Long-Haul Trucking and the Technopolitics of Industrial Agriculture

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This paper is an excerpt from my dissertation, "Trucking Country: Food Politics and the Transformation of Rural Life in Postwar America," which argues that the growth of long-haul trucking was both the product and producer of new forms of industrial capitalism in the postwar countryside. More precisely, I argue that trucking helped drive the shift from a New Deal-era political economy—based on centralized political authority, a highly regulated farm and food economy, and collective social values—to a postwar framework of anti-statism, minimal market regulation, and fierce individualism. Trucking replaced railroads as the primary link between rural producers and urban consumers in the mid-twentieth century. With this technological shift came a fundamental transformation of the defining features of rural life after World War II.

The argument and organization of this dissertation is based on a simple premise: People use technology to create *value*. In particular, technology produces three fundamental forms of value: political values (ideologies and conceptions of the proper uses of state power), economic value (subsistence and wealth), and social values (beliefs, attitudes, and meanings). Technology does not by itself create these values, but people use technologies to negotiate the ways power, wealth, and meanings are defined and distributed.[1] The dissertation thus has three major sections, each focusing in turn on the ways long-haul trucking became a tool in the postwar period for redefining the political values guiding industrial agriculture (see below), the economic geography of producing monetary value from the land (Chapters 2, 3, and 4), and the social values of rural people (Chapter 5). Taken as a whole, the chapters explain how trucking helped create and sustain explicitly anti-New Deal values regarding the workings of capitalism in the rural industrial landscape.

The first four chapters of the dissertation argue that trucking helped reshape the political and economic values encompassing rural production and urban food consumption. Trucks became essential components of what I call the postwar "marketing machine." This machinery emerged from a cooperative effort among government agricultural experts, food processors,

[1] Lewis Mumford, *Technics and Civilization* (New York: Harcourt, 1963 [1934]); John M. Staudenmaier, *Technology's Storytellers: Reweaving the Human Fabric* (Cambridge, MA: MIT Press, 1985); Merritt Roe Smith and Leo Marx, eds., *Does Technology Drive History?: The Dilemma of Technological Determinism* (Cambridge, MA: MIT Press, 1994).

and supermarkets to reject New Dealism—namely, price supports, acreage controls, and production quotas—as the defining political framework for American agriculture. The marketing machine's primary elements were highly mechanized farms, intensively capitalized food processors, and suburban supermarkets. Each of these elements, by practicing economies of scale and by using the latest technologies—from bulk tanks on dairy farms to boxed beef in meatpacking factories to forklifts in cold-storage warehouses—sought to reduce the costs of moving perishable food from farms to consumers. The agricultural experts, food processing firms, and supermarket managers who cooperatively constructed this postwar marketing machine sought a rationalized food economy, one in which production and consumption conformed to an ideology of efficiency. After all, growing and selling food has always been risky business—with farming inherently based on seasonal and weather-related peaks and dips in production, and with food marketing inescapably tied to the oft-changing fortunes and desires of consumers. In the mid-twentieth century, industrial visions of efficiency guided the construction of machinery intended to overcome these risks and uncertainties. Farmers, guided by government research and policymaking, used industrial-style techniques and machines to intensify and expand their operations, seeking to subdue nature's whims through sheer volume of specialized production. Tractors, hybrid seeds, pesticides, inorganic fertilizers, and giant mono-cropped fields allowed America's farmers to increase their productivity ninefold between 1940 and the late 1980s.[2] Food processors converted the raw materials farmers produced into uniform packages of saleable commodities, pursuing stable profits by purchasing and selling in volume. Brand names from Minute Maid to Wonder Bread to Perdue chicken were the end products of a vertically integrated approach to food production, in which corporate conglomerates sought control over supplies of produce, grains, and meats as well as control over the profits to be gained from marketing those items.[3] Supermarkets in turn brought those packages to consumers, pricing them uniformly to assure constant turnover of stock. Mom-and-pop grocery stores were replaced in the postwar period by chain stores operating on profit

[2] David Danbom, *Born in the Country: A History of Rural America* (Baltimore: Johns Hopkins University Press, 1995), 233-4.
[3] John L. Shover, *First Majority, Last Minority: The Transforming of Rural Life in America* (De Kalb: Northern Illinois University Press, 1976), 176-89.

margins so thin that only huge volumes of sales could justify the expense of the parking lot acreage needed to attract waves of suburbanites seeking foods of consistent quality at low prices.[4]

These rationalized nodes in the food economy required some form of transportation to tie them all together. After World War II, the movement of food from farm to consumer increasingly relied on long-haul tractor-trailers rather than railroads. The shift to trucks came not because trucking was somehow cheaper or inherently "better" than railroads, but because trucks running on highways provided a flexible means of moving goods. The flexibility of trucks—their unrestricted geographical reach, customized hauling capabilities, and their ability to haul loads on short notice directly from one point to another—proved essential for the rationalized marketing machine's operation. This was because, despite the best efforts of farmers, processors, and supermarketers to rationalize the movement of food from farm to consumer, uncertainties and risks could never be fully eliminated. Farmers could not, as a general rule, transcend seasonal or regional variations in production; nature is not so easily controlled as a factory floor. Processors faced strikes from unionized workers, government intervention in business practices, and resistance from both farmers and consumers over the price and quality of food. Supermarkets, as the final link in the food distribution chain, confronted the sum total of all of these destabilizing factors, compounded by their business model based on low-margin, steady-volume sales. Trucking helped to absorb some of these uncertainties, proving adaptable to constantly changing patterns of production and consumption and regulation. The builders of the marketing machine sought control in an unpredictable world, and trucking helped provide that control.

The construction of the marketing machine entailed not only the creation of economic values of rationalization and efficiency, but also the creation of a new set of political values. From the end of World War I to the beginning of the Great Depression, science and technology had made American farms incredibly productive, leaving farmers with "surpluses"—an abundance of food that was difficult to sell at profitable prices. The core of the New Deal farm

[4] Daniel I. Padberg, *The Economics of Food Retailing* (Ithaca: Food Distribution Program, 1969), esp. 11-17; R. P. R. Tilley and R. Hicks, "Economies of Scale in Supermarkets," *Journal of Industrial Economics* 19 (Nov. 1970): 1-5.

policies administered by the United States Department of Agriculture (USDA) aimed to solve this surplus problem by limiting farmers' production, but those policies were both politically controversial and ineffective. Critics of the New Deal ridiculed production controls for destroying crops and livestock while millions of Americans were starving and poorly clothed, even as the scientific and technological bureaus of the USDA continued to encourage farmers to use pesticides, fertilizers, hybrid crops, and tractors to *increase* their production. During the 1930s and through World War II, the defining political framework for American agriculture was characterized by a strongly statist regulatory approach to the surplus problem. Policies such as price supports, acreage controls, and marketing orders were controversial from the beginning, but throughout the long New Deal they were the primary mode of negotiating the larger "farm problem"—the effort to keep commodity prices high for farmers without unduly raising consumer food prices. In the postwar period, agricultural policymakers came to see rationalized food distribution as a less obviously statist means of dealing with the farm problem, and consequently worked closely with private industry to construct the marketing machine. I argue here that the USDA, through the implementation of a wide range of administrative policy efforts, encouraged the growth of long-haul trucking as a uniquely flexible form of transportation. At the same time, the USDA worked to harness that flexibility to reshape the politics of farm and food pricing; trucking was at the center of a technological fix that converted the farm problem into an industrial problem.

Trucking and Agriculture before World War II

In the mid- to late-nineteenth century, railroads opened up the prairies and plains of the west for white settlement and intensive commercial agriculture on a grand scale.[5] Any farmer who wished to sow wheat on the Plains, grow fruit or vegetables in California, or raise cattle in Texas was forced to depend on the railroads to get his commodities to distant urban markets.

[5] On early railroad development, see George Taylor, *The Transportation Revolution, 1815-1860* (New York: Rinehart, 1951); Colleen A. Dunlavy, *Politics and Industrialization: Early Railroads in the United States and Prussia* (Princeton: Princeton University Press, 1994). On railroads and agriculture, see William Cronon, *Nature's Metropolis: Chicago and the Great West* (New York: W. W. Norton, 1991); Paul W. Gates, *The Illinois Central Railroad and Its Colonization Work* (Cambridge: Harvard University Press, 1934).

This dependence on large-scale technological systems seemed directly at odds with the agrarian ideology of farmers as independent republican producers, causing repeated outcries from farmers and their representatives in Congress that the "octopus" railroads abused their monopoly power to overcharge for transporting agricultural products.[6] Though the farmers' ire helped contribute to the formation of the Interstate Commerce Commission to regulate the railroads, the most effective long-term solution to high transportation rates began in the 1920s, when the rails first faced significant competition from gasoline-powered trucks traveling on improved rural roads. From that decade to the late 1940s, agricultural experts in the USDA worked with leaders of farm organizations and farm state representatives in Congress to encourage the growth of the trucking industry as a means of driving down railroad freight rates.

The USDA's Bureau of Public Roads, from its inception in 1918 until the late 1940s, coordinated and encouraged the construction of an extensive network of paved rural highways to serve farm interests. In the late nineteenth and early twentieth centuries, the first proponents of good rural roads were not farmers, but urban bicyclists seeking mud-free excursions into the countryside along with, ironically, railroad executives seeking smoother farm-to-market roads to boost the volume of agricultural goods brought to railheads.[7] Until the later 1910s, rural road-building remained the province of counties, who relied on farmers to voluntarily maintain the roads abutting their property in lieu of taxation. Farmers resisted construction of stone and macadam roads, seeing them as expensive and benefiting primarily "eastern bicycle fellers or one-hoss lawyers with patent leather boots" (as declared in 1893 at an Iowa farmer's convention), or the "devil wagons" of city slickers who frightened horses as they sped through the countryside and drank from farmer's wells without permission.[8] But farmers' resistance to

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[6] George H. Miller, *Railroads and the Granger Laws* (Madison: University of Wisconsin Press, 1971); Fred A. Shannon, *The Farmer's Last Frontier: Agriculture, 1860-1897* (New York: Farrar and Rhinehart, 1945); Frank Norris, *The Octopus: A Story of California* (New York: Doubleday, 1901).

[7] Michael L. Berger, *The Devil Wagon in God's Country: The Automobile and Social Change in Rural America, 1893-1929* (Hamden, CT: Archon Books, 1979), 13-35; Stephen Goddard, *Getting There: The Epic Struggle between Road and Rail in the American Century* (Chicago: University of Chicago Press, 1994), 43-64. The bicycle craze of the 1880s and 1890s was at least partially a result of the increased use of the "safety" bicycle, which had two equally sized wheels rather than the giant front wheel of the "ordinary" bicycle, making it easier to control. See Wiebe E. Bijker, *Of Bicycles, Bakelites, and Bulbs: Toward a Theory of Sociotechnical Change* (Cambridge, MA: MIT Press, 1995), 19-100.

[8] Hal S. Barron, *Mixed Harvest: The Second Great Transformation in the Rural North, 1870-1930* (Chapel Hill: University of North Carolina Press, 1997), 19-42; quote on 30.

paved roads evaporated in the late 1910s and 1920s after Henry Ford's low-cost Model T offered farmers a machine that could be used not only to haul farm products to the railhead, but could also take the kids to town for a moving picture while the parents bought supplies, as well as provide an all-purpose engine for operating washing machines and hay elevators. In the 1920s, when a farm woman was asked by a rural sociologist why her family had purchased a Ford instead of indoor plumbing, she replied: "You can't go to town in a bathtub!"[9]

In response to farmers' increasing demand for paved roads, the USDA's Bureau of Public Roads worked with state governments to get farmers "out of the mud" after World War I. Congress passed the Federal-Aid Road Act in 1916, providing $75 million of federal funds to encourage states to build paved rural roads. The task of coordinating the construction of a nationwide network of rural highways fell to the Bureau of Public Roads, headed by "Chief" Thomas H. MacDonald, who required states to build those roads according to exacting engineering standards. After 1919, the states also relied heavily on gasoline taxes to fund this construction, along with federal matching monies that came with the passage of the 1921 Federal-Aid Road Act, which mandated that forty percent of the federal funds be used to construct farm-to-market roads. Rural roadbuilding expanded dramatically in the 1920s under this arrangement; between 1921 and 1930, state rural highway systems increased from 203,000 miles to 324,000 miles.[10]

In the 1920s and 1930s trucks increasingly competed with the railroads for certain loads—particularly perishable agricultural goods such as milk, livestock, poultry, and produce on their way to urban markets. For example, in 1913 only 91,000 hogs arrived by truck at an Indianapolis livestock market; by 1929 over 1,350,000 did so.[11] In 1932, 80 percent of fruits and vegetables were transported by truck in southwestern Michigan.[12] Railroad managers became

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[9] Joseph Interrante, "You Can't Go to Town in a Bathtub: Automobile Movement and the Reorganization of Rural American Space, 1900-1930," *Radical History Review* 21 (1979): 151-168, quote on 151; Ronald Kline and Trevor Pinch, "Users as Agents of Technological Change: The Social Construction of the Automobile in the Rural United States," *Technology and Culture* 37 (Oct 1996): 763-95; Berger, *Devil Wagon*.

[10] Bruce E. Seely, *Building the American Highway System: Engineers as Policy Makers* (Philadelphia: Temple University Press, 1987), 35-99; U.S. Bureau of the Census, *Historical Statistics of the United States: Colonial Times to 1970, Part II* (Washington: GPO, 1976), 710.

[11] James R. Wiley, *Motor Transportation of Hogs to the Indianapolis Market*, Bulletin 337 (Lafayette, IN: Purdue University Agricultural Experiment Station, 1927), 2.

[12] G. N. Motts, *Motor Truck Marketing of Michigan Fruits and Vegetables*, Michigan Agricultural Experiment Station, Special Bulletin 227 (East Lansing, MI, 1932).

increasingly worried that trucks would take over short-haul traffic; in 1933, a group of railroad executives asked the federal government to be allowed to abandon unprofitable short branch lines and replace them with rail-owned truck lines.[13] This fear was well-founded, since truck transportation of highly perishable commodities often "skimmed" the most profitable classes of freight from the railroads. In order to subsidize the very long and expensive hauls that allowed railroads to build up their overall volume, the rails generally charged very high rates on short-haul perishables. Trucks traveling only short distances, however, could easily undercut the rates quoted by the rails, as well as provide faster, point-to-point service.[14]

Most worrisome to the railroads was the rise of one particular kind of competitor: the owner-operator trucker. Trucking at the time had relatively low barriers to entry, since all an individual needed to get into the business was a truck, and truck manufacturers readily extended credit to encourage individuals to join up. Approximately 150,000 individuals bought or leased a truck in the 1920s and 1930s and began hauling any loads they could find to try to pay off the loan.[15] Many of these early truckers were farmers who saw the purchase of a truck as a way to set up a small business that would help them escape the agricultural depression of the 1920s and 1930s.[16] Railroad executives and operators of larger established trucking firms took to calling these drivers "gypsies," "wildcatters," or "fly-by-night truckers," since the truckers would take any load to any destination, generally undercutting the rates of larger carriers, and supposedly evading police as they drove their unsafe equipment at high speeds on little sleep.[17] Though the "gypsy" epithet emerged from a clearly biased economic self-interest on the part of larger transportation firms, the railroads were correct in pointing out that owner-operator truckers of the period destabilized the nation's transportation networks. Small trucking firms rose quickly in the 1920s and 1930s due to the low capital costs of entry, but often fell just as

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[13] Thomas H. MacDonald, Memorandum for Secretary of Agriculture Henry A. Wallace, "Substitution of Highway Transportation for Unprofitable Branch Line Operations," May 16, 1933, Secretary of Agriculture Records, RG 16, General Correspondence, Entry 17, National Archives II, College Park, MD, Box 1913, Folder 3.
[14] Harold G. Moulton, *The American Transportation Problem* (Washington, DC: Brookings Institution, 1933), 576-7, 610-11.
[15] Childs, *Trucking and the Public Interest*, 35.
[16] See chapter 5.
[17] Roy B. Thompson, "The Trucking Industry, 1930-1950," Interview Recorded with Corinne L. Gilb, June-August 1958 in Berkeley, California, Industrial Relations Interviews, Bancroft Library, Berkeley, CA, 52; Harry D. Woods, *Woods Highway Truck Library*, New York Times Oral History Program (Glen Rock, NJ: Microfilming Corp. of America, 1975-77).

rapidly because inexperienced truckers did not know how to calculate the true costs involved in their operations—such as the need to secure a "backhaul" load to cover the expense of returning home, or to take depreciation and interest costs into account when quoting rates.[18] In short, trucking by the early 1930s was undeniably chaotic, characterized by intense, cut-throat competition between small and large truckers, as well as between trucking firms and railroads.

A group of powerful interests coalesced in the 1930s to control that chaos by regulating the emerging trucking industry. The upshot of this movement was the 1935 passage of the Motor Carrier Act, one of the few examples of an industry using the increased regulatory power of the federal government during the New Deal to successfully promote its own desire for monopoly.[19] The original impetus for federal regulation, however, emerged from a pattern set by individual state regulatory bodies in the 1910s and 1920s, responding to railroads calling on state public utilities commissions to extend to trucks the regulations they placed on trains. The Pennsylvania Public Service Commission introduced the first trucking regulations in 1914, and was soon followed by most of the other states. Though the state regulations were not uniform, most shared some basic characteristics, empowering state commissions to administer licensing requirements and fees for truckers, enforce speed limits and safety laws, and establish maximum sizes and weights of trucks. Most importantly, the state commissions could prescribe routes that truckers were allowed to travel, administer freight rates to prevent price competition or secret rebates to favored shippers, and limit market entry by requiring a new trucking firm to apply for a "certificate of public convenience and necessity." This last requirement meant that an individual or corporation wishing to start a new trucking business had to prove to the commission that such a business would make a needed contribution to the state's economy and public welfare. In practice, state commissions generally acceded to railroad demands that such certificates not be granted if a railroad already provided adequate service in the geographical area that the new trucker hoped to serve. Regulation at the state level had thus proved by the

[18] Moulton, American Transportation Problem, 521-22, 609-12.
[19] Ellis W. Hawley, *The New Deal and the Problem of Monopoly: A Study in Economic Ambivalence* (Princeton: Princeton University Press, 1966), 231-4. In the strong anti-monopoly climate of the New Deal, businesses were relatively unsuccessful at using the expanded power of the state to gain monopoly power, but were successful at creating stable labor-management relations and equalizing the impact of social welfare policies on their competitive structures. See Colin Gordon, *New Deals: Business, Labor, and Politics in America, 1920-1935* (Cambridge: Cambridge University Press, 1994).

1930s to be an effective tool for limiting competition between trucks and rails in intrastate commerce.[20]

Even as the states tightened their grip on trucking, a number of interest groups formulated strategies to institute regulation on the federal level. The two most important groups were large common carrier trucking firms and the railroads, both of which unabashedly promoted federal regulation as a means of reining in rampant competition from smaller trucking firms. A key figure promoting the case of the large trucking firms was Jack Keeshin, a Chicago trucker who transformed his Keeshin Southwest Motor Company from a one-truck operation hauling Fig Newtons from Chicago to South Bend in 1917 into one of the nation's largest trucking companies by 1932, with a fleet of 250 machines serving giant shippers such as the Atlantic and Pacific Tea Company. In November of the latter year he and two other commercial fleet owners created the American Highway Freight Association (AHFA), intending to lobby Congress to enact federal legislation modeled after the state codes to clamp down on "gypsy" truckers. "It was a 'dog-eat-dog' business," Keeshin later remembered, "and would so continue unless [federal] regulations were introduced."[21] Keeshin's desire for federal regulation was not at first shared by other large truckers, however, who preferred to use self-regulation to limit competition in the industry. The opportunity to self-regulate came with the passage of the National Industrial Recovery Act in June 1933, which established the National Recovery Administration (NRA) as a mechanism for industry trade groups to write "codes of fair competition."[22] Although President Franklin Roosevelt and liberal Democrats such as Robert Wagner intended the NRA to serve labor interests as much as business interests, in practice the codes that emerged from the experiment served primarily to provide highly competitive industries a chance to cartelize by creating price-fixing arrangements.

This was exactly the intent behind the formation of the American Trucking Associations, Inc. (ATA). Under the leadership of a contract trucking firm owner, Ted V. Rogers, the ATA absorbed Keeshin's AHFA in September 1933 in order to present a unified voice to the NRA

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[20] Donald V. Harper, Economic Regulation of the Motor Trucking Industry by the States (Urbana: University of Illinois Press, 1950), 26-7, 32-4; Childs, Trucking and the Public Interest, 47-64.
[21] John Lewis Keeshin, *No Fears, Hidden Tears: A Memoir of Four Score Years* (Chicago: Castle-Pierce Press, 1983), 19-20, 32-3.
[22] Hawley, New Deal and the Problem of Monopoly, 19-71.

negotiator assigned to the trucking industry.[23] Drafting the NRA trucking code proved extremely difficult, as the NRA negotiator insisted on using the code to equalize drivers' working conditions and wage rates around the country and across the industry. The trucking firms bitterly resisted and only ruefully accepted labor provisions—without instituting an 8-hour day, however—in order to gain the benefits of cartelization.[24] The code that finally emerged from the negotiations was signed by President Roosevelt in February 1934, and at first seemed successful as a means of limiting chaos in the industry. An Industrial Relations Board was established to help unionized drivers improve working conditions, and guidelines were established to prevent trucking firms from engaging in destructive price competition. But as with many of the NRA codes, the difficulties of maintaining self-regulation in a highly competitive industry quickly became apparent. Although 300,000 truckers signed on to the code, at least 75,000 refused to abide by its rules. Furthermore, even many who did sign the code simply did not comply, particularly with its labor provisions. The NRA could offer little help in the way of enforcement in such a decentralized, small-firm industry, where every individual firm had an incentive to try to shirk the code's provisions to gain a competitive edge on those who followed the rules. By the fall of 1934, the trucking code was useless for minimizing chaotic conditions in the trucking industry, a fact that was only affirmed when the NRA's enabling legislation was declared unconstitutional by the Supreme Court in the 1935 *Schechter* v. *U.S.* case.[25] The failure of the NRA code would push most of the members of the ATA towards Jack Keeshin's view that only through strong federal regulation could chaos be controlled.

Joseph Eastman pulled together the coalition of interest groups that convinced Congress to pass the Motor Carrier Act of 1935. A member of the ICC since 1919, Eastman was appointed by President Franklin D. Roosevelt as the Federal Coordinator of Transportation in June 1933. This post was created by the passage of the Emergency Railroad Transportation Act, signed at the same time as the National Industrial Recovery Act, which Roosevelt intended to help pull the railroads out of near-bankruptcy. Eastman was a Progressive public servant in the tradition of

[23] The word "Associations" (plural) was used because it was a national collection of dozens of state- and regional-level trucking associations that had sprung up in the 1920s to negotiate with state regulatory bodies. Childs, *Trucking and the Public Interest*, 105-6.
[24] Thompson, "The Trucking Industry," 100-176; Childs, *Trucking and the Public Interest*, 101-9.
[25] Childs, Trucking and the Public Interest, 112-4; Hawley, New Deal and the Problem of Monopoly, 127-9, 232-3.

Louis D. Brandeis, who believed in using the regulatory power of the state to create *efficiency* in transportation. In fact, Eastman had socialist leanings which led him to believe that the government should own and operate the nation's transportation networks; short of that, he firmly believed in deep regulation of transportation to minimize competition.[26] Once he became Federal Coordinator, Eastman worked to bring together the interests of the railroads and the large trucking firms (represented by the ATA, whose member Jack Keeshin was a close friend of Eastman), proposing legislation to Congress in 1934 to regulate the trucking industry in the interest of transportation stability.[27] Achieving efficiency in transportation, he believed, could not "be attained or even approached without public regulation [of the trucking industry]."[28] This was because, as he told the Senate Committee on Interstate Commerce in 1935, the rapid rise of the trucking industry created "unnecessary and wasteful competition" between trucks and railroads, leading to "an oversupply of transportation facilities" that harmed the interests of railroad investors, shippers, and truck drivers alike.[29] Eastman was fully aware that federal regulation of trucking would lead to the rise of large firms who would use the ICC's regulatory mechanisms to raise their freight rates without fear of anti-trust prosecution, but convinced Congress that this granting of monopoly powers would serve the public interest. Large-scale business would bring efficiency, argued Eastman, pointing to the example of Ford Motor Company as a large firm that had used vertical integration to drive down the cost of producing goods. "Gradually there will be a development of larger operations," admitted Eastman, but he believed those large trucking companies would "be more economical when well organized."[30]

The Motor Carrier Act became law in the summer of 1935, authorizing the ICC to control rampant competition in the trucking industry. The mechanisms for controlling chaos were based on those developed by state regulations in the previous decade. In order to engage in interstate commerce, a trucking firm had to apply to the ICC for a certificate of public convenience and

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[26] Childs, Trucking and the Public Interest, 119-24. On Brandeis, see Thomas K. McCraw, Prophets of Regulation: Charles Francis Adams, Louis D. Brandeis, James M. Landis, Alfred E. Kahn (Cambridge, MA: Harvard University Press, 1984), 80-142.
[27] Federal Coordinator of Transportation, Report of the Federal Coordinator of Transportation on Regulation of Transportation Agencies, 73d Cong., 2d sess., Mar. 10, 1934, S. Doc. 152.
[28] Senate Committee on Interstate Commerce, *Amend the Interstate Commerce Act*, 51.
[29] Ibid., 50.
[30] Ibid., 61-2, quote on 66.

necessity. To get this certificate, a firm had to prove that the geographical routes to be served were not already adequately served by existing carriers—whether railroads or other truckers—as well as offer evidence that the firm was financially stable (primarily by carrying insurance). Furthermore, the firm would have to periodically publish its freight rates, rates that were closely watched by the ICC to prevent price-cutting. Although the ICC "grandfathered" in all existing motor carriers in the first year after the passage of the Motor Carrier Act (MCA), over the next 45 years the effect of these regulations was to create significant barriers to entry in the industry. That is, a new common carrier or contract trucking firm needed more than just a truck and trailer to start in business; it needed to gain operating authority as well, authority which the ICC granted only after lengthy and expensive proceedings meant to discourage competition.[31]

But even as large trucking companies and the ICC gained the power to control chaos in trucking, a very significant exception was made for agricultural trucking. A clause in the MCA that came to be known as the "agricultural exemption" allowed truckers hauling certain farm products to do so without first gaining a certificate of authority from the ICC. From the very beginning of the drive to regulate trucking, farm groups such as the National Grange applied pressure to Congress to allow farmers and farm cooperatives to truck their products to market without ICC oversight. The anti-regulatory movement first emerged during the NRA code hearings. The National Cooperative Milk Producers Association, for instance, declared that the NRA trucking code would allow trucking firms "to increase the transportation charges on farm products moving from the farm into the channels of commerce and trade [by seeking] government recognition and assistance in the establishment of a gigantic trucking trust."[32] Every major farm group in the nation flooded farm bloc Congressmen and Secretary of Agriculture

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[31] John Richard Felton and Dale G. Anderson, eds., *Regulation and Deregulation of the Motor Carrier Industry* (Ames: Iowa State University Press, 1989), 16-25. Occasionally the ICC's policies were contested as violations of anti-trust, but the Supreme Court consistently upheld the Commission's authority to permit economic concentration in the industry if it did so in "the public interest," under the guidelines set forth by Congress in the original and amended Interstate Commerce Act. See *McClean Trucking Co.* v. *United States*, 321 U.S. 67 (1944). Anti-trust became a moot issue in 1948 with the passage of the Reed-Bullwinkle Act, which exempted the ICC"s rate-making bureaus from anti-trust provisions. *Statutes at Large* 62 (1948): 472.

[32] Charles W. Holman (Secretary, National Cooperative Milk Producers Federation), "Statement ... with Relation to the Proposed Code of Fair Competition for the Trucking Industry," Dec. 4, 1933, Secretary of Agriculture Records, RG 16, General Correspondence, Entry 17, National Archives II, College Park, MD (hereafter RG 16, Entry 17), Box 1913, Folder 9. See also George Haas (Acting Governor, Farm Credit Administration) to Hugh S. Johnson, Dec. 12, 1933, ibid.

Henry A. Wallace with "numerous telegrams" demanding the NRA code be stopped. [33] Wallace, sympathetic to the organizations' pleas, asked his friend Donald Murphy, editor of the influential farm journal *Wallace's Farmer and Iowa Homestead*, to "sound a warning, privately or publicly, as you see fit, on the perils of the trucking code that is now before General Johnston."[34] Wallace further coordinated a strategy within the USDA to present Congress with evidence that trucking had "mitigated the effect of the depression on farmers" by allowing them to bypass middlemen, such as country elevators and produce commission merchants, whose services had been necessary in a railroad-based agricultural economy but unnecessarily cut into farmers' incomes in a highway-based economy.[35]

Opposition to regulation of agricultural trucking continued during the Congressional hearings on the legislation that became the Motor Carrier Act. The National Grange, in particular, fought Joseph Eastman's efforts to "destroy the existing competition in transportation and to perpetuate the transportation monopoly which will be dominated by the railroads."[36] Testifying before the Senate in 1935, the national representative of the Grange noted that federal trucking regulation "would result in serious handicaps to the farmer, the stockmen, and the horticulturists" by allowing trucking companies to peg their rates to those of the railroads, creating an upward pressure on all freight rates for farm goods.[37] Farm opposition to Eastman's bill was especially strong during testimony in the House; organizations from the Grange to the American National Livestock Association declared the legislation an effort by railroads to "consolidate in one vast system all the transportation facilities of the country [that] would amount to the same as creating one giant monopoly."[38] Eastman, for his part, felt the farm organizations misunderstood the intent of the legislation, pointing out to Henry Wallace that farmers who hauled their own products to market, as well as farmer cooperatives who ran their own fleets of trucks, would not fall under the ambit of the ICC, since they were "private

[33] Henry A. Wallace to Rep. John McDuffie, Nov. 1, 1933, RG 16, Entry 17, Box 1913, Folder 9.
[34] Paul H. Appleby to Donald R. Murphy, Nov. 1, 1933, RG 16, Entry 17, Box 1913, Folder 9.
[35] Henry A. Wallace, Memorandum for George N. Peek, "Proposed Code on Fair Competition for the Trucking Industry," Nov. 2, 1933, RG 16, Entry 17, Box 1913, Folder 9.
[36] Fred Brenckman (Washington Representative, The National Grange) to Henry A. Wallace, "Federal Regulation of Motor Trucks," Mar. 28, 1934, RG 16, Entry 17, Box 2032, Folder 19.
[37] Senate Committee on Interstate Commerce, *Amend the Interstate Commerce Act*, 504, 508.
[38] House Committee on Interstate and Foreign Commerce, *Regulation of Interstate Motor Carriers, Hearings*, 74th. Cong., 1st sess., Feb. 19-22, 26-28, Mar. 1, 4, 5, 1935, 290-301, 327-39, 395-402, quote on 291.

carriers ... not subject to the proposed regulation."[39] Attempting to assuage the farm interests, Eastman amended his original proposal to specifically exempt truckers hauling "unprocessed agricultural commodities" from the ICC's regulations; as Eastman saw it, such phrasing would allow any farmer or farm cooperative to haul products such as milk or livestock to a dairy or meatpacker (from farm to "first market") without need for ICC authority. But Congressmen from farm states were convinced that this exemption was not enough; as Walter Pierce, Democratic Representative for Oregon, noted during debates on the Motor Carrier Act, "many members will lose their seats on this very issue."[40] Bowing to the pressure, Congress went Eastman one step further and wrote into the MCA a clause exempting all "agricultural commodities (not including manufactured products thereof)."[41] With this phrasing, not only were farmers and farm cooperatives exempt from ICC regulation, but so was *any* trucker who hauled agricultural goods that were not "manufactured." Congress declined to state exactly what would count as an unmanufactured commodity, but during the debates on the bill it became clear that the phrasing was meant to include such products as pasteurized milk and ginned cotton which had undergone some processing—a firm rebuke of Eastman's efforts to limit exempt agricultural hauling only to private farm-to-first-market transportation.[42] Without this amendment, the MCA would never have become law under a Congress beholden to agricultural interests.[43] Perhaps more importantly, the exemption created an opening in the ICC's regulatory structure that, as we shall see below, would allow the USDA after World War II to transform the chaos of unregulated trucking into "flexibility" in the service of its efforts to solve the farm problem through technopolitical means.

In the first decade of federal trucking regulation, the agricultural exemption played only a minor role in a much larger effort by the USDA to contest the economic power of the railroads.

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[39] Joseph B. Eastman to Henry A. Wallace, "Effect of the Proposed Motor Carrier Act on Farm Trucking," Mar. 16, 1934, RG 16, Entry 17, Box 2032, Folder 19.
[40] *Congressional Record*, 74th Cong., 1st sess., Jul. 31, 1935, vol. 79, pt. 11, p. 12217.
[41] Ibid., 12221.
[42] Ibid., 12197-12227, esp. 12219-21. See also Celia Sperling, *The Agricultural Exemption in Interstate Trucking: A Legislative and Judicial History* (Washington: USDA, Agricultural Marketing Service, 1957).
[43] On the reasons for agricultural influence over Congress in this period, see John Mark Hansen, *Gaining Access: Congress and the Farm Lobby, 1919-1981* (Chicago: University of Chicago Press, 1991), and for a contrasting view, Richard F. Bensel, *Sectionalism and American Political Development, 1880-1980* (Madison: University of Wisconsin Press, 1984).

Secretary of Agriculture Henry A. Wallace, in particular, clung to an agrarian ideology that viewed the nation's railroad executives as profiteers determined to swindle the American farmer.[44] Throughout his tenure as Secretary, from 1932 to 1940, Wallace repeatedly contested railroads' efforts to raise their rates for shipping agricultural products. In 1934 Wallace testified before the ICC during hearings to consider whether the rails should be allowed to raise freight rates to improve their financial condition. Wallace opposed the increase, arguing that it would raise the cost of food for consumers while placing a disproportionately high burden on farmers. Railroads would do better for themselves and for the nation, Wallace insisted, if they would *lower* their rates during the Depression to capture higher volumes of freight.[45] The ICC disagreed in this instance, granting the increase, but over the next few years Wallace would continue his efforts. In 1937, farm organizations asked Wallace to contest an attempt by the railroads to gain a 15 percent rate increase from the ICC; Wallace complied, making the same argument he had made three years earlier, but this time won the argument. Pleased with the results, Wallace asked Congress to give him permanent authority to represent farmers' interests during ICC hearings on freight rate increases. As a result, Congress wrote Section 201 of the Agricultural Adjustment Act of 1938, conferring on the Secretary of Agriculture broad powers to file complaints with the ICC "against rates and charges on farm products."[46] Little noticed at the time, this aspect of the new agricultural program set, in the words of a *Washington Post* editorialist, a "most unfortunate precedent," allowing "a member of the Cabinet ... to press the demands of a special group of citizens before an independent agency of the Government."[47] For Wallace, however, the power and economic expertise of the USDA was required to confront the

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[44] Wallace's antipathy to the railroads became public knowledge in 1943, when as Vice-President considering a 1944 bid for the Presidency, he declared that the ICC was a puppet of the railroads. Wallace called for a revision of national transportation policy to allow trucking to grow without suppression from the agency, a statement widely interpreted as an indirect attack on the Roosevelt administration for having become too accommodating towards big business interests. Henry A. Wallace, "Transportation," speech delivered Oct. 20, 1943, Dallas, TX, in Henry A. Wallace Papers, University of Iowa Library, Special Collections, Iowa City, IA; "Wallace Demands Laws to Break up Rail 'Monopolies'," *New York Times* (hereafter *NYT*), Oct. 21, 1943, 1, 21, and "Wallace Repeats Railroad Charges," ibid., Oct. 23, 1943, 24 and Raymond Moley, "A New 'Peerless Leader'," Washington Evening Star, Oct. 26, 1943, all in Pennsylvania Railroad Company Records, Hagley Museum and Library Archives, Wilmington, DE, Box 282, Folder 4.
[45] Henry A. Wallace, "High Freight Rates as a Retarding Factor in Agricultural and Industrial Recovery," Statement at Hearings before the Interstate Commerce Commission on Increase in Freight Rates and Charges, Docket Ex Parte 115, Dec. 7, 1934, RG 16, Entry 17, Box 2001, Folder 7.
[46] W. G. West (Secretary, Kansas Livestock Association) to Henry A. Wallace, Dec. 22, 1937, RG 16, Entry 17, Box 2789, Folder 8; *Statutes at Large* 52 (1938): 36-7
[47] "Agent for the Farmer," *Washington Post*, Jul. 5, 1938, 6

hosts of lawyers, accountants, economists, and other "professional witnesses" employed by the railroads to convince the ICC to increase their rates.[48] To that end, Wallace created a Transportation Rates and Services Division within the USDA, appointing transportation economist Charles B. Bowling as its head. By 1945, Bowling claimed to have saved American farmers over one billion dollars in shipping costs by fighting railroad efforts to raise rates on agricultural goods.[49]

Prior to World War II, USDA involvement in transportation policy sowed the seeds for the "flexibility" that would become central to postwar efforts to use trucking to "solve" the farm problem. Rural roadbuilding, the insertion of an agricultural "exemption" clause in the 1935 Motor Carrier Act, and the 1938 Congressional charge to the Secretary of Agriculture to contest railroad rate increases were all based in an agrarian politics rooted in the anti-monopoly movements of the late 19th century. Until the late 1940s, agricultural influence on transportation policy framed the issue in terms of using the power of the state to allow farmers to counter-organize as an economic interest group, fighting the "money powers" that ran the railroads. In this formulation, trucking was simply a way for farmers to reduce the railroads' monopoly power over agricultural shipping. After the war, however, USDA transportation experts sought a new direction—to encourage the growth of trucking as a means of converting the farm problem into an industrial problem. Trucking would no longer be simply a competitor to railroads, but central to the creation of a marketing machine bent on the minimization of labor costs in food distribution and the maximization of the power of food processors and supermarkets to reshape the geography of agricultural production and politics of food pricing.

Turning the Farm Problem into an Industrial Problem

To understand why USDA agricultural experts sought a technological fix to the farm problem in the late 1940s and early 1950s, we have to understand just how tricky the problem

[48] Henry A. Wallace to Sen. J. P. Pope, Aug. 23, 1938, RG 16, Entry 17, Box 2839, Folder 1.
[49] USDA Newsletter, "Bowling Saves Millions," Nov. 26, 1945, 4, Agricultural Marketing Service Records, RG 136, Transportation and Facilities Research Division Subject Files, Entry 42, National Archives II, College Park, MD (hereafter RG 136, Entry 42), Box 6, Folder 8; Production and Marketing Administration, *Transportation Activities: Semi-Annual Report of the Transportation Rates and Services Division*, Jul. 1947, 5, 52.

had become by that time. The problem of maintaining a balance between farmers' incomes and consumer food expenses first appeared as a politically salient issue during the Populist movements of the late nineteenth century. Southern farmers reacting to the credit squeeze of the crop lien system, along with Northern Plains farmers struggling with the economic distress of droughts and globalizing wheat markets, called on the federal government to protect farmers from the nation's "money interests" (i.e., landlords, banks, and especially railroads). Although the Populists failed to elect their presidential candidates in the 1892 and 1896 national elections, they were successful in putting the farm problem on the nation's political agenda.[50] Progressive reformers of the early twentieth century adapted many of the Populists' ideas as new legislation and policies, from the strengthening of the Interstate Commerce Commission to the establishment of rural producers' cooperatives to improve the leverage of farmers in agricultural markets.[51] These policy efforts had some success in mitigating the farm problem, but even more important were the rising prices for farm products (particularly wheat) that came in the 1910s with expanding global demand. The period leading up to and through the First World War thus witnessed a "golden age of agriculture" that significantly defused political agitation by farmers.[52]

The farm problem returned to the nation's political consciousness with a vengeance in the 1920s. Huge surpluses created by production for the First World War led to a postwar drop in farm prices and a consequent agricultural depression. Congressmen from rural states reacted by forming a "farm bloc" devoted to increasing farmer's incomes, either by limiting agricultural production or by guaranteeing farmers a "parity" price for their crops. Attempts to pass effective legislation like the McNary-Haugen Bill foundered in the 1920s, as farm representatives from different regions of the country could not reach consensus on the proper mechanism for

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[50] Lawrence Goodwyn, The Populist Moment: A Short History of the Agrarian Revolt in America (Oxford: Oxford University Press, 1978); Elizabeth Sanders, Roots of Reform: Farmers, Workers, and the American State, 1877-1917 (Chicago: University of Chicago Press, 1999); Richard Hofstadter, The Age of Reform: From Bryan to F. D. R. (New York: Vintage Books, 1955); Robert C. McMath, Jr., American Populism: A Social History, 1877-1898 (New York: Hill and Wang, 1993).

[51] Daniel T. Rodgers, Atlantic Crossings: Social Politics in a Progressive Age (Cambridge, MA: Harvard University Press, 1998), 318-66; Hal S. Barron, Mixed Harvest: The Second Great Transformation in the Rural North, 1870-1930 (Chapel Hill: University of North Carolina Press, 1997), 81-151.

[52] David Danbom, Born in the Country: A History of Rural America (Baltimore: Johns Hopkins University Press, 1995), 161-7; Theodore Saloutos and John D. Hicks, Twentieth-Century Populism: Agricultural Discontent in the Middle West, 1900-1939 (Lincoln: University of Nebraska Press, 1951); David A. Lake, "Export, Die, or Subsidize: The International Political Economy of American Agriculture, 1875-1940," Comparative Studies in Society and History 31 (Jan. 1989): 91-94.

assuring steady farm incomes.[53] When the Great Depression struck in 1929, however, the farm problem became especially acute, as impoverished and desperate farmers called on the federal government for support. Herbert Hoover's Farm Board attempted to implement the least statist proposals discussed in the McNary-Haugen debates—particularly voluntary marketing controls to shore up farm prices—but with little success. Most farmers continued to act as self-interested individuals, refusing to cooperatively reduce their production to increase prices. The agricultural depression continued.[54]

When Franklin Roosevelt came into office, one of his administration's first acts during the famous "First 100 Days" was to put together all of the ideas from the 1920s and Hoover's farm program into the Agricultural Adjustment Act. The legislation, which created the Agricultural Adjustment Administration (AAA), did eventually shore up some farmer's incomes by creating price supports and production controls, but at the price of forcing thousands of small farmers, tenants, and sharecroppers off the land.[55] As a consequence, the AAA offended both conservatives who saw it as an affront to free enterprise, and liberals who saw the program as harmful to the least privileged members of rural society. Furthermore, the goals of the AAA were directly at odds with much of the rest of New Deal legislation, since raising farm prices only served to increase the cost of food for other members of the New Deal coalition, particularly urban industrial laborers. These aspects of the New Deal farm legislation were controversial, but the programs became especially politically unpopular when Secretary of Agriculture Henry A. Wallace ordered six million hogs culled and one-quarter of the Southern cotton crop plowed under to increase market prices in 1933-34. Republican critics of the New Deal ridiculed the Roosevelt administration for destroying livestock and crops when millions of Americans were starving and poorly clothed.[56]

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[53] James Shideler, *Farm Crisis, 1919-1923* (Berkeley: University of California Press, 1957); Hansen, *Gaining Access*.
[54] David E. Hamilton, *From New Day to New Deal: American Farm Policy from Hoover to Roosevelt, 1928-1933* (Chapel Hill: University of North Carolina Press, 1991); Gilbert C. Fite, *George N. Peek and the Fight for Farm Parity* (Norman: University of Oklahoma Press, 1954).
[55] Pete Daniel, Breaking the Land: The Transformation of Cotton, Tobacco, and Rice Cultures since 1880 (Urbana: University of Illinois Press, 1985); Gilbert C. Fite, Cotton Fields No More: Southern Agriculture, 1865-1980 (Lexington: University Press of Kentucky, 1984).
[56] Richard S. Kirkendall, *Social Scientists and Farm Politics in the Age of Roosevelt* (Columbia: University of Missouri Press, 1966); John C. Culver and John Hyde, *American Dreamer: The Life and Times of Henry A. Wallace* (New York: W. W. Norton, 2000).

Underlying all of these political controversies was the simple fact that American farmers produced too much food in the first half of the twentieth century. Even as the political wing of the USDA was administering legislation to support farm prices and limit the amount of acreage farmers could put into production, its scientific and technological bureaus were successfully encouraging farmers to use pesticides, fertilizers, hybrid crops, and tractors to *increase* their production. Secretary Wallace only very reluctantly ordered the culling of hogs in 1933, since his fundamental philosophy regarding American agriculture was one of ever-increasing abundance, not limits to production.[57] The USDA's technological and scientific efforts from the late 19th century into the 1940s, encouraged by economists such as M. L. Wilson, focused on creating huge, industrial farms where commodities could be produced factory-style.[58] The AAA made for good headlines and solid political support for the Democrats from large commercial farmers, but the USDA's real efforts to solve the farm problem were, until the post-WWII era, focused primarily on increasing big farmers' production and forcing small, "inefficient" farmers out of the market.[59]

This stance was useful during World War II, when American farmers were called upon to feed the boys overseas. Wars are not won on empty stomachs, and America's highly productive farmers profited from the chance to keep the Allied soldiers in prime fighting condition. The devastation of European and Soviet agricultural fields sent demand for American agricultural products soaring. Assured of high prices for their products, American farmers were able to invest heavily in tractors, fertilizers, hybrid seeds, and other technologies for increasing crop yields—without concern for overproduction.[60] High demand for American agricultural products pushed prices up, but at the same time, wartime price controls made sure the prices—if not the availability—of food remained reasonable for civilian consumers.[61] For a time at least, the farm

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[57] Culver and Hyde, *American Dreamer.*
[58] Deborah K. Fitzgerald, *Every Farm a Factory: The Industrial Ideal in American Agriculture* (New Haven: Yale University Press, 2003).
[59] Robert Paarlberg and Don Paarlberg, "Agricultural Policy in the Twentieth Century," *Agricultural History* 72 (Sep 2000): 136-61.
[60] Robert C. Williams, Fordson, Farmall, and Poppin' Johnny: A History of the Farm Tractor and Its Impact on America (Urbana: University of Illinois Press, 1987); Katherine Jellison, Entitled to Power: Farm Women and Technology, 1919-1963 (Chapel Hill: University of North Carolina Press, 1993).
[61] Meg Jacobs, "'How About Some Meat?': The Office of Price Administration, Consumption Politics, and State Building from the Bottom Up, 1941-1946," *Journal of American History* 84 (Dec 1997): 910-41; Meg Jacobs,

problem was solved, except that farmers had become accustomed to high prices and unrestrained production, while consumers had been mobilized by the state to agitate for government control of food prices.

At war's end it became clear to agricultural policymakers in Congress and the USDA that surpluses and food prices were again going to be a problem.[62] In 1947 and 1949, the National Planning Association gathered together a group of agricultural economists, farm organization leaders, and labor and consumers' representatives to discuss the future of food politics in postwar America. The results of these meetings, published under the titles *Dare Farmers Risk Abundance?* and *Must We Have Food Surpluses?*, came to the conclusion that farmers would only continue to keep growing more and more food, no matter what Congress tried to do to limit production. The only way to keep farmers from overproducing themselves into poverty, the reports argued, was to allow farm prices to rise. The key to doing this without driving up the cost of living for American consumers was, as the latter report put it, "increased efficiency in marketing to ... cut costs of distribution."[63] Whereas the USDA had always focused on rationalizing the *production* of food, now they should also, according to the National Planning Association agricultural experts, use technology to rationalize the *consumption* of food.

These conferences held by the National Planning Association served mainly to bolster a new direction in agricultural policy already being put in place by Congress and the USDA in the mid-1940s. In 1943, economist F. L. Thomsen of the USDA's Bureau of Agricultural Economics (BAE) addressed a national gathering of agricultural policymakers, calling for a new kind of technological solution to the farm problem: "For a century, the leaders of farmer and consumer groups have been shouting from the rostrums ... for a more efficient marketing system. It is now time to do something about it."[64] That "something" turned out to be the Agricultural Research

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Pocketbook Politics: Economic Citizenship in Twentieth-Century America (Princeton: Princeton University Press, 2005).

[62] Barton Bernstein, "Clash of Interests: The Postwar Battle between the Office of Price Administration and the Department of Agriculture," *Agricultural History* 41 (Jan. 1967): 45-57.

[63] National Planning Association, *Dare Farmers Risk Abundance?* (Washington: National Planning Association, 1947); National Planning Association, *Must We Have Food Surpluses?* (Washington: National Planning Association, 1949), quote on 18.

[64] F. L. Thomsen, "Postwar Readjustments in Marketing and Distribution," Address before Annual Agricultural Outlook Conference, Washington, DC, Oct. 20, 1943, John D. Black Papers, Wisconsin Historical Society, Madison, WI (hereafter John D. Black Papers), Additional Files, Box 2, Folder 11. See also F. L. Thomsen, "A Critical Examination of Marketing Research," *Journal of Farm Economics* 27 (Nov 1945): 947-62.

and Marketing Act of 1946 (RMA), which explicitly ordered the USDA's economists and engineers to come up with new technologies for rationalizing the marketing of America's agricultural products. The bill's main sponsor, Representative Clifford R. Hope of Kansas, described the central idea of the legislation to Congress in July of 1946: "The [Research and Marketing Act] is based upon the idea of abundant production and efficient distribution and utilization of food and other farm products."[65] Efficient food distribution, according to Hope, required technologies that lowered or eliminated the cost of labor, along with technical research into the economics of mass consumption. With the optimism suggested by his surname, Congressman Hope firmly believed that more machines and smarter marketing experts would solve the farm problem that decades worth of political haggling over how to limit production had never solved. Furthermore, that solution would come with the avowed acceptance of an economic philosophy of abundance, rather than scarcity—a dramatic political statement in a country seeking to pull itself out of two decades of depression and war. The RMA offered to create a true consensus on agricultural policy, transcending partisan divisions and uniting the interests of food producers and consumers.[66]

Three main factors led to the development of this new direction in agricultural policy. First, Congress had been taken over by Republicans in 1946 for the first time since the beginning of the Great Depression. Eager to erase the so-called "socialist" aspects of New Deal legislation, Republican politicians from farm states (including Hope) sought to solve the farm problem without the use of the centralized economic planning that lay at the heart of the AAA. As postwar tensions with the Soviet Union increased, price supports and acreage controls were increasingly painted as "socialistic" by opponents of the New Deal. This became especially clear in 1948 and 1949, when Republican Congressmen, the American Farm Bureau Federation, and western beef ranchers spectacularly shot down the efforts of Truman's Secretary of Agriculture,

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[65] *Congressional Record*, 79th Cong., 2d sess., Jul. 15, 1946, vol. 92, p. 9031.

[66] *Statutes at Large* 60, 1082 (1946); House Committee on Agriculture, *Agricultural Research, Hearings*, 79th Cong., 2d sess., Jun. 13-26, 1946; House Committee on Agriculture, *Agricultural Research*, 79th Cong., 2d sess., Jul. 8, 1946, H. Rept. 2458.; National Planning Association, *The Agricultural Research and Marketing Act of 1946: A Consideration of Basic Objectives and Procedures* (Washington: National Planning Association, 1948); Douglas E. Bowers, "The Research and Marketing Act of 1946 and Its Effects on Agricultural Marketing Research," *Agricultural History* 56 (Jan 1982): 249-63; James L. Forsythe, "Clifford Hope of Kansas: Practical Congressman and Agrarian Idealist," *Agricultural History* 51 (Apr. 1977): 407-20; Lewis C. Mainzer, "Science in a Political Context: The Agricultural Research and Marketing Act Program," (Ph.D. diss., University of Chicago, 1957).

Charles F. Brannan, to replace commodity price supports with direct payments to farmers based on their annual income. Brannan had attempted to make the New Deal's agricultural policies more fair to both small farmers and consumers. For small farmers, Brannan's plan would have guaranteed minimum *incomes* rather than minimum crop prices, with large farmers receiving proportionally less assistance. For consumers, Brannan offered food subsidies and a promise to increase the supply of high-value, high-demand foods such as beef and milk to keep prices low. Brannan thus effectively proposed to unite urban organized labor and small rural producers under the banner of the Democratic Party, but Republican opponents of the plan smeared the plan as expensive and "communistic" in its unabashed effort to redistribute farm wealth through centralized economic planning.[67] Second, agricultural economists, like other economists, had become increasingly enamored of Keynesian theories that pointed towards steady consumption as the key to a healthy economy. The new economics stressed mass consumption rather than mass production as the key to steady growth and widespread abundance.[68] Third, there was the problem of inflation. Public opinion polls in the late 1940s and 1950s consistently ranked the rising cost of living as one of the most pressing domestic concerns of middle-class consumers.[69] Food, in particular, was constantly rising in price, and the New Deal system of guaranteeing farmers a "parity" price for their commodities seemed to many to be the cause. As one woman wrote to her senator in 1949, "I understand that the potato farmers in Aroostook County in

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[67] Charles F. Brannan to Allan B. Kline, Sep. 23, 1950, RG 16, Entry 17, Box 1711, Folder 2; Allen J. Matusow, *Farm Policies and Politics in the Truman Years* (Cambridge, MA: Harvard University Press, 1967); Kirkendall, *Social Scientists*; Reo Millard Christenson, *The Brannan Plan* (Ann Arbor: University of Michigan Press, 1959); Virgil W. Dean, "Why Not the Brannan Plan?," *Agricultural History* 70 (Spring 1996): 268-82; Robert Griffith, "Forging America's Postwar Order: Domestic Politics and Political Economy in the Age of Truman," in *The Truman Presidency*, ed. Michael J. Lacey (Cambridge: Cambridge University Press, 1989), 75-8. Brannan's case was not helped by his inability to clearly communicate to consumers how the plan would actually lower food costs; see, e.g., Persia Campbell to Charles F. Brannan, Oct. 12, 1949, RG 16, Entry 17, Box 1712, Folder 2; Charles F. Brannan to Marie Murtaugh, Oct. 20, 1949, ibid., Folder 1.

[68] Alan Brinkley, *The End of Reform: New Deal Liberalism in Recession and War* (New York: Vintage Books, 1995); Alan Wolfe, *America's Impasse: The Rise and Fall of the Politics of Growth* (New York: Pantheon Books, 1981); Robert M. Collins, "The Emergence of Economic Growthsmanship in the United States: Federal Policy and Economic Knowledge in the Truman Years," in *The State and Economic Knowledge: The American and British Experience*, ed. Mary O. Furner and Barry Supple (Cambridge: Cambridge University Press, 1990), 138-70; Robert M. Collins, *The Business Response to Keynes, 1929-1964* (New York: Columbia University Press, 1981); Trudy H. Peterson, *Agricultural Exports, Farm Income, and the Eisenhower Administration* (Lincoln: University of Nebraska Press, 1979).

[69] Meg Jacobs, "Inflation: The 'Permanent Dilemma' of the American Middle Classes," in *Social Contracts under Stress: The Middle Classes of America, Europe, and Japan at the Turn of the Century*, ed. Olivier Zunz, Leonard Schoppa, and Nobuhiro Hiwatari (New York: Sage, 2002), 130-53; "Price Index Rises to a Record High," *NYT*, Jul. 25, 1952, 1, 15; Charles E. Egan, "Arnall Insistent Prices Will Go Up," *NYT*, Aug. 14, 1952, 1, 24.

Maine are getting rich, and riding around in their Cadillacs, while poor people like us pay the bills."[70] A 1951 editorial in the *New York Times* expressed a common sentiment, attacking the agricultural price support system as a drag on the entire economy: "Food is the No. 1 item in the wage-earner's budget. If the price keeps rising, how can wages and the rest of the economy be stabilized?"[71] Given these pressures, even Democratic politicians from farm states became increasingly uncomfortable with the New Deal program of raising farmers' incomes by using the heavy hand of the state to raise the price of food for consumers. The new agricultural program, Congress decided, should rely less on politically controversial economic regulations and price supports, and more on technologies of distribution and marketing.[72]

It was one thing for the USDA's economists and engineers to receive a sharp rebuke from Congress for their previous neglect of the consumption side of the agricultural economy. It was entirely another that they received significant funding to start research projects—upwards of $30 million in the first 5 years after the RMA's passage. Agricultural engineers and economists eagerly embarked on literally thousands of research projects, studying everything from turning corn into automobile fuel to developing dehydro-frozen food to studying the economics of air transport of grain. The majority of studies, however, focused on down-to-earth questions of how to make it cheaper for farmers and food processors to get their products to market.[73] For instance, a 1953 economic study funded by the RMA found that the cost of loading and unloading apples in warehouses could be reduced by up to 80% by the use of forklifts in place of belt conveyors.[74] Other RMA-funded economists sought similar technological methods for reducing costs in the marketing of milk (milk should be hauled in bulk tanks, not cans); perishable fruits and vegetables (retailers should demand careful handling in packing houses to

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[70] Katherine N. Small to Sen. Leverett Saltonstall, Apr. 14, 1949, RG 16, Entry 17, Box 1709, Folder 1. See also C. V. Byrd to Charles F. Brannan, Dec. 9, 1949, ibid., Box 1712, Folder 3, and dozens of similar letters in these folders.
[71] Joseph A. Loftus, "Parity Issue at Root of the Price Problem," *NYT*, Apr. 1, 1951, 151.
[72] "Price Spread from Farm to Table out of Line, Gillette Says at Hearing," *NYT*, Sep. 23, 1949, 1, 26, USDA History Collection, National Agricultural Library, Special Collections, Beltsville, MD (hereafter USDA History Collection), Box 1.3/16, Folder VI B4.
[73] USDA, Agricultural Research Administration, *Report of Activities under the Research and Marketing Act* (Washington: GPO, 1951-53); LesterTanzer, "Farm Scientists: Agriculture Department Researchers Seek New Uses for Surplus Goods," *Wall Street Journal* (hereafter *WSJ*), May 26, 1954, 1, 17; Mark R. Finlay, "The Industrial Utilization of Farm Products and By-Products: The USDA Regional Research Laboratories," *Agricultural History* 64 (Spring 1990): 41-52.
[74] Earl W. Carlsen, *Apple Handling Methods and Equipment in Pacific Northwest Packing and Storage Houses* (Washington: USDA, Production and Marketing Administration, 1953).

reduce spoilage); and livestock (beef packers should modernize their stockyards to maximize the rate of feeding and slaughter).[75] Engineers, meanwhile, focused on such activities as improving corn and soybean drying and storage, using sorting machines to increase the efficiency of tomato processing plants, and developing standardized containers and packages for retail delivery of food products.[76]

Even after Congress officially cancelled the Research and Marketing Act in 1955 due to unclear results, such studies continued well into the 1960s. This was largely because Dwight Eisenhower's Secretary of Agriculture, Ezra Taft Benson, created a permanently funded agency within the USDA to work on the problem of efficiently marketing food. Benson claimed to be "above politics" due to his deep Mormon faith and his training as an economist, but his actions as head of the USDA were quite explicitly aimed at defusing the socialistic tendencies of New Deal agricultural policy. Brought on board by Eisenhower as part of a strategy to woo the farm vote away from the Democrats after five straight Presidential losses for the Republicans, Benson began a systematic effort to develop cooperative relationships between the federal government and private industry to solve the farm problem from the demand side rather than through centralized economic planning on the supply side. Immediately after taking office in 1953, he eliminated the Bureau of Agricultural Economics (BAE), claiming that too much of the BAE's economic research had focused on maintaining statist New Deal price supports and acreage allotments (that is, paying farmers to keep some lands out of production).[77] In the BAE's stead, Benson erected two agencies, the Agricultural Research Service and the Agricultural Marketing

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[75] Joseph M. Cowden, *Farm-to-Plant Milk Hauling Practices of Dairy Cooperatives* (Washington: Farm Credit Administration, USDA, 1952); Henry T. Badger, *Retail Margins for Selected Fresh Fruits and Vegetables* (Washington: USDA, Bureau of Agricultural Economics, 1953); George E. Turner and Clayton Furman Brasington, *Livestock Auction Markets in the Southeast: Methods and Facilities* (Washington: USDA, Agricultural Marketing Service, 1956).

[76] *Drying Ear Corn with Heated Air* (Washington: USDA, Agricultural Research Service, 1952); A. M. Rollefson, D. B. Agnew, and C. H. Keirstead, *Improving Soybean Marketing through Farm Storage* (Washington: USDA, Production and Marketing Administration, 1951); William A. Aronow and James E. Bryan, *Prepackaging Tomatoes* (Washington: USDA, Production and Marketing Administration, 1952); E. M. Harvey, *A Comparison of Types of Containers, Refrigeration, and Loads in the Transportation of Non-Precooled Navel Oranges in Half-Box Fiberboard Cartons* (Washington: USDA, Agricultural Marketing Service, 1956).

[77] Since its inception in the 1920s, the BAE had long relied on cultivating a relationship to commercial agricultural interest groups to support its vision of centralized agricultural policy and planning. During the New Deal era, the BAE served as the central planning and policy wing of the USDA, gaining enemies on both the left and the right of the political spectrum. Ellis R. Hawley, "Economic Inquiry and the State in New Era America: Anti-statist Corporatism and Positive Statism in Uneasy Coexistence," in *The State and Economic Knowledge,* ed. Furner and Supple, 287-324; Kirkendall, *Social Scientists and Farm Politics*.

Service. Through these agencies, he hoped to redirect the work of agricultural engineers and economists toward what he considered more "objective" marketing research.[78] Though Benson summed up his approach to agricultural policy as the "freedom to farm," the term "agribusiness" (coined by Benson's Assistant Secretary of Agriculture, Harvard economist John H. Davis, in 1954) was a more accurate descriptor, since the "objective" marketing research would prove most beneficial to non-farm agricultural industries, especially food processors and supermarkets.[79] Thus, the cancellation of the Research and Marketing Act in 1955 did not end its rationale of solving the farm problem through technological efforts to streamline food marketing. In fact, projects similar to those funded by the Research and Marketing Act only became more numerous under Benson's secretaryship. For example, RMA-funded work on bulk milk hauling, begun in the early 1950s, expanded significantly when it was transferred to the Agricultural Marketing Service in the years after the RMA's cancellation.[80] Other large-scale projects of the late 1950s and 1960s studied the efficient marketing of frozen orange juice, ways to reduce the need for skilled labor in food processing and retailing industries, and the proper design of food storage warehouses.[81] In hundreds of other studies, USDA economists and engineers sought to improve efficiency in marketing and distribution, covering every major agricultural commodity produced in the United States, always doing so in direct cooperation with food processing and retailing firms.

The intent of Benson's "objective" approach was to convert the farm problem into an industrial problem—to place in the hands of private industry, rather than the federal government, the burden of assuring high prices for farmers while offering consumers abundance at reasonable costs. As a sympathetic agricultural economist explained to Benson's Assistant

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[78] Edward L. Schapsmeier and Frederick H. Schapsmeier, *Ezra Taft Benson and the Politics of Agriculture: The Eisenhower Years, 1953-1961* (Danville, IL: Interstate Printers and Publishers, 1975).
[79] Ezra Taft Benson, Freedom to Farm (New York: Doubleday, 1960); Jon Lauck, American Agriculture and the Problem of Monopoly: The Political Economy of Grain Belt Farming, 1953-1980 (Lincoln: University of Nebraska Press, 2000), 5.
[80] Donald B. Agnew, *How Bulk Assembly Changes Milk Marketing Costs* (Washington: USDA, Agricultural Marketing Service, 1957); Bowers, "Research and Marketing Act," 262; Schapsmeier and Schapsmeier, *Ezra Taft Benson.*
[81] Roy L. Lassiter, Jr. and George L. Capel, Economic Characteristics of the Florida Chilled Citrus Juice Industry (Washington: USDA, Agricultural Marketing Service, 1959); Imogene Bright, The Wage Factor in Retailing Meat in 4 Cities: A Study of Marketing of Agricultural Products (Washington: USDA, Agricultural Marketing Service, 1957); Robert K. Bogardus, Wholesale Fruit and Vegetable Warehouses: Guides for Layout and Design (Washington: USDA, Agricultural Marketing Service, 1961).

Secretary of Agriculture Earl Butz in 1956, the Department's focus on marketing research was "safe, sane, conservative [and] socially desirable [because] everybody, including farmers, stands to gain from it."[82] But the new approach to marketing research was not entirely without controversy, as Harry C. Trelogan, Director of the USDA's Marketing Research Division, noted in responding to Allin's letter. In particular, the applications of marketing research appeared to be most directly beneficial to food processors and supermarkets rather than to either farmers or consumers. The term "agribusiness," though still not in wide circulation, could hold negative as well as positive connotations.[83] Trelogan's note pointed to a tension within the USDA's ranks. Secretary of Agriculture Benson touted "objective" marketing research that was intended to influence and change practices in private food distribution, but some agricultural economists whose work supported these activities preferred a "strong program of fundamental longer-run research" rather than "being too closely associated with 'action' programs."[84] But in the long run, Benson's approach won out within the USDA, as he pushed the AMS and the ARS to work very closely with private industry, particularly food processors and supermarkets, to develop lower-cost marketing and distribution methods as a demand-side approach to increasing the farmer's share of the consumer's dollar.[85]

In the twenty years following the end of World War II, the farm problem was thus redefined. Before the war, agricultural experts—BAE economists, farm bloc Congressmen, Henry A. Wallace—had seen the essential problem as one of overproduction. Now, in a political culture focused on maintaining abundance without the use of "socialist" methods, the problem seemed to be one of inefficient marketing. The key issue at stake in postwar agricultural politics was what the role of the state should be, vis-à-vis private enterprise, in dealing with the problem of maintaining high prices for farmers without unduly raising consumer food prices. This

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[82] Bushrod W. Allin (Chairman, Outlook and Situation Board) to Earl L. Butz, Aug. 2, 1956, RG 136, Office of the Administrator Correspondence Subject File, 1956-59, Entry 48 (hereafter Entry 48), Box 9, Public Relations 7 Folder.
[83] Harry C. Trelogan to Bushrod Allin, Dec. 21, 1956, RG 136, Entry 48, Box 9, Public Relations 7 Folder. See also Charles A. Hauck, "Team Work in Marketing Research," Speech before American Farm Economic Association meeting, Green Lake, WI, Sep. 8, 1947, RG 136, Office of the Administrator Deputy Administrator's Correspondence Subject File, Entry 52, Box 4.
[84] O. V. Wells, et al., "The Fragmentation of the BAE," *Journal of Farm Economics* 36 (Feb 1954): 1-21, quotes on 4 and 6.
[85] Earl L. Butz, "USDA's Role in Marketing," *Marketing Activities* (Nov. 1954): 3-5, USDA History Collection, Box 1.3/16, Folder VI B4; "Food Distribution: Research, Educational, and Service Work of the U.S. Department of Agriculture," Mar. 1955, RG 136, Entry 42, Box 1, Folder 14, pp. 3-4.

formulation of the farm problem directly linked the politics of production with the politics of consumption. Thus, agricultural policymakers saw marketing—understood as "the link between production and consumption ... assembly, transportation, packing, packaging, processing, preservation, storing, wholesaling, and retailing—all the steps between producer and consumer"—as the point of attack.[86] Agricultural economists in the USDA's marketing divisions consistently viewed all of the processes involved in transforming agricultural commodities into consumable foods as part of an integrated machine, a machine that was at once technological and political. For example, just before the end of World War II, economist Clarence W. Kitchen, associate administrator of the USDA's Agricultural Marketing Administration, wrote a letter to a farm journal editor explaining the importance of having "the marketing machinery function as efficiently as possible" after the war. According to Kitchen, labor shortages during the war had forced food processors and retailers to move more commodities into food markets with fewer workers, with the result that the farmer's share of the consumer's food dollar had increased. Efficient marketing machinery, in this formulation, would simultaneously bring abundance to consumers and high prices to farmers.[87]

To put it bluntly, an efficient marketing machine would be a system that moved food from farms to consumers with the smallest number of intermediary firms—whether food processors, wholesalers, or retailers—paying workers' wages and taking profits along the way. Agricultural economists working with food industries under the RMA focused on decreasing the cost of food distribution to raise the farmer's share of the consumer's dollar. Much of this research involved improved packaging techniques, warehousing and retailing methods, and reducing the need for skilled labor in the food marketing chain. Above all else, however, USDA economists saw the cost of transportation as the single most important area for research. Although the cost of labor contributed the greatest increase in the price of food between the farmer and the consumer, transportation had always followed close behind labor in percentage

[86] Roy W. Lennartson, "Between the Farmer and Consumer," in USDA, *Yearbook of Agriculture, 1950-1951: Crops in Peace and War* (Washington: GPO, 1951), 49.
[87] C. W. Kitchen (Deputy Director, Agricultural Marketing Administration) to J. H. Welch, Dec. 30, 1944, RG 136, Fruit and Vegetable Branch, Subject-Numeric General Correspondence, Entry 58, Box 3, Folder 6.

of costs incurred in the marketing of agricultural goods and food products.[88] Unlike workers, though, transportation technologies could be re-engineered with less need for political delicacy. If the cost of transportation could only be kept down, argued a 1956 USDA pamphlet meant for wide readership entitled "Food Transportation and What It Costs Us," farmers' incomes would automatically rise even as consumer prices dropped.[89]

The Technopolitics of Flexible Transportation

One key word—*flexibility*—summed up all that agricultural experts in the USDA imagined trucking would bring to the domestic marketing of crops, livestock, and food in the postwar period. Agricultural engineers, economists, and policymakers all regarded trucking as a more flexible system of transportation than railroads, but each of these groups had a slightly different idea of what flexibility entailed. For engineers, trucks could provide faster and more reliable hauling than railroads mainly because truckers were better able to provide customized hauling services. Trains hauled an incredibly diverse range of products, using a variety of railcars and switching mechanisms to move goods over long distances; but even with specialized railcars, each load was just one unit among many with widely varying needs and destinations. Each semi-trailer, on the other hand, hauled only one commodity, directly from the point of origin to its destination. The commodity itself, rather than the transporter's need to limit investments in equipment, determined which type of hauling equipment would be used. Mechanically refrigerated trailers, custom livestock hauling trailers, bulk tankers for milk and oils, and grain hoppers could be designed and implemented for each specific commodity. Furthermore, truckers could provide the specialized service needed to make sure that each load arrived quickly at its destination with little damage. Truck trailers could be designed, for

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[88] John H. Davis to Rep. Alvin M. Bentley, Feb. 25, 1954, RG 136, Correspondence of the Secretary of Agriculture and Assistant Secretaries of Agriculture Relating to the AMS, 1954, Entry 18, Box 1, Folder 2; Bennett S. White, Jr. to C. W. Odermatt, Nov. 9, 1953, RG 136, Project Files, 1940-58, Entry 11, Box 28; *Farm-Retail Spreads for Food Products: Costs, Prices* (Washington: USDA, Agricultural Marketing Service, 1957); Ralph L. Dewey and James C. Nelson, "The Transportation Problem of Agriculture," in USDA, *Yearbook of Agriculture, 1940: Farmers in a Changing World* (Washington: GPO, 1940), pp. 720-39; G. L. Penrose, L. T. Fuller, and J. B. Sharkey, *Transportation Spells Markets*, Bulletin 167: Oregon Agricultural Experiment Station, 1950).

[89] *Food Transportation and What It Costs Us* (Washington: USDA, Agricultural Marketing Service, 1956).

example, to accept standardized bulk packages of potatoes that would keep handling to a minimum during exchanges among farmers, potato processing facilities, warehouses, and retail stores. In summer, potatoes could travel in ventilated trailers to prevent degradation, while in winter they could be protected against freezing in enclosed trailers. Other commodities, from grains to livestock to dairy products to fresh and frozen fruits and vegetables, had similarly customized transportation requirements that, from an engineering standpoint, trucks often seemed most capable of providing.[90]

Economists, meanwhile, tended to define trucking's flexibility in terms of systemic marketing efficiency. Railroads, in order to operate profitably, needed months of advance notice from shippers in order to allocate the appropriate number of cars to pick up a specific load at a particular time. The fickleness of climate, weather, and biology, however, has always created fluctuations in agricultural production. At the time of planting, a farmer could only make an educated guess as to how big his crop would be come harvest time; thus, if a grain farmer ordered three railcars to arrive in the second week of October to take his grain to market, he might only be able to fill one of those cars, or might have a bumper crop that required several more cars than the railroad could provide on short notice. Truckers, on the other hand, could arrive to collect a shipment of any size with only a few days' or even hours' notice; from an economist's viewpoint, this "just-in-time" transportation was a much more efficient allocation of resources. As one agricultural economist summed up the issue in 1969, "Nature determines to a very large degree how much transportation will be needed, when it will be needed, and where it will be needed.... In many cases, a saving of hours—not days or weeks—in transportation time can mean better prices for the producer or distributor, longer shelf life for the product, and better satisfied consumers."[91] Furthermore, because truckers hauled relatively smaller loads of products at greater speed than railroads, they provided food processors and supermarkets with

[90] More on this point in Chapter 4. William J. Hudson and Don C. Leavens, "The Kinds and Uses of Carriers," in USDA, *Yearbook of Agriculture* (Washington: GPO, 1954), 96-7; Forrest S. Baker, Jr., "Efficiency in Transportation Packaging," *Journal of Farm Economics* 46 (Dec 1964): 1292-4; E. P. Atrops and W. H. Redit, *Protective Services for Shipments of Carton Loads of California Oranges and Lemons* (Washington: USDA, Agricultural Marketing Service, 1962); H. D. Johnson and P. L. Breakiron, *Protecting Perishable Foods during Transportation by Truck: Meats, Fruits, Melons, Vegetables, Poultry, Dairy Products* (Washington: USDA, Agricultural Marketing Service, 1956).
[91] Ivon W. Ulrey, *The Economics of Farm Products Transportation* (Washington: USDA, Economic Research Service, 1969), 1.

the means to increase the rate of turnover of their products during periods of high demand. This form of flexibility was important because a high rate of turnover was one of the most effective ways to assure secure profit levels for farmers and food distributors without the need to raise food prices for consumers. Furthermore, as we shall see in later chapters, trucks and highways helped food processors and supermarkets to upend the economic geography of food production and distribution in the 1950s and 1960s, pushing food factories and supermarket warehouses deep into the countryside to lower labor costs and eliminate competition from smaller firms such as independent food distributors. Thus, postwar agricultural economists tended to define trucking's flexibility in terms of efficiency. Quick, on-demand movement of a variety of goods from decentralized producers to suburban consumers would bring stability to an otherwise constantly fluctuating food economy.[92]

Agricultural policymakers, meanwhile, tended to conceive of trucking's flexibility in terms of competition with the railroads. For policymakers of the postwar period hoping to reduce the cost of transporting agricultural products, the very presence of trucks as significant competitors to railroads promised lower freight rates for all shipments, whether by road or rail. Policy debates thus centered on how best to encourage trucking's growth, without creating a new monopolistic transportation industry by pushing railroads into bankruptcy.[93] Federal highway building proved to be the single most important policy decision that gave truckers incentives to compete with railroads in the postwar period. Agricultural policymakers, however, had little direct influence on the development of national highway policy after the Bureau of Public Roads moved from the Department of Agriculture to the Department of Commerce in 1949. The Department of Agriculture did have significant influence on other facets of transportation policy, however, particularly when it came to minimizing government regulations on truckers' geographic reach and ability to compete with other carriers. Perhaps most importantly, the

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92 John C. Winter, "A Century of Progress," in USDA, *Yearbook of Agriculture* (Washington: GPO, 1954), 100; Donald E. Church and Margaret R. Purcell, "From Farms to First Market," in USDA, *Yearbook of Agriculture* (Washington: GPO, 1954), 87-92; David E. Moser and Wesley R. Kriebel, *Transportation in Agriculture and Business* (Columbia: University of Missouri Extension, 1964); J. K. Samuels, "The Right Product; The Right Place," in USDA, *Yearbook of Agriculture* (Washington: GPO, 1960), 276-81.

93 Hoy A. Richards, "Coordination and Competition among Carriers," in *Transportation Problems and Policies in the Trans-Missouri West*, ed. Jack R. Davidson and Howard W. Ottoson (Lincoln: University of Nebraska Press, 1967), 287-98.

USDA successfully reworked the "agricultural exemption" clause of the Motor Carrier Act of 1935 into a method for harnessing the chaos of unregulated trucking to the demands of rationalized food marketing systems. Ultimately, the anti-regulatory stance of the USDA in relation to trucking policy served to maintain an atomistic structure in the industry, preventing the rise of large unionized firms in agricultural transportation. Especially under the direction of Ezra Taft Benson, agricultural policymakers saw non-union labor relations in trucking as more flexible than that of railroading, and sought to keep it that way. From a policy standpoint, then, trucks were more flexible than trains because they could more easily avoid cumbersome interference from both government regulators and organized labor.

Trucks became true competitors with trains for long hauls of agricultural commodities and processed foods following the war, a fact that became especially apparent after the construction of the Interstate Highway System in the late 1950s. Trucks did not "replace" trains by any means in the postwar era; they simply replaced trains as the nation's primary general-purpose mode of freight transportation, while railroads became specialized freight carriers and automobiles and planes became the main movers of passengers.[94] Trucks did, however, largely replace trains in agricultural and food hauling in the postwar period. By 1958, nearly 90 percent of all agricultural commodities traveled from farm to first market by truck. This was especially the case for highly perishable commodities such as fruits and vegetables, milk, and livestock.[95] Take the case of cattle: in 1945, a little more than half—58 percent—of cattle arrived at livestock terminals by truck; by 1958, 88 percent did so, and a decade later nearly all cattle traveled by truck to market.[96] At the same time, trucks became the primary transportation mode for foodstuffs; in 1964, half of all foods (by volume) moved by truck.[97] Trucks were especially important in moving meat, milk, cheese, and frozen foods, though railroads continued to be the primary transporters of less perishable goods such as grain mill products and canned foods.[98]

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[94] John F. Stover, *The Life and Decline of the American Railroad* (New York: Oxford University Press, 1970), 234-71; Albro Martin, *Railroads Triumphant: The Growth, Rejection, and Rebirth of a Vital American Force* (New York: Oxford University Press, 1992), 339-98.
[95] See Chapters 2, 3, and 4.
[96] American Trucking Associations, *American Trucking Trends* (1970-1), 15.
[97] Moser and Kriebel, *Transportation in Agriculture*, 4.
[98] According to the 1967 Census of Transportation, trucks hauled 72% of all meat, 97% of dressed poultry, 70% of all dairy products, 78% of cheese, 98% of frozen seafood, 62% of frozen fruit, vegetables, and juice, but only 43% of grain

But the shift from trains to trucks in agricultural and food hauling was not an automatic consequence of the availability of good roads and big trucks.

Good highways and giant trucks provided a new infrastructure for the postwar food economy, allowing food processors and supermarkets to achieve greater control over the movement of food from farms to suburban consumers, particularly by decentralizing the geography of their operations while simultaneously centralizing their economic control in the food economy (see Chapters 2, 3, and 4). The flexibility of trucking proved key to this shift, but that flexibility was at least partly the product of efforts by USDA economists and policymakers to inject some chaos into the nation's transportation structure to counter the ICC's regulatory impulse. These efforts came mainly in the form of legal and administrative struggles to expand the "agricultural exemption," allowing truckers hauling even processed foods to avoid the economic regulations of the ICC. The result, on one level, was to make "independent" (non-union) truck drivers the backbone of much of the American food economy. On another level, the transportation work of the USDA helped "solve" the farm problem by the late 1970s, not by actually reducing the actual cost of distributing farm products or increasing farmers' incomes, nor even by ending government involvement in the agricultural economy, but by converting it from a farm problem to an industrial problem—the politics of food pricing by the late 1970s were fought most directly in the marketplace rather than in the electoral sphere.

Agricultural policymakers also saw in trucking a chance to create a form of social flexibility, where "independent" truck drivers working for non-unionized small firms would minimize the labor costs of transporting farm and food products. The key mechanism for maintaining this form of flexibility was the "agricultural exemption" clause of the 1935 Motor Carrier Act, which Congress had included in the Act with the intent of shielding farmers hauling their own products to market from ICC regulation. After the war, however, as long-haul for-hire trucking expanded and became the primary mode of transporting agricultural goods to market, the USDA sought to expand the exemption's applicability. The first opportunity for the USDA to do this came in 1947, when the ICC heard the petition of one Norman E. Harwood, who owned a

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mill products and 51% of canned foods. United States Bureau of the Census, *1967 Census of Transportation, Vol. 3: Commodity and Special Statistics* (Washington: GPO, 1970).

single refrigerated tractor-trailer, for authority to transport washed salad packaged in cellophane bags by the Aunt Mid Company in Detroit to grocers in Michigan, Illinois, Ohio, and Indiana. In hearing the petition, the ICC's chief examiner for motor carrier cases, Francis P. Lee, recommended that Harwood's request be denied on the grounds that washed salad was an "agricultural commodity, not including manufactured products thereof" and thus fell within the scope of the agricultural exemption. The two other ICC commissioners, however, determined that placing the salad in cellophane bags constituted a process of manufacturing, and required Harwood to be certified as a regulated trucker, a certificate that the Commission granted.[99]

Transportation economists in the USDA's Marketing Facilities Branch immediately recognized the implications of this decision—if packaged salad counted as a manufactured product, the ICC could expand its regulatory power to truckers hauling any packaged or minimally processed agricultural product. This would effectively limit the agricultural exemption to very few commodities, meaning that most shippers of food products would be required to use the services of regulated truckers or railroads. In July of 1948, the USDA asked the ICC to reconsider the case, developing in the meantime a plan to "obtain a reversal of the [ICC's] decision in the 'Harwood Case' ... to obtain the maximum exemption for agricultural commodities." Determined to "show that the exempt carrier provides a more flexible and adequate service to the farm community than does the regular carrier," the USDA decided to "line up witnesses" from farm groups, food processors, and the USDA's own economic divisions to contest the ICC's interpretation of washed salad as a manufactured commodity.[100] A year's worth of hearings ensued, in which the USDA's legal team argued that Congress had intended the exemption to apply to "not only those agricultural commodities which are marketable in their natural state but those on which labor has been performed or mechanical skill applied, without materially affecting the natural state of the articles."[101] During the hearings, the USDA

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[99] Interstate Commerce Commission, Docket MC-107669, *Norman E. Harwood Contract Carrier Application*, 47 M.C.C. 597, Dec. 16, 1947.
[100] Donald C. Leavens, "The Investigation Concerning Exempted Agricultural Commodities," Aug. 17, 1948, and "Agenda for Exempted Agricultural Commodities Advisory Committee Meeting," Aug. 17, 1948, both in RG 136, Entry 42, Box 5, Folder 20.
[101] Charles B. Bowling (Chief, PMA Transportation Rates and Services Division, Marketing Facilities Branch) to All Parties of Our Record, "Determination of Exempted Agricultural Commodities," Aug. 10, 1949, RG 136, Entry 42, Box 5, Folder 20.

indicated its intention to contest the issue before the Supreme Court if the ICC did not rule appropriately; under such pressure, the ICC overturned the *Harwoood* decision in 1949, but opened up a new set of hearings to lay out a clear policy for interpreting the agricultural exemption clause. In 1951 the ICC issued its findings in a case known as *Determinations*, which declared that in all future petitions from motor carriers seeking certificates to transport agricultural commodities, the ICC would interpret a "manufactured" commodity as one which was no longer in its "natural state." *Determinations* set out a list of commodities that the ICC would consider non-manufactured, including, for instance, peeled apples and unshelled nuts; "manufactured" commodities included such goods as smoked, canned, or cooked chickens. Even *Determinations* opened up a window for the USDA to contest the ICC's interpretation of the exemption clause, however, since the ruling defined, for instance, pasteurized and vitamin-enriched milk as being in a "natural state," while milled grain was not. The upshot was that the ICC could not set down a firm and common-sense definition of "agricultural commodities (not including manufactured products thereof)" that would prevent the USDA from contesting a ruling that limited the exemption's coverage in any particular trucking firm's application for authority.[102]

The fight over the agricultural exemption, however, was not fundamentally about whether a bag of washed salad or a bottle of pasteurized milk was manufactured or not, but was instead a roundabout attack on unionized transportation firms. Understanding this requires a brief review of the history of the International Brotherhood of Teamsters (IBT or Teamsters).[103] By the mid-1950s, this union was the single largest and most powerful in the United States, but it had first emerged in 1899 as a weak federation of strong craft-based locals of urban wagon deliverymen, mainly in the milk, bread, coal, and ice industries. As late as the mid-1930s the Teamsters had shunned intercity truck drivers from membership; Daniel Tobin, the president of the IBT from 1907 to 1952, called over-the-road drivers "trash" unworthy of membership in his

[102] Interstate Commerce Commission, Docket MC-C-968, *Determination of Exempted Agricultural Commodities*, 52 M.C.C. 511, Apr. 13, 1951; Sperling, *Agricultural Exemption*, 27-9.
[103] The official name of the union is International Brotherhood of Teamsters, Chauffeurs, and Warehousemen and Helpers of America.

union in 1934.[104] Some locals, however, particularly the Trotskyite Local 574 led by Farrell Dobbs in Minneapolis, envisioned the future of Teamster power in the enrollment of long-haul truckers as well as local drivers in contractual agreements covering all drivers within broad regions, rather than single crafts within individual cities.[105] Dave Beck, a Seattle Teamsters organizer, took Dobbs's vision to an unprecedented level in 1935, when he initiated a "leapfrog" strategy of organizing over-the-road drivers in locals in major cities up and down the West Coast, then using that control over incoming and outgoing shipments to compel urban pickup, delivery, and dock workers to join the union or have their freight refused by organized drivers. Occasional use of clubs and bicycle chains, along with "sweetheart deals" in which the Teamsters convinced trucking company managers that they were better off with the American Federation of Labor-affiliated (and thus politically conservative) IBT rather than the Congress of Industrial Organizations, also helped bring reluctant workers into the union's folds. Once the local warehouse and delivery workers were signed up, a local's membership could swell to the point where leverage could then be applied, through the over-the-road drivers heading into other cities, to organize an entire city essentially from scratch. As Beck's most famous protégé, James R. Hoffa, would later explain the "leapfrog" strategy, "Once you have the road men, you can get the local cartage, and once you have the local cartage, you can get anyone you want."[106] The efforts of Dobbs, Beck, and Hoffa led to the creation in 1937 and 1938 of the Western States Drivers Council and the Central States Drivers Council, both of which created multi-state, area-wide master labor contracts that standardized wages and working conditions across hundreds of trucking and warehouse firms at the same time.[107]

As important as the "leapfrog" strategy was, however, the Teamsters' success in the late 1930s stemmed largely from the cartelization effects of the 1935 Motor Carrier Act. Because the Act both limited competition from price-cutting entrants to the industry and required all

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[104] Ralph C. James and Estelle Dinerstein James, *Hoffa and the Teamsters: A Study of Union Power* (Princeton: Van Nostrand, 1965), 91.
[105] Farrell Dobbs, *Teamster Power* (New York: Monad, 1973); James and James, *Hoffa and the Teamsters*, 91-2; David Witwer, *Corruption and Reform in the Teamsters Union* (Urbana: University of Illinois Press, 2003), 65-6.
[106] James and James, *Hoffa and the Teamsters*, quote on 100; Witwer, *Corruption and Reform*, 134-5; Donald Garnel, *The Rise of Teamster Power in the West* (Berkeley: University of California Press, 1972).
[107] J. B. Gillingham, *The Teamsters Union on the West Coast* (Berkeley: Institute of Industrial Relations, University of California, 1956), 6, 54-64; Levinson, et al., *Collective Bargaining and Technological Change*, 20; Thaddeus Russell, *Out of the Jungle: Jimmy Hoffa and the Remaking of the American Working Class* (New York: Knopf, 2001), 58-72.

contract and common carriers to publish their rates, each regulated trucking firm had a significant incentive to charge the same rates as every other firm. Thus, if one trucking firm drew up a contract with the Teamsters and raised its rates to accommodate increased wage demands, other firms had little incentive to resist unionization since they could just as easily increase their rates. Essentially, the MCA created what political scientists call a "free rider effect," allowing the Teamsters to monopolize the labor market in trucking as an unintended consequence of regulated carriers' efforts to monopolize the transportation market.[108] The Teamsters also benefited greatly from the establishment of a Trucking Commission under the National War Labor Board during World War II, which fostered a cooperative atmosphere between trucking firms and the union in the name of achieving uniform wage rates and working conditions among large trucking firms, seeking to prevent disruptive wildcat strikes by Teamster locals. The Trucking Commission, a tripartite board with one representative each for business, labor, and "the public," upheld the Western States and Central States area agreements as models of stable labor relations. Thus, when disputes arose, the Commission would require the protesting firm or union local to abide by the wage rates and labor provisions accepted by nearby firms participating in these regional agreements.[109] Throughout the war, the IBT consistently demanded few, if any, fundamental changes in the wage structures or conditions of employment in the trucking industry, accepting in return occasional cost-of-living wage increases and, more importantly, a state-granted monopoly on the trucking labor market.[110] Following the war, the Teamsters continued to expand their membership, using their dominance in the regulated freight trucking sector to refuse deliveries or pickups at the docks and warehouses of businesses that had not yet signed up with the Teamsters or another union

[108] Rothenberg, *Regulation, Organizations, and Politics*, 76-8.
[109] R. Thayne Robson, "The Trucking Industry," *Monthly Labor Review* 82 (May 1959): 548; "Trucking Commission History," n.d. (1945?), National War Labor Board Records, RG 202, Trucking Commission Records, Entry 305, Miscellaneous Records, 1942-45, National Archives II, College Park, MD, Box 2428, Folder 1; National War Labor Board Trucking Commission, In the Matter of Southeastern Area Employers' Negotiating Committee and International Brotherhood of Teamsters, Nov. 26, 1943, ibid., Box 2423, Folder 1; Douglas Soutar to Lloyd K. Garrison, memorandum, "Office Practice," Sep. 25, 1943, RG 202, Entry 304, Outgoing Correspondence, Box 2421, Folder 5; Thomas E. Flynn (Acting President, IBT) to N. P. Feinsinger, Dec. 17, 1943, RG 202, Entry 303, General Correspondence, 1943-45, Box 2413, Folder 6; James Hill to Carroll B. Daugherty, Dec. 10, 1943, RG 202, Entry 304, Box 2421, Folder 2;American Trucking Associations, "Argument of the Trucking Industry to the War Labor Board against Change in the Present Wage Stabilization Program," Oct. 14, 1944, RG 202, Entry 305, Box 2428, Folder 2.
[110] Nathan P. Feinsinger, *Collective Bargaining in the Trucking Industry* (Philadelphia: University of Pennsylvania Press, 1949), 31.

affiliated with the American Federation of Labor. This was particularly the case after Dave Beck replaced Dan Tobin as president of the IBT in 1952. Beck, unlike Tobin, had no qualms about boosting the union's member rolls by organizing non-drivers; as one of Beck's colleagues told a reporter in 1953, "Dave will take anybody he can get his hands on, then he'll find some kind of justification for it. A 'teamster' to him is anybody who sleeps on a bed with movable casters."[111] By 1957, the Teamsters claimed the largest membership of any single union in the nation, with 1.5 million members, of which only half a million were truck drivers.[112] Those half-million truck drivers, employed primarily by large, regulated common-carrier trucking firms, earned very good wages due to the Teamsters' power. In 1957, the average annual pay of a union driver at a large firm was $6,886, significantly better than the average annual earnings of $4,242 for workers in manufacturing or the $5,214 of workers in construction.[113]

But the Teamsters had little luck organizing trucking firms hauling exempt agricultural commodities. There were several reasons for this. First, most exempt haulers were small businesses, most often owning only one or two trucks. As we shall explore in more detail in later chapters, drivers at such firms tended to maintain a sense of "independence" as small businessmen rather than wage workers, and so were hostile to labor unions. Furthermore, exempt trucking firms were generally dispersed in rural areas, forestalling the Teamsters from using the "leapfrog" organizing strategy that was so successful in urban contexts. Second, because exempt trucking firms did not have to file their rates with the ICC, the pressures to compete with other firms on price were much more intense than in the cartelized regulated freight industry; whereas regulated common carriers had little incentive to resist unionization, exempt carriers had every incentive to do so.[114] Thus, when the USDA and the ICC fought over what exactly should count as a "manufactured" agricultural commodity, the USDA was

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[111] Joe Miller, "Dave Beck Comes out of the West," *Reporter*, Dec. 8, 1953, 21.
[112] "Who Are the Teamsters? From Groceries to Girders, They Haul Everything," *U.S. News and World Report*, Mar. 8, 1957, 134.
[113] Bureau of Labor Statistics, "Over-the-Road Truckdrivers," *Occupational Outlook Handbook* 1255, 4th Ed. (1959): 420; U.S. Bureau of the Census, *Historical Statistics of the United States: Colonial Times to 1970, Part I* (Washington: GPO, 1976), 169, 173.
[114] Mildred R. DeWolfe, *For-Hire Carriers Hauling Exempt Agricultural Commodities: Nature and Extent of Operations* (Washington: USDA, Agricultural Marketing Service, 1963); Walter Miklius, *Comparison of For-Hire Motor Carriers Operating under the Agricultural Exemption with Regulated Carriers* (Washington: USDA, Agricultural Marketing Service, 1966); Ralph Blumenthal, "Those Truckers Love Their Chains," *NYT*, Jun. 13, 1976, sec. 3, p. 4.

ultimately pushing to keep the Teamsters from organizing agricultural trucking firms and thereby driving up the cost of labor involved in transporting food from farms to consumers.

An example of this strategy was a lengthy debate, beginning in 1948, between the USDA and the ICC over a practice known as "trip-leasing."[115] This practice allowed exempt haulers, who did not have ICC authority to transport manufactured freight, to lease their equipment to a regulated carrier with the appropriate authority in order to obtain a "backhaul" (a load that would bring the trucker home and defray the cost of fuel). For example, an exempt trucker might haul Florida citrus products north to Atlanta, but upon arrival be unable to find a load of exempt commodities that would take him home, thus facing an expensive return trip hauling an empty trailer ("deadheading"). By contracting with a larger carrier to haul a load of regulated freight back to the Florida home base, the trucker essentially gained temporary ICC authority by leasing his equipment out for the trip.[116] The ICC saw such trip-leasing practices eroding its regulatory authority, since trip-leasing allowed unregulated truckers to gain operating authorities without directly filing with the ICC. The Teamsters sided with the ICC, since the union recognized that trip-leasing allowed regulated trucking firms to contract with exempt truckers ("gypsies," according to the union) as independent businessmen, thereby avoiding the need to pay union-scale wages or provide health or pension benefits.[117] Teamster representatives testified before the ICC that trip-leasing amounted to sweated labor, forcing drivers to drive "from 16 to 76 hours without adequate rest," operating overloaded, unsafe trucks, with "earnings so low as to preclude proper maintenance of the equipment."[118] Some regulated trucking firms also testified against trip-leasing, viewing the practice as placing downward pressure on freight rates. Most regulated firms, however, represented by the American Trucking Associations, argued that limits to trip-leasing would infringe on the rights of management to choose for themselves whether they would use leased or purchased equipment. As a consequence, the ICC

[115] Interstate Commerce Commission, "Lease and Interchange of Vehicles: Motor Carriers: Ex parte No. MC-43," *Federal Register*, Jan. 27, 1948, 369-72.
[116] Interstate Commerce Commission, Ex Parte MC-43, *Lease and Interchange of Vehicles*, 52 M.C.C. 675, May 8, 1951, 714-15.
[117] Frank Tobin to Daniel J. Tobin, Dec. 18, 1951, International Brotherhood of Teamsters Records, Wisconsin Historical Society, Madison, WI, Series V, Box 1, Folder 14.
[118] Interstate Commerce Commission, Ex Parte MC-43 (1951), 691-92.

issued a compromise ruling in 1951, allowing trip-leasing to continue, but requiring all trip-lease contracts to last for a minimum of 30 days.[119]

The USDA responded to this ruling by taking the ICC to court. Under pressure from the Farm Bureau and the National Grange as well as trade associations of agricultural shippers, the USDA saw the 30-day requirement as a backhanded attack on the agricultural exemption clause of the Motor Carrier Act. This was because trip-leasing provided one of the only reliable ways for exempt truckers to stay in business without greatly increasing their rates for hauling agricultural goods, since without the backhauls available under trip-leasing exempt haulers would be forced to travel many "deadhead" miles without cost-defraying loads.[120] Along with the American Trucking Associations and a regulated trucking firm, the Secretary of Agriculture sued the ICC, arguing before the Supreme Court in 1952 that the commission had overstepped its regulatory authority by "tak[ing] away the advantages Congress intended to confer by the exemption from regulation granted carriers of agricultural products."[121] The Supreme Court, however, sided with the ICC in its decision of January 1953, finding that the commission had the authority to limit the "evils that had grown up in [trip-leasing] practice," particularly the "evil" of informal oral contracts for leases performed on the spot that potentially endangered the interests of both the lessors and the lessees.[122] Undaunted, the Department of Agriculture went to Congress in the spring of 1953, requesting legislation to prohibit the ICC from requiring trip-leases to last at least 30 days. After hearing testimony from farm organizations who protested that the 30-day requirement would put the vast majority of exempt haulers out of business, Congress overwhelmingly passed the bill.[123] The ICC refused to cave in its efforts to tighten its grip on "gypsy" truckers, however, and amended the trip-leasing order in 1955 to allow trip-leasing by agricultural haulers, but only for a return trip to a point from which the original exempt haul

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[119] Ibid., 677.
[120] Guy Black, "Agricultural Interest in the Regulation of Truck Transportation," *Journal of Farm Economics* 37 (Aug 1955): 439-51.
[121] U. S. Supreme Court Reports, 97 Lawyers Ed., *American Trucking Associations, Eastern Motor Express and Secretary of Agriculture* vs. *ICC*, 344 U.S. 298 (1953), 338.
[122] Ibid., 352.
[123] John H. Davis to Charles E. Jackson, Apr. 1, 1954, RG 136, Entry 18, Box 2, Folder 3; True D. Morse to Lee J. Quasey, Apr. 6, 1954, ibid., Box 3, Folder 5; House Committee on Interstate and Foreign Commerce, *Trip Leasing (Interstate Commerce Act), Hearings*, 83d. Cong., 1st sess., Apr. 21-24, 30, May 7, 1953; Senate Committee on Interstate and Foreign Commerce, *Amendment to Interstate Commerce Act (Trip Leasing), Part 1, Hearings*, 83d. Cong., 1st sess., Jul. 8-9, 1953, esp. 7-11, 52.

had started. The USDA once again appealed to Congress to pass legislation to prevent the ICC from placing any restrictions on trip-leasing by exempt truckers; the final result in August of 1956 was the passage of Public Law 957, which clearly and firmly exempted agricultural haulers from the 30-day limitation.[124] Nearly a decade after the ICC had first attempted to clamp down on trip-leasing exempt haulers, the USDA had used every judicial, administrative, and legislative weapon at its command to prevent any restrictions on the exemption.

What the ICC interpreted as the chaotic nature of unregulated trucking was viewed by the USDA as essential for allowing not only farmers, but all industries engaged in agribusiness to keep their transportation costs low. Agricultural economist Ralph Dewey summed up the Department's attitude toward exempt trucking in 1954: "The truly competitive, small-scale carriers should be regulated only as to abuses that cannot be corrected through free competition," meaning that agricultural truckers should be subject only to safety regulations, with all other issues dictated by the operations of the free market.[125] But in the later 1950s, the USDA pushed an even more ambitious deregulatory agenda, seeking to expand the agricultural exemption to cover processed foods as well as raw agricultural commodities. As explored in more detail in Chapter 4, the efforts of the Department led in 1956 to a Supreme Court case that defined frozen foods as exempt agricultural commodities, with the implication that nearly all processed foods would fall under the exemption. In 1958, the ICC, the American Trucking Associations, the Teamsters, and the nation's railroads asked Congress to pass legislation to prevent the agricultural exemption from being applied to all foodstuffs. As ICC Commissioner Howard G. Freas testified before the House Interstate Commerce Committee, the USDA's continuing efforts to expand the agricultural exemption threatened the stability of the transportation industry. The exemption that Congress had originally intended to allow farmers to truck their products to market with minimal oversight was becoming, according to Freas, a free pass for agribusinesses to ship processed foods via "gypsy" truckers who would drive

[124] Senate Committee on Interstate and Foreign Commerce, *Amending Interstate Commerce Act with Respect to Trip Leasing*, 84th Cong., 1st sess., 1955, S. Rept. 1271, 3-4; House Committee on Interstate and Foreign Commerce, *Trip Leasing (Interstate Commerce Act), Hearings*, 84th Cong., 2nd sess., May 16, 17, 21, 1956; Sperling, *Agricultural Exemption*, 14.
[125] Ralph L. Dewey, "Regulations and Policies," in USDA, *Yearbook of Agriculture, 1954: Marketing* (Washington: GPO, 1954), 109.

regulated carriers out of business.[126] The American Trucking Associations agreed, informing William Crow at the USDA that the Department's transportation work, which had previously served only farmers, was now "serving processors and manufacturers."[127] The USDA, however, informed Congress that "these arguments are unfounded.... There can be no question but that efficiencies and economies which are injected into the marketing process at any point affect producers [i.e., farmers]."[128] Thus, although admitting that food processors were among the industries benefiting most from the agricultural exemption, the USDA argued that an efficient marketing machine that kept the cost of distributing food to consumers low was also in the interest of farmers. The Farm Bureau agreed, stating more explicitly that the exemption prevented unions from instituting "the same featherbedding and make-work practices that add costs to rail and truck common carrier operations," practices the Farm Bureau saw driving up the price of food for consumers while depressing farm prices.[129] In this particular instance, the USDA and the Farm Bureau lost their case when Congress, under pressure from certain frozen food processing firms as well as regulated truckers and railroads, opted to consider frozen foods as "manufactured products" and therefore not exempt from ICC regulation.

Nonetheless, the USDA's efforts to apply the agricultural exemption to for-hire truckers as well as farmers hauling their own products were largely successful in the postwar era. As a result, the chaos that had characterized the trucking industry in the 1920s and early 1930s continued to apply to the agricultural trucking industry in the post-World War II era. It is difficult to know the exact extent of exempt hauling operations, since statistics on transportation were primarily a byproduct of government regulatory activities that by definition did not extend to exempt truckers, but in 1961 the ICC took a stab, estimating that 37,515 exempt trucking companies were in operation. If this estimate was correct, there were about twice as many exempt as regulated trucking companies at the time, although the regulated firms owned four

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[126] House Committee on Interstate and Foreign Commerce, *Interstate Commerce Act: Agricultural Exemptions, Hearings*, 85th Cong., 2d sess., Apr. 23-25, 1958, 14. See also Owen Clarke, "The Motor Carrier Act," *Power Wagon* (Sep. 1957): 14.
[127] John V. Lawrence (Managing Director, American Trucking Associations) to William C. Crow, Jan. 29, 1957, RG 136, Entry 42, Box 2, Folder 15.
[128] House Committee on Interstate and Foreign Commerce, *Interstate Commerce Act: Agricultural Exemptions, Hearings*, 24.
[129] Ibid., 154.

times as many trucks.[130] But the importance of the exemption can be measured in another sense; namely the repeated efforts of the ICC and the American Trucking Associations in the 1960s to crack down on what they considered "gypsy" truckers. For instance, in 1965 the American Trucking Associations initiated a public-relations campaign meant to arouse opposition to the "gray area" of "illegal truck transportation" by truckers who passed themselves off as exempt farm haulers in order to evade ICC regulation. According to Forney Rankin, the ATA's farm relations specialist, approximately 25 percent of regulated freight was moving in unregulated channels, as truckers claiming to haul, say, fresh vegetables, were actually hauling trailers full of steel covered with sawdust, ice, and a single crate of lettuce. Such illicit practices cost regulated truckers a half billion dollars a year, claimed Rankin, threatening the stability of the entire industry.[131]

This "gray area" became particularly problematic in 1966 following a Supreme Court decision upholding the right of agricultural cooperatives to haul not only farm products but also general freight under the exemption. Farmer cooperatives had established trucking fleets as early as the 1920s to provide farmer members with non-profit transportation services to haul their perishable products to market and return with fertilizer, farm machinery, feed, and seeds. To encourage this practice, Congress had explicitly included cooperatives in the agricultural exemption clause of the 1935 Motor Carrier Act. [132] In the early 1960s, the Northwest Agricultural Cooperative in Idaho began taking advantage of the exemption to transport regulated freight items such as air conditioners, furnaces, and water heaters for its members as well as farm products. The ICC ordered the cooperative to cease and desist from hauling manufactured goods, leading to a lawsuit that ended up in the Supreme Court in 1966, in which

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[130] Interstate Commerce Commission, *75th Annual Report of the Interstate Commerce Commission* (Washington: GPO, 1961), 136. The lack of data on exempt agricultural haulers was a constant thorn in the side of USDA economists whose job it was to support the Department's efforts to keep the exemption in place from 1935 to the late 1970s; see Committee on Government Statistics to Secretary Wallace, "A Suggested Plan for Securing More Adequate Data on Movements of Farm Products by Truck," n.d. (1935), John D. Black Papers, Box 6, Folder 2; E. L. Peterson (Administrator, AMS) to Quentin M. West, "Marketing Related Research," Feb. 21, 1975, RG 136, Entry 2, Box 2.
[131] Forney A. Rankin, "Illegal Truck Transportation: The Gray Area," presentation before DeltaNu Alpha Transportation Fraternity, Spokane, WA, Jan. 18, 1965, Pamphlet Collection, American Truck Historical Society, Kansas City, MO, 2.
[132] H. S. Yohe, *Operating a Cooperative Motor Truck Route* (Washington: USDA, 1919); William C. Bowser, Jr., *Motortruck Operations of Farmer Cooperatives* (Washington: USDA, Farmer Cooperative Service, 1963); T. H. Camp, *Motortruck Operating Costs of Farmer Cooperatives* (Washington: USDA, Farmer Cooperative Service, 1964).

the Court determined that Northwest's trucking operation was primarily agricultural in character and so should remain exempt from ICC regulation.[133] The ICC turned to Congress for help, seeing the ruling as an inroad for agricultural cooperatives to establish themselves as full-fledged unregulated trucking firms competing directly with the regulated carriers who provided the "fundamental basis" of "this Nation's transportation system."[134] The American Trucking Associations likewise saw the Supreme Court's action as a great threat. James F. Pinkney, the chief counsel for the ATA, testified before the Senate Commerce Committee that the cooperative exemption created economic disorder and unruly competition; in short, a veritable "cancerous growth" on the body politic requiring "rather drastic surgery."[135] Farm organizations, including the Farmers Union and the Farm Bureau as well as representatives of farmer cooperatives, opposed the ICC and the ATA's attempts to rein in the exemption. Secretary of Agriculture Orville Freeman supported the farm organizations, arguing that "to the extent that the motor carrier operations of the cooperatives are efficient, the interests of the marketing system and of consumers are served," once again promoting the flexibility of unregulated trucking as a direct attack on the farm problem.[136] Ultimately Congress settled on a compromise solution, allowing agricultural cooperatives to haul any freight they wished as long as such non-farm freight did not exceed 15 percent of the operation's annual tonnage.[137] The "gray area" despised by regulated truckers continued in full force.

Conclusion

By the early 1970s, the agricultural exemption effectively created an entire sector of the long-haul trucking industry that was free from regulatory oversight by the ICC. The USDA, supported by various farm organizations, had repeatedly convinced Congress and the Supreme Court to expand the exemption's applicability, even in the postwar era when large for-hire rigs

[133] *Northwest Agricultural Cooperative Association* v. *Interstate Commerce Commission*, 350 F. 2d 252 (1965), cert. denied 382 U.S. 1011 (1966).
[134] Senate Committee on Commerce, Subcommittee on Surface Transportation, *Agricultural Cooperative Transportation Exemption, Hearings*, 90th Cong., 1st sess., Jul. 24-26, 1967, 15.
[135] Ibid., 55, 53.
[136] Ibid., 152.
[137] *Statutes at Large* 82 (1968): 448-9.

traveling on interstate highways had essentially replaced the small, farmer- or cooperative-owned trucks that Congress had in mind when it created the exemption in 1935. For promoters of anti-statist approaches to national transportation policy, the agricultural exemption offered a model of free markets operating in the public interest. Richard N. Farmer, a professor of business administration at the University of California-Los Angeles, for instance, argued in 1964 that the exemption reduced shipping costs, benefiting both producers and consumers of agricultural products. Furthermore, because unregulated truckers could serve any geographical area without first applying to the ICC for the operating authority to do so, exempt carriers were able to adjust rapidly to geographical shifts in production and constant swings in supply and demand inherent to the agricultural economy. As Farmer put it, "To regulate for the sake of regulation, or to tidy up what seems to be a confusing, chaotic free market seems unsound."[138] Richard Farmer's views would take hold in policymaking circles as well as among "independent" truck drivers in the mid-1970s, when, as we shall see below, a concerted push for deregulation of the entire trucking industry led to the Motor Carrier Act of 1980.

The USDA's anti-regulatory approach to trucking policy was not, however, primarily a product of a free-market ideology. Instead, the Department's efforts to keep trucking "flexible" in the years following World War II were deeply embedded in its attempts to transform the farm problem into an industrial problem. As we shall explore in the next three chapters, the USDA's promotion of trucking encouraged the development of a geographically decentralized but economically centralized food marketing machine that transformed raw agricultural commodities into foods for American consumers while simultaneously insulating the Department from attacks on its statist efforts to raise farm incomes through price supports. In 1972, for example, Secretary of Agriculture Earl Butz defended his Department's continued commitment to administering price supports despite a recent spike in consumer food prices, stating: "The rising costs that are really responsible for rising food prices are in the 62 cents of each food dollar that go to the middlemen—they are the truckers, marketeers, packagers, and retailers who operate between the American farmer and the American consumer."[139] The

[138] Richard N. Farmer, "The Case for Unregulated Truck Transportation," *Journal of Farm Economics* 46 (May 1964): 398-409, quote on 408; Richard N. Farmer to the Editor, *Forbes*, Dec. 15, 1964, 6, 52.
[139] Earl L. Butz, "The Farmer as the Good Guy," *NYT*, Apr. 15, 1972, 31.

statement held great irony. Since the passage of the 1946 Research and Marketing Act, and to an even greater extent after Ezra Taft Benson's creation of the Agricultural Marketing Service in 1953, the USDA had consistently pushed the politics of food pricing into the hands of those same "truckers, marketeers, packagers, and retailers" who were now held up as the perpetrators of high food prices. As I show in the rest of the dissertation, with case studies of the business and politics of milk, beef, and frozen food marketing , this was exactly the result agricultural policymakers had intended.