

# Making Farming Whole Again

## *A Farm Movement Icon Discusses U.S. Policy*

### *Merle Hanson*

*One of the icons of farm movements and the struggle for parity over the last half century has been Merle Hanson of Newman Grove, Nebraska. His inspired plea for a reasonable farm policy and justice for rural America was made a matter of record when Studs Terkel interviewed this tireless advocate for farmers during his more active years. Now in the twilight of life, he leaves his testament as an entry in the Acres U.S.A. pantheon of interviews.*

*A longtime associate of Fred Stover, Hanson knows the ins and outs of how parity was achieved for fully a decade, and he explains in frank language how it was scuttled in homage to the illusion of fair trade. Always a gadfly to the absconders and “dogs in the mangers” of farm organizations, Hanson stressed parity with all the cards on the table. He came to his insight quite naturally — his granddad bought his first land in 1905, and Merle and his family still have these acres. The world has turned over several times since then, and the vision Lincoln brought to America has passed from the scene. Hanson’s biography is inlaid herein, as is the insight needed to make farming whole again.*

**ACRES U.S.A.** Merle, you come to the table with a lot of experience. Could you tell our readers a little about the work you have done?

**MERLE HANSON.** I was chairman of the North American Farm Alliance. The Family Farm Coalition that we have now is really an offspring of that organization. I was involved in 1978 and 1979 in the American Ag movement. Long ago I was involved in the Iowa Farmers Union. I have always felt it is important for farmers to organize themselves and use the power they have. Farmers have to organize; they have to show some kind of strength and make demands about what they want.

**ACRES U.S.A.** Well, we have always encouraged farmers to stand up for themselves.

**HANSON.** What is important about your work over the years is that it ties all these ideas back to the soil — the three essentials: water, air and earth. We have got to take care of those things. When you don’t take care of the water, air and earth, you pay for it someplace down the road. I was terribly disappointed when I heard on this morning’s news that Nebraska farmers have increased their use of GMOs. What a tragedy. What a fix we are getting ourselves into. The other day there was an article in the *Omaha World Herald* saying

that Europe and many countries are rejecting the sale of GMO products. These GMOs are not just in cattle and hogs, they have gotten into the whole food chain. Just about everything you pick off the shelf contains GMOs.

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**ACRES U.S.A.** The other day some 126 organizations were lined up against this and in favor of labeling — yet pork, beef, mutton and other things were all exempt under the rules of the World Trade Organization, which has now trumped the U.S. Constitution. In other words, Congress has proved to be almost completely useless. Consider the fact that these special interest groups send the stretch limousine that picks up the congressman and takes him to a five-star restaurant, where they feed him and tell

him that they are going to donate so much money to his campaign. They don’t say a word about what they want him to do, but he knows what he has to do — and that is, vote the way they want him to.

**HANSON.** It is all one big thing; it is very much connected. I spent four years in the Navy in World War II, and I was in six different invasions. I was on a ship that was called an attack transport. We picked up troops in the staging areas and brought them up to invasions in North Africa and the South Pacific. One of the things I felt after what I saw in the war, especially with the dropping of the bombs on Hiroshima and Nagasaki, was that we had to figure out how to do away with this idea of resolving our differences through war. That has been one of my crusades over the years, and it affects everything. I was born and raised on a farm. When you start connecting all the threads that go through the garment of life, you find out that they are all very much connected. It is all one big ball of wax. I got involved with the Farmers Union and worked with them in South Dakota for a year as an organizer. Then I worked on and off for Fred Stover in Iowa for the Iowa Farmers

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Union, and when the Iowa Farmers Union was kicked out of the National Farmers Union, that group formed the U.S. Farmers Association.

**ACRES U.S.A.** Why did they kick Fred Stover out?

**HANSON.** Fred Stover was the most knowledgeable person about farm policy of anybody I have ever met. He was a field man for the first farm programs, which brought us from 10-cent corn to 100 percent parity for 11 years, roughly between 1942 and 1952. In 1942 Fred was the liaison between the White House and the United States Department of Agriculture. They didn't like Fred's politics, and he was critical of war.

**ACRES U.S.A.** Why did they start nailing Fred Stover as a communist?

**HANSON.** Fred was very courageous and outspoken. He spoke to a lot of peace groups. He spoke in Australia, Europe and Canada, and all over the United States. When anybody wanted a speaker who connected the issues of peace and justice for farmers, Fred Stover was usually called on. The conspiracy against Fred was a credible one. They brought in all kinds of paid agents to testify against him. He was in court several different times.

**ACRES U.S.A.** In other words, he didn't say what the script told him to say.

**HANSON.** Fred was totally independent. He had the intelligence and the guts to challenge a lot of these guys in the USDA. When you start challenging the power structure, they make you pay and pay.

**ACRES U.S.A.** But he was one of the chief voices behind the Stabilization Act of World War II, which saw to it that we had parity for a full 10 years or so.

**HANSON.** We had 100 percent or more of parity for 11 straight years, from 1942 through 1952. Roosevelt called Fred in as the liaison between the White House and the USDA. Roosevelt said he wanted Fred to see to it that farmers got paid for what they produced and that they made a decent return.

**ACRES U.S.A.** What caused this parity to crash in 1952?

**HANSON.** One of the big things was the election. Although Eisenhower had promised in 1952 at the National Ploughing Contest in Minnesota that he believed in

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“I am a strong believer in the words of Louis Brandeis, the Supreme Court justice, who said that you can have democracy in this country, or you can have great wealth concentrated in the hands of a few, but you cannot have both.”

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100 percent parity, he appointed Ezra Taft Benson as secretary of agriculture. Both of them were enemies of agriculture.

**ACRES U.S.A.** Wasn't Milton Eisenhower one of the big factors in that turnaround?

**HANSON.** I am sure he was involved in some way, and he made some policies. Mainly, agribusiness got into it. Allen B. Klein, who was president of the American Farm Bureau Federation, said we had too many farmers, and the Farm Bureau started promoting that line — they have continued to the bitter end promoting that idea. Mark Ritchie wrote a pamphlet back then that laid out a plan. The Committee for Economic Development plan said that farm prices had to be lowered, and the way to do it was to undermine the farm program and take away the price supports. They suggested lowering price supports, which would lower the price of products — and if you lowered the price, then you would drive the farmers out. In that pamphlet was John Deere and a lot of the corporate agribusiness people.

**ACRES U.S.A.** Do you think it was just ignorance, or was it thoroughly informed self-interest?

**HANSON.** It was long-term self-interest. Although the very same policy busted most of those guys, as well. Most of the machinery companies, all of them except the very biggest ones, were swept away along with the family farmer. We had lower farm prices, *planned* lower farm prices, from 1952 on, and that was the last year we saw 100 percent of parity or even 90 percent. By 1960 it had been lowered to about 80 percent of parity, and it kept going down. Then they brought in this theory that increasing production was the way to overcome lower prices. You get more acres, get more efficient, and get bigger. Earl Butz said, “Plow a fence, row the fence, row — farmers, the world needs your wheat. We'll have rotation of corn in Miami and wheat in North Dakota,” or something like that. It is all a very planned thing. It is not the workings of the market at all. It has nothing to do with that; it is planned lowered prices and planned elimination of the family farm.

**ACRES U.S.A.** How was it possible for a few planners like that to cause 6 million family farmers to go along with this?

**HANSON.** The Farm Bureau Federation had a lot to do with it as far as the farmers were concerned. Most of the farm organizations were confused and just got plumb off the track. That was the thing about Fred Stover, he was never confused about what the powers-that-be were up to and what was happening to the farmers. As a matter of fact, the Farm Bureau Federation was formed by the Chicago Board of Trade, which threw in \$100,000 to set up the first county Farm Bureau organizations. It was a thousand dollars for each county. By the way, they organized the north tier of counties in Northern Iowa into Farm Bureau county organizations, and as with the Nonpartisan League and other organizations, there were several attempts to turn this thing around. It has been going on from before those years we have been talking about, especially from 1942 on.

**ACRES U.S.A.** Of course, we had the Employment Act of 1946, and they set up the Council of Economic Advisors, but then they negated it in 1948 with the Farm Act when Truman was being nominated for President.

**HANSON.** We did not have very good secretaries of agriculture, although they were Democrats.

**ACRES U.S.A.** You had Clinton Anderson, who was another agri-businessman, and

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Truman was hoodwinked and taken for a ride when they got him to initial GATT (General Agreement on Tariffs and Trade).

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“Through those programs they turned the farm depression around, raised farm prices, and made the government money — how can you beat a program like that?”

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**HANSON.** That is right. Initially, the Farm Bureau and agribusiness — like the Chamber of Commerce and some of these groups — they were in the leadership of this elimination process of lowering farm prices. Eventually it got around to the Farmer’s Union, which had been pretty good on this issue from the late 1930s until the 1940s. Of course, destroying the OPA (Office of Price Administration) was one of the other steps in dismantling family farms. The role they played was that they were stabilizing farm costs as well as defending farm prices, and in 1946 there was a big fight over whether or not we were going to extend OPA another year or two or three in order to let production catch up with demand, because there was a tremendous demand as a result of the war. All automobile manufacturing — and so much of all manufacturing — was turned over to building some kind of war material, which was a big factor in winning the war.

**ACRES U.S.A.** You’ve been an observer all of this time, how do you get a handle on why they would buy into the idea of giving up American markets in order to chase these markets around the world that mostly are seated in poverty pockets?

**HANSON.** These guys are not out to just tiddlywink around with U.S. markets, they are out *doing* it. Corporate agribusiness is a part of it, but also the rest of corporate America is involved in opening the whole world as a market. I am a strong believer in the words of Louis Brandeis,

the Supreme Court justice, who said that you can have democracy in this country, or you can have great wealth concentrated in the hands of a few, but you cannot have both. These people are so powerful, they buy off elections and buy off candidates.

**ACRES U.S.A.** The viewpoint from this chair is that they just as well might have an auction as an election the way it is going now.

**HANSON.** It is just terrible what is happening! It is just the worst.

**ACRES U.S.A.** Was your role in all of this more or less as a spokesman?

**HANSON.** Yes. Eventually, after the Iowa Farmers Union was kicked out, along with a few others such as Michigan, New York and Pennsylvania — several were booted out of the National Farmers Union — and Truman and the Democrats were part of that problem. They called up Jim Patton, who was president of the Farmers Union at that time, and they told him to line up or else. That was part of the Cold War strategy in the election of 1948. Of course, Henry Wallace was running as a third party candidate at that time, and that is who I supported. In fact, Fred Stover nominated Henry Wallace, and Lee Fryer supported him.

**ACRES U.S.A.** That might have been the last free election we have had in this country.

**HANSON.** I think that’s right; it is pretty close to that. The way we have corrupted the system of elections and of running the government has brought us to the point where you simply cannot have good government because you have corruption running everything.

**ACRES U.S.A.** What seems frightening to us is that so many have bought into this proposition of getting the land into a few strong hands, and now that they have accomplished this, those few strong hands are technically bankrupt.

**HANSON.** They think they know what they are doing, but they don’t. It is the same thing as today, we thought we knew exactly what we were doing in Iraq, didn’t we? We are going to pay something terrible, the price we are going to pay for that is beginning now. It won’t work.

**ACRES U.S.A.** It seems we are going to completely destroy the American dollar, and we are going to destroy the economic

arrangements of the country in the process. But what is going to happen out here to the land?

**HANSON.** With these GMOs and things of this kind, the people who are using these new procedures have no idea of the consequences of these materials. With all of these experimental things, the people developing them don’t know what they are doing, and down the road we are going to pay a terribly high price. We are already paying for a lot of it in our health now.

**ACRES U.S.A.** The Japanese saw this — they said let’s hold off on this for a generation or so until we see what happens to the American children.

**HANSON.** That may be a more prudent policy, but there is not a lot of prudence here in the United States these days.

**ACRES U.S.A.** What we see looming ahead is repeal of the basic farm laws that came into existence during the Roosevelt administration, because most of the production has now been gathered under the tutelage of people like ADM, Conagra, Cargill and so on. In another decade, maybe not even a decade, they will probably do what Dole, Glickman and Roberts attempted to do in 1995, which is to remove the last vestiges of these farm laws.

**HANSON.** Talk about a successful farm policy. In 1932 corn was 10 cents a bushel, hogs were two cents a pound, eggs were seven cents a dozen, wheat was 25 cents a bushel, and the all-time low I ever heard was in South Dakota, where an elevator advertized that they’d buy your corn for minus three cents a bushel. In other words, they would take it off your hands if you paid them three cents per bushel.

**ACRES U.S.A.** Things were very bad.

**HANSON.** They had a regular revolution on their hands in 1932 with the uprising of farmers, and farmers were taking control of agriculture. Farmers were going and stopping the forced sales of farms. They would have these penny sales and turn everything back to the farmer and clear the mortgage. Thousands of farmers would show up at these sales. Up in Iowa they threatened to hang a judge — they

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took him out of the courtroom and actually put a rope around his neck! They said they didn't really intend to harm him, but they were trying to take control of their lives a little bit. They had barbed wire fences set up, and they were putting farmers in there. They were dumping milk. Some of these things seem contradictory, but when people are desperate, they strike out in a lot of different ways.

**ACRES U.S.A.** Was this when some of these farm programs started?

**HANSON.** The first farm programs set out a program called sealing. If you had storage with a floor under it and a wire ring — you didn't even have to have a roof — you could go down to the agricultural office and get a loan, for example, 45 cents a bushel for corn. Right away farmers started "sealing" this grain and took it off the market. If the price went up enough so that they could make money selling it, they could pay the interest and buy it back — this was in the mid-1930s. The program was in a little trouble in those years. One of the reasons they got rid of Fred Stover in about 1938 was because that was the first year the government had to take possession of corn. They started setting up those county bins, and part of Fred's job was to get these different elevators and agribusiness people to provide the government with storage space for this corn. He found out that they weren't going to sell storage place. They didn't want the program to work — they wanted to kill it, and they thought they were going to do it by pulling a sort of sit-down strike. There was a big meeting in the USDA about this problem where they discussed what they were going to do. Stover came up with the idea that they should build their own storage. That's why in almost all of these little towns in the wheat and corn belt, you found these government bins that were built to store grain. Actually, the government ended up making \$13 million on that whole program, from 1932 through about 1952. That is in testimony from this very good congressman we had from North Carolina named Harold Cooley.

**ACRES U.S.A.** The same procedure prevailed during World War II — they had the loan program, and the government never lost a dime on it.

**HANSON.** Through those programs they turned the farm depression around, raised farm prices, and made the government money — how can you beat a program like that? It was a very successful program

because of guys like Stover who defended it and could explain it and come up with new ideas, such as the Ever-Normal Granary program, which was very successful financially — the government was making money. The grain trade wanted to get hold of this grain to store it. They eventually did. There is a great story about Earl Butz and how he finally closed out the sealing program. He sold that out for way less than he could have gotten, for no money down. He made deals with the grain trade and finally put the last nails in the coffin. They wanted to shut the program down. Part of the problem was that we had enemies of the farm programs in the Department of Agriculture, thinking up schemes of how to make it look bad, work poorly, and destroy it, rather than defending it and making it work. But with our productive capacity, we need to have some sort of programs that make sense out of stabilizing.

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"Agribusiness is running our farm policy, and they don't even understand what is in their own self-interest."

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**ACRES U.S.A.** Well, you have a year of production and one day of demand. On top of that, if you go back to the Statistical Abstracts for those years, you will find we were importing corn and wheat and beef. As we have dug into this, we find that about one percent in terms of domestic production is all it takes by way of imports to crash the price down to the world level.

**HANSON.** It takes very little.

**ACRES U.S.A.** In the case of cotton, it was one-half of a percent about three years ago, and that crashed the price almost 50 percent.

**HANSON.** You can't have a good program if you have enemies of the program on the inside working against it.

**ACRES U.S.A.** We got back to 10-cent corn back in 1955, and the National Farmers Organization was born. What kind of a fix do you have on the NFO?

**HANSON.** I don't know whether the collective bargaining thing will ever work because the production is too great and you have to have someplace to go with this grain. Most grains in production at different times must have a place to go because, as you were saying, it only takes less than one percent imports to destroy a market. The NFO was kind of into the idea that we didn't need to worry about that production; they were going to take care of production.

**ACRES U.S.A.** In other words, they were going to abandon the Ever-Normal Granary idea, and they were going to do it by willpower.

**HANSON.** There was some corruption in the NFO. It is the downfall of our government and many organizations when corruption comes in. That's why you can't have this kind of thing that is going on now.

**ACRES U.S.A.** Right now they are setting up the Free Trade Area of the Americas. You can sit there in that row boat and be baling out a bucket of water at a time, but there is a tsunami coming that is going to swamp everybody.

**HANSON.** I've attended a lot of meetings with Orin Lee Staley, and he was not straight up. It was always one story one place and another somewhere else. I guess that was the thing about Fred Stover, he had unimpeachable integrity.

**ACRES U.S.A.** Are you saying you think some of the NFO people were in bed with the enemy?

**HANSON.** Yes. I think some of it was confusion and some of it was deliberate.

**ACRES U.S.A.** It finally collapsed under internecine struggles within the group. They were fighting each other all of the time.

**HANSON.** There were internal fights. There was a big NFO meeting in Des Moines that I attended. I was the first county chairman here of the NFO, but after a while I just dropped out. The

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important thing that NFO was doing was mobilizing and organizing farmers, which is something necessary because you have to have political power behind you to get anything done. Someone came from USDA to speak to NFO for Oren Lee. Oren Lee lost it, I think, right there. The USDA still had the authority to set farm commodity loan prices, and if, after all the smoke they were blowing, Oren Lee had had the guts to turn around to him and say, "You haven't the authority to do this," there were a few thousand farmers there who would have jumped up and spoken against it and not allowed them to do it. That's what needed to be done.

**ACRES U.S.A.** Instead they went into a holding action and shot hogs and rolled them into a ditch. Lyndon Johnson closed them down with a consent decree. They never managed to amount to much after that.

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"You can't have a good program if you have enemies of the program on the inside working against it."

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**HANSON.** I went to Nashville to speak sometime in the 1970s. After I was done, a guy came up to me from the Nashville paper and asked me if I know Oren Lee Staley. I said I did. He said, "I'd like to ring that guy's neck." The reporter told me they had come around to the milk sheds around Nashville. NFO and the farmers were organized, and they formed a strike — which they had basically won — for better prices. Under Lyndon Johnson they hauled Oren Lee into court and said, "Stand your ground and go to jail, or back down." He decided not to stand his ground, and they shut down the strike. The reporter said Oren Lee called him and said they couldn't win the strike, that you can't contest the government. The forces at large let Oren Lee know that they would bust him and take everything he owned.

**ACRES U.S.A.** And he fell for the bluff.

**HANSON.** That is the way the game is played.

**ACRES U.S.A.** The game now is that we don't have enough production to feed our own country, and some people are talking about the end of agriculture in the American portfolio. In other words, importing all of our food. Getting to the matter of public safety and all that goes with it, what are your thoughts?

**HANSON.** Having an adequate domestic food supply is certainly part of national security. The way we are importing all of our food is part of the current insanity. Agribusiness is running our farm policy, and they don't even understand what is in their own self-interest. Take the Farm Bureau — what in the hell are they doing eliminating farmers when they are supposedly organizing farmers?

**ACRES U.S.A.** Hasn't that been the role of Extension and most of the government people over the last 40 years, to annihilate their own clientele? Now they are going out and having these little meetings of small farmers in an effort to regain their clientele.

**HANSON.** It is just nutty. Try to get agribusiness to pay fair taxes and you cannot get them to do it. They are so small-minded and interested only in their own immediate gain and welfare that they cannot see the big picture of why it is important to have a healthy farm community, a healthy farm economy and a healthy country. What a tragedy.

**ACRES U.S.A.** Most of the counties in the United States more or less have to be characterized as rural. Why is it not possible to make them understand that their own welfare is best represented by having an appropriate price in the various commodities of agriculture?

**HANSON.** There is not a single farm commodity produced now that is up to cost of production. They are mostly at around 30 percent of parity. Parity is still a good concept. It is about the only economic policy that can tell you where you are at, but they have tinkered with that, too.

**ACRES U.S.A.** You've been farming up in Newman Grove, Nebraska, for 50 years or so?

**HANSON.** My granddad bought his first land in 1905, and we still have it in the family. My dad was involved in the Nonpartisan League and the Farmers Union, too, and then later on the Farmers Holiday. The Farmers Holiday is a

thrilling story because it tells us what farmers could do if they were organized.

**ACRES U.S.A.** Yes, but they more or less closed down Milo Reno, too.

**HANSON.** A bunch of farmers went to see Coolidge in the summer White House in the Black Hills in the 1920s. They told him they were going broke and that they needed some sort of different farm policy. Coolidge said, "As long as farmers produce, I see no problem."

**ACRES U.S.A.** That sort of wraps up the farm policy that is taking us right down the tube right now.

**HANSON.** I appreciate doing this with *Acres U.S.A.* As I said at the beginning, if you don't demand something, you won't get it. That is the way this democratic process works.

**ACRES U.S.A.** The problem is that the power of government has become so awesome that they can pretty well stomp into the mud any organizational effort that pops up these days.

**HANSON.** Well, I have to agree that it is very difficult, but it really is worth the effort. ❖

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