to stimulate production. The consumer rebellion. I hope it cuts the farm program off at the neck - if you define the farm program as acreage controls and price manipulations. Nixon's cuts in agricultural spending are another development. Congress has abrogated it responsibilities.

The greatest needs in agriculture today are

1 - To terminate government production and price control; permit market to operate. Liquidate Commodity Credit Corporation. Never a better time than today. Southern politicians consider the farm program is a way of extracting reparations from the North for the Civil War. It's a tool to get money out of the North to the big cotton producer from whence it goes to political campaign funds.

2 - Phase out payments. Gradually.

3 - Expand two-way trade. Expand our markets.

4 - Buyers of farm products need to recognize farmer bargaining associations; we need legislation.

5 - Control inflation; root cause of most troubles in agriculture.

Government will make more mistakes than the market place. Government will hurt agriculture more than it will help. 95% of the people want lower food prices.

We need freer trade and consumers will recognize its value more than labor leaders. Labor needs protection from foreign products.

Free market will not drive farmers from the land. Economics of scale are limited. Soybeans have done very well in a free market. Feed grains should also do well; the government is a good trader, because foreign
countries recognize the political implication.

1063-1126 AFB is effective in areas where there is a close decision. It is as effective as it is safe to be. No organization should be as effective as labor unions today.

1127-1182 Any price support is dangerous - its influence is on the down side. Some floors are acceptable. All of agriculture can do without support; only 1/3 have had supports.

1183-1224 Freer trade has a good chance of being enacted.

Side 2:

1-6 Rural Zoning - some state organizations favor and some do not.

7-21

22-48 Criticizes Army Corp. of Engineers; they have political power; they can be stopped if local people organize at an early stage.

59-91 Private international trade.

92-126 Government research and extension work were needed more in the past; farmers should help pay for the research; USDA could be merged with another governmental agency - it is not essential.

127-135 Conclusion
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