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Calum G. Turvey

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BIOGRAPHY

Liberty Hyde Bailey, the Country Life Commission and the formalization of farm credit in the USA

Calum G. Turvey
Cornell University, Ithaca, New York, USA

Abstract

Purpose – This paper reviews the life of Liberty Hyde Bailey and highlights his contributions to the structure of US farm credit 100 years after the Country Life Commission.
Design/methodology/approach – This paper is a qualitative historical review.
Findings – The paper provides a chronology of life events that led Liberty Hyde Bailey to evolve from botanist/horticulturalists to one of America's most vocal proponents of agricultural and country life, culminating in the recommendation in 1909 that rural credit in the USA be developed along the lines of cooperative principles.
Research limitations/implications – The biography is limited to issues of social science, culminating in 1915.
Practical implications – The paper offers a historical perspective on conditions in agriculture in the early twentieth century and provides insights into how the present system of rural credit in the USA evolved.
Originality/value – This paper provides a historical perspective on US rural credit that is of use to students of rural credit in the USA while providing insights to students and scholars outside of the USA with a perspective on the evolution of US credit reform and cooperative credit.

Keywords United States of America, Farms, Credit, History
Paper type Biography/Editorial

Introduction

It is now 100 years since Liberty Hyde Bailey (Figure 1) deposited to the Congress of the USA the Report of the Commission on Country Life and to mark its centenary it is time to take pause again to reflect on the historical significance of the moment. To this, the reader in agricultural finance will be sorely disappointed because Liberty Hyde Bailey was not of an economic mind and said little in the report, and indeed little in the entirety of his writings on the subject. But what he did say was golden, for his simple

This biography was motivated by the centenary of the 1909 Country Life Commission headed by Liberty Hyde Bailey. Much of the biographical material was obtained from Dorf's (1956) and Rodger's (1949). Unless otherwise noted the biographical sketch herein was by and large common to both books, with Rodgers providing great depth and Dorf providing a more condensed version of his life. Other primary sources were used as noted. This story stops abruptly in 1916, ignoring the last 40 years of Bailey's life. The reader is referred to the Dorf's and Rodgers' books for greater detail and also to http://rmc.library.cornell.edu/bailey/index.html for a more complete biography. Any errors and omissions in fact or interpretation are the responsibility of the author. This work has been partially supported by W.I. Myers Endowment funds, College of Agriculture and Life Sciences, Cornell University.

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Source: Cornell University, Liberty Hyde Bailey: A Man for All Seasons, http://rmc.library.cornell.edu/bailey/biography/biography_8.html#

Figure 1.
Liberty Hyde Bailey as a young man Cabinet card photograph (*ca.* 1880)

recommendation on the matter of farm debt in 1909 was that it should be locally contained and driven by cooperative principles. Beyond our interest in agricultural finance and the problems of farm credit is the social significance of the "Country Life" movement itself. It is doctrinaire in a pluralistic view of agriculture and farming, perhaps not so far dispatched from the Jefferson image, which goes well beyond the means of growing and transacting in land to justifying in a sweeping way the criticality of rural life. The symptoms identified with a reformation of rural life were perhaps best described in Roosevelt's letter to Bailey in 1908 (Appendix). But long before receipt of this letter, Bailey would be agitating for reform and on this subject he was a natural leader. In his 1911 book on the "movement", he made little attempt to offer a concrete definition of what the Country Life movement actually was. Instead he wrote:

> . . . the country-life movement is the working out of the desire to make rural civilization as effective and satisfying as other civilization. It is not an organized movement proceeding from one center or even expressing one set of ideas. It is a world-motive to even up society as between country and city; for it is generally understood that country life has not reached as high development within its sphere as city life has reached within its sphere (Bailey, 1911, p. 1).

It is no wonder that to this day it is not uncommon for faculties of agricultural economics and rural sociology to reside as one, or at least remain as intimate friends.

But there are lessons from this man that I must admit have been shamefully lost in time as the profession of agricultural or farm economics continually subdivided its talents into discipline and subdiscipline, to which this journal is guilty. This will become evident as this paper progresses, but part of this pause should be remembrance that within a field of science, agricultural economics is a social science, and as social scientists our responsibilities in research and outreach should go beyond the pale. This is the

lesson we can learn from a botanist who laid the foundations for the study of farm management and promoted a movement on "Country Life" that survived nearly half a century and served as the catalyst for the US Farm Credit System.

There is too much history to the life of L.H. Bailey to even contemplate capturing in a paper such as this. The best that can be done is to provide a synopsis of an astonishing career with particular focus on the contributions to this discipline up to the Passing of the Farm Loans Act of 1916. The main purpose of this "biography" is to illustrate through the life of Bailey how the removal of the shackles of discipline, in whatever form that might take, can lead to real reform that can change society for the better; and to review the salient outcomes of the Country Life Commission that contributed to the development of agricultural finance and the study of rural credit as a discipline unto itself.

A scientist from birth

Liberty Hyde Bailey was born on 15 March 1858 on homestead that was cleared by his father about a mile inland from Lake Michigan near the hamlet of South Haven. The name "Liberty" was as his fathers and was given to the Bailey's by his grandfather, a staunch abolitionist who declared that all men shall be free. His mother, Sarah (Harrison) Bailey, died in 1863 just a year after Liberty's oldest brother Dana died from scarlet fever. Left to his own devices Liberty was a precocious child who found curiosity in everything natural. This curiosity was undaunted by the pioneering life of herding cattle from the woods, harvesting apples from the orchard, scything hay, cutting wood, grinding tools, making soap from ashes, candles from sheep tallow, bread from home grown grain, butter churned, cheese pressed, clothes weaved. Throughout it all he would collect all sorts of specimens of snakes, lizards and frogs or anything else that caught his attention. He would put to memory the books gifted by his father and when he was about 13 years old he discovered Darwin's *On the Origin of Species by Means of Natural Selection*. This he found curious but he could not understand the Latin terms, and despite jeers from his classmates undertook a self-study in Latin with his teacher who had a certain fluency in the language. As he gained understanding of what Darwin was saying, his prodigious sensibilities to his own gardens and the differences between his cultivated plants and those in the wild took form. He could view his garden through a scientific lens and natural selection fascinated him. Although Bailey's father was fundamental on matters of God, Bailey himself took to evolution not as a conflict to the creationist view but as a challenge to the science. Later, in 1905, he would write in an article "Evolution: the quest for truth":

> The evolution-conception of the universe bids us come and stand on a high place. It magnifies individual effort, kindles the inner light of conscience in distinction from authority, lessens beliefs in mere wonders, stimulates the reason, and emancipates the man. It asks us to lay aside prejudice and small dogmatisms. It impels us to a new and great reverence for the Power which has set in motion that stupendous enterprise which unfolds itself without a break or change of purpose, setting the stars in their courses and molding the strawberry into its new environments, losing no detail in its mighty swing and running on destiny in ages hence of which we cannot yet perceive the meaning. It bids us put ourselves in line with the movements of the ages to throw aside all mental reservation and oppositions to truth, and to our little with sympathy and inspiration, to forward the creation. All beliefs, all doctrines, all creeds are mine . . . I want only the truth and the privilege to live in the great good world. Truth and the quest for truth, are always safe. It is not my part to be anxious about destiny or about the universe. If my tiny opinions are outgrown, I shall wait in patience and in hope. There is grateful release in letting the universe take care of itself. The universe is in better hands than mine . . . (Rodgers, 1949, p. 348).

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The teleological battles confronting science in the early twentieth century phased Bailey little. He stood the middle ground denying neither while promulgating both:

> The most advanced teaching of evolution should so fully confirm the sequence of Genesis . . . God . . . is where He always was. Nothing that man can do can make the creation any of the less true or untrue . . . strictly speaking, evolution does not attempt to explain creation, but only the progress of the creation . . . We are not to search for God here and there, as if we were afraid he would elude us, but we are to see him everywhere; and we must be willing and ready to see nature as it is. . . Evolution implies that God is not outside nature, but in nature. He is immanent, not absent. Nature must ever be our recourse; Its facts and its voices must be heeded (Rodgers, 1949, p. 350).

Least be said that Darwin and evolution expanded the world view of young Bailey and propelled him to observe rather than look. When he was 14 he obtained a copy of Asa Gray's *Field, Forest and Garden Botany*. In the spring of his 15th year Bailey collected specimens to identify and started his first herbarium. In that same year he gave a lecture on the grafting of apple trees to the South Haven Pomological Society in 1873 and still 15 years old he gave a talk to the Michigan Pomological Society on the value of birds and the need for their preservation. This became his first publication and at 15 years old he was appointed the ornithologist for the New Haven Society.

Between the ages of 15 and 19, when he entered the Michigan Agricultural College (MAC), Bailey continued working in the farm as needed and collecting plants and identifying species when he was not. Bailey was attracted to MAC by Dr William Beal a botanist and horticulturalist who set him to work collecting botany and zoology samples and by junior year he was Beal's assistant on experiments in the cross-pollination of corn and the development of improved varieties of apples and potatoes. In his senior year he became editor in chief of the college newspaper and wrote many of the articles and editorials published. This was his start in a life-long career of writing.

Graduating in 1882 at the age of 25, Bailey returned to the farm but soon left for Springfield Illinois, where he took on a position as a cub reporter for the *Morning Monitor*. This was rewarding but short-lived. In 1883 Bailey, upon Beal's recommendation, took a research position with Asa Gray at Harvard. In June of 1883 he married Nettie Smith, a local Lansing farm girl and the only female student at MAC. In 1885 he was offered a chair at MAC in horticulture and landscape gardening. Beal objected, arguing that horticulture was not botany, but Bailey held the opposing view that horticulture was botany and that the two should not be distinguished by the application of science vs practice. This was a bold move that pitted the young professor against most of the established botanical societies. But Bailey had a flair for teaching and took poetic license in bringing botany to the garden and science to botany. Holding only a bachelor's degree, MAC conferred a Master's degree in 1886. In fact, Bailey never earned a PhD. It was not until 1907, when he was Dean at Cornell University that Bailey was conferred the honorary degree LLD by the University of Wisconsin and again by Alfred University in 1908. Nonetheless, by 1887 his reputation was soaring and between bush expeditions, publishing on horticulture in trade magazines and a 100-page article on sedges in the *Journal of the American Academy of Arts and Sciences* (1886), his views on the need to treat horticulture as a science as well as an art was gaining, but slowly.

This changed in 1887 when he visited Cornell University to give a series of lectures. He found no disciplinary battle lines and his views were embraced. In 1888

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Cornell received a $15,000 grant for practical and experimental horticulture. Bailey was offered the horticultural chair at a salary of $3,000/year, a laboratory and a university financed trip to Europe. Between 1889 and 1896 more than one-half of all publications flowing through the Cornell University Experiment Station were written by Bailey. These included extension reports, scientific articles and books on such diverse subjects as fertilizer experiments, windbreaks, plant diseases and growing vegetables in the green house. In 1889 he published *The Horticuluralist's Rule Book*, which was subsequently republished as the *Farm and Garden Rule-Book* in 1911 and by 1915 was on its 19th edition. So popular was his writing that in 1895, after his original publisher was bought out by the Macmillan Company, he received a standing order to publish anything and everything he wrote without even seeing the manuscript.

Bailey set about to revolutionize horticulture as a science. He decried the tradition of the land grant college to focus only on economic plants and wrote as much on home gardening as he did on horticultural crops. To him it was one of the same, and it took many years for the tradition to break. In 1893 Bailey was on the bully-pulpit at Cornell arguing that the tradition of scientific agriculture, which included almost anything but the study of agriculture, was faulty and that the college owed it to farmers and society to change its ways. And this change needed to be fostered by the State. Thus in 1893, by Bailey's prodding, Cornell was awarded $50,000 to build a dairy husbandry building. He also pushed the idea of extension education, taking the science and practice of agriculture to the farmers and throughout the early 1890s Bailey was the lead spokesperson on extension education across the agricultural colleges in the USA. It was also during this time, with a great depression ascending on the agricultural economy, that Bailey began to look beyond the practice to economics and rural sociology. The ultimate goal of the study of agriculture was country life and its improvement. He would later state:

> The one salvation of agriculture … is education. By education I mean *education* – not the dispelling of facts. It is better to know how and why a clod holds its moisture than to know whole systems of irrigation. It is more profitable for him to know why we till than to know all the dates and methods and tools for the crops. Give a man principles and he will apply them for himself. Give a man a place to stand and he will move the world. Facts are trivial as facts. They do not open the eyes of the blind, nor kindle the soul with enthusiasm. We are slaves to facts. Wake a man up. Shake out localisms and prejudices. Inspire him. Set him at work. Send him on a mission with joy (Rodgers, 1949, p. 356).

While horticulture was his pride, the rejuvenation of Country Life increasingly consumed his thoughts and he pushed for the application of all forms of biological, physical and social sciences to the practical aspects of not only farming, but country living. He would embrace research directed towards beautifying a garden flower with as much enthusiasm as he would the purer sciences of plant biology, physiology, and pathology on commercial crops or the study of peaches and apples in the Finger Lakes region of central New York. In response to an inquiry by post he would be as likely to appear at the writers homestead as respond by mail, and through his popular writings he became endeared to New York farmers and rural households. But he did not confine his push for the extension of science to the applied sciences as he also fully endorsed the pure sciences. Pure science was either a means to an end or an ends in its self. Knowledge was knowledge, and like the world view around him it evolved as the fundamental and principle building blocks of agricultural progress. At Cornell his courses became the most popular on campus with students from disciplines outside of

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agriculture regularly sitting in just for the experience. And this gave him political clout that could not only sway Cornell administrators and trustees, but also the legislature in Albany.

Bailey was not alone at Cornell. In 1874 Isaac Phillips Roberts was recruited to Cornell from Iowa to head up the agricultural enterprise which at that time was no more than a department. Roberts held the same point of view as Bailey on the strength of extension and outreach, and supported Bailey on practically all matters. Bailey in turn became Robert's confidence man and would ask Bailey to intervene on university affairs and budget allocations, and with the state legislature on behalf of agricultural studies. Roberts, who was not at all college trained, and Bailey without a PhD were frowned upon by the higher educated faculty. Initially! But by 1900 under the symbiotic leadership of both, the study of agriculture at Cornell was no longer frowned upon, and by 1903 the university was lobbying in Albany to become the State College of Agriculture, a move that would open up access to state funds. Despite protests from Syracuse University and an embattled Republican legislature, Bailey was able to roust his connections with the Tammany politic in New York City to his side and in 1904 the legislation was passed. Bailey was by then the Dean of the new State College of Agriculture.

Country Life and The Country Life Commission

Bailey's interest in "Country Life" took hold well before he prepared the commission report for President Roosevelt. In 1901 he took up the editorship of a magazine called *Country Life in America* in addition to his regular duties and book writing. But it was before the turn of the century that he realized that it was impossible to "extend the experiment station and university impulse to the people. . .as a living and quickening force without first studying the fundamental difficulties of the farmers' social and economic environment" (Dorf, 1956, pp. 108-9). On the matter of agricultural economics he took a fundamental and principled approach:

> . . . You tell me that the farmer cannot make his expenses and cite to me wheat at seventy-five cents a bushel. If the farmer cannot grow wheat and live, he should certainly spare himself the effort; but it may be profitable to examine this question, for it is the one most frequently cited in support of the assumption of an agricultural disease . . . The secret of the whole matter is raising more wheat for less money, and then securing of sufficient land to produce the desired income. This raises several serious questions, and brings us at once to the very heart of the current discussions respecting the agricultural depression. There is said to be an over production of wheat. If there is surely the only remedy is to grow less wheat; and the lesser production will come when the price falls to a certain point. The whole question of production and demand is a relative one, and it may be expected to regulate itself in the long run by the natural laws of supply and demand. This is not an agricultural question but a commercial one . . . There cannot be permanent overproduction. Society is a self-sustaining organism. If agriculture adjusts itself to the new conditions more slowly than other interests do, the adjustment nevertheless must come . . . We cannot stem the tide of which rises from the nature things and which carries all human endeavor upon its bosom; we may only change the ripples which here and there play over the surface and obscure the mighty undercurrent. And for agriculture, it must pay for there must be agriculture (Rodgers, 1949, p. 355, on Bailey, *circa* 1907).

What Bailey witnessed throughout his travels was a drab life of toil and uncertainty that drained off the best and brightest of rural children who, had they stayed would provide the cohesion for stability and leadership. Technology was adding to the exodus as surplus labor also migrated to the cities. But there was more to it than this. The country landscape was often times uninviting and uninspiring. Life amongst the plants and forests was not

understood, appreciated or respected. Education in dismal school grounds focused on the advances in the cities. From birth, children were taught to despise rural living rather than embrace it as a way of life. His sentiments in poetic form were expressed in a poem (undated) published in his 1919 book of poetry, *Wind and Weather* (Bailey, 1919):

Country school
There certainly will come a day
As men become simple and wise
When schools will put their books away
Till they train the hands and the eyes;
Then the school from its heart will say
In love of the winds and the skies:

I teach
The earth and soil
To them that toil,
The hill and fen
To common men
That live just here;

The plants that 'grow,
The winds that blow,
The streams that run
In rain and sun
Throughout the year;

The shop and mart
The craft and art,
The men to-day
The part they play
In humble sphere;

And then I lead
Thro' wood and mead
By bench and rod
Out unto God
With love and cheer.
I teach

Bailey's first step around 1887, with the blessings of Roberts, was to piece together a number of nature pamphlets in a state-wide program called "nature-study" which would be provided to students and school teachers; curricula on nature would be developed and dispersed; teachers would be trained to teach a naturalist curriculum.

Bailey was also pioneering the ideas of field surveys, and in 1903 sent George F. Warren off to survey 574 orchards in New York state to gather data on the soil conditions and geology conducive to growing fruit, record successes and failures and the reasons for each, and report on the variety of orchard management systems and the influence of each. It was the correlation amongst these many factors that was sought, but only when all factors were put together could the full scope of "farm management" be truly understood. By 1903 the first course in farm management was being offered at Cornell with farm visits, production analyses, profit and loss and farm planning critical course components (Stanton, 2007). Warren would complete one year of undergraduate studies, a master of science degree and a PhD in three years. After a

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short stint as a horticulturalist at Rutgers University in New Jersey he returned to Cornell in 1906, established farm management as a discipline, and was a great supporter of Bailey's Country Life Movement.

It was little wonder then that when President Roosevelt sought a commission on country life that he insisted that Bailey head it up. Bailey was a proven champion of the farmer and had long previously advocated a cultural renaissance of country life. The conditions that anguished Roosevelt are spelt out in his letter reproduced in the Appendix and the sentiments borne out there and those of Bailey are unlikely to be coincidental. Bailey and his colleagues took up the challenge with fervor, crossing the USA throughout 1908. When the report was commissioned as a book in 1910 Roosevelt wrote in the introduction:

> The Commission was appointed because the time has come when it is vital to the welfare of the country seriously to consider the problems of farm life. So far the farmer has not received the attention that the city worker has received and has not been able to express himself as the city worker has done. The problems of farm life have received very little consideration and the result has been bad for those who dwell in the open country, and therefore bad for the whole nation. We were founded as a nation of farmers, and in spite of the great growth of our industrial life it still remains true that our whole system rests upon the farm, that the welfare of the whole community depends upon the welfare of the farmer. The strengthening of country life is the strengthening of the whole nation . . . (10 July 1910).

The report itself was sweeping in nature and discussed broadly the disregard of the inherent rights of land-workers; the speculative holding of lands; monopolistic control of streams; wastage and control of forests; restraint of trade; highways and infrastructure; soil depletion and its effects; agricultural labor; intemperance; rural health; and woman's work on the farm. The report recommended a need for surveys of agricultural or country life; a need to redirect education; the necessity of working together; the country church; personal ideals and local leadership. One could see a theme between Bailey's activities in Michigan and New York in these recommendations of which only the strengthening of the rural church was controversial. But as discussed previously Bailey's views on religion were quite liberal for the times and his intention was not so much spiritual or doctrinal, but a recognition that a church was a place where communities met. This he reflects in a poem (undated, in *Wind and Weather*, 1919) titled "Country Church":

> In some great day
> The country church
> Will find its voice
> And it will say:
>
> I stand in the fields
> Where the wide earth yields
> Her bounties of fruit and of grain,
> Where the furrows turn
> Till the plowshares burn
> As they come round and round again;
> Where the workers pray
> With their tools all day
> In sunshine and shadow and rain.
>
> And I bid them tell
> Of the crops they sell

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And speak of the work they have done;
I speed ev'ry man
In his hope and plan
And follow his day with the sun;
And grasses and trees
The birds and the bees
I know and I feel ev'ry one.

And out of it all
As the seasons fall
I build my great temple alway;
I point to the skies,
But my footstone lies
In commonplace work of the day;
For I preach the worth
Of the native earth,-
To love and to work is to pray.

Country life and rural credit

The Commission Report did not focus solely on any one area but rather integrated problems collectively. Consequently only a small portion of the report discussed issues of agricultural finance and rural credit, but it is important for this was the first time that issues of rural credit were raised in a national platform. The report contended then that the

> Disadvantage or handicap of the farmer as against the established business systems and interests, preventing him from securing adequate returns for his products . . . [and] of the good that would come from the use of great tracts of agricultural land that are now held for speculative purposes . . . [include a] [l]ack of any adequate system of agricultural credit, whereby the farmer may readily secure loans on fair terms (United States Senate, 1914, pp. 20-1).

The reference is to the lack of banking facilities in rural areas. It was not so much the case that farmers were rationed from credit in the way that term is understood today, but given a choice between secure urban consumer and business loans which bankers understood, and the uncertain loans from an agriculture that was not understood, bankers chose the former over the latter. As a consequence, in some areas of the country farmers relied on informal credit from suppliers and landlords, and tenancy arrangements that were at best horrible. The text which follows is retained in its entirety to give the reader of the present the essence of the farming conditions of the past that resulted from an inadequate system of rural credit:

> When no change of system has followed the depletion of the virgin fertility, the saddest results have followed. The former owners have often lost the land and a system of tenantry [sic] farming has gradually developed. This is marked in all regions that are dominated by a one-crop system of agriculture. In parts of the Southern states this loss of available fertility is specially [sic] noticeable, particularly where cotton is the main if not the only crop. In some parts of the country this condition and the social results are pathetic, and particularly where the farmers, whether white or black, by reason of poverty and lack of credit and want of experience in other kinds of farming, are compelled to continue to grow cotton. Large numbers of Southern farmers are still obliged to mortgage their unplanted crop to secure the means of living while it is growing; and, as a matter of course, they pay exorbitant prices for the barest necessities of life. The only security that the man can give, either to the banker or the merchant, is cotton, and this forces the continued cultivation of a crop that decreases the soil fertility in a country of open winters where the waste by erosion is necessarily at the maximum. The tenants have little interest in the land and move from year to year in the vain

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> hope of better luck. The average income of the tenant farmer family growing cotton is about b $150 a year; and the family usually does not raise its poultry, meat, fruit, vegetables, or bread-stuffs. The landlords in large sections are little better off than the tenants. The price of the product is manipulated by speculators. The tenant farmer, and even the landlord, is preyed upon by other interests and is practically powerless. The effect of the social stratification into landlord, tenant, and money-lending merchant, still further complicates a situation that in some regions is desperate and that demands vigorous treatment.
>
> The recent years of good prices for cotton have enabled many farmers to get out of debt and to be able to handle their own business. These farmers are then free to begin a new system of husbandry. The problems still remain, however, of how to help the man who is still in bondage (United States Senate, 1914, pp. 85-7).

The commission was identifying with the leverage effect of agricultural credit. The absence of credit limited the amount of capital that the landlord, tenant or sharecropper could invest in productive inputs or technology to diversify and switch from a cotton regime to some other mix. In order to achieve profits the highly risky mono-crop with its attending diminution of the soil resource was the only course of action available. This conundrum spread a broad swath from the tobacco belts of the Carolinas and Georgia to the cotton belts of Louisiana, Missouri, Texas, Arkansas and Oklahoma. Unfortunately, while Bailey recognized the problem in 1908, the plight of the sharecropper and tenant farmer would see no reprieve for another 30 years or more. Nonetheless, the key issue was access to credit and ensuring that savings deposits were retained within the agricultural community. Bailey did not see this coming from the existing banking structure in the USA and recommended that a separate cooperative based approach to agriculture be implemented with local, state and federal laws aligned to support and protect a system of cooperation:

> A method of cooperative credit would undoubtedly prove of great service. In other countries credit associations loan money to their members on easy terms and for long enough time to cover the making of a crop, demanding security not on the property of the borrower, but on the moral warranty of his character and industry. The American farmer has needed money less, perhaps, than land-workers in some other countries, but he could be greatly benefitted by a different system of credit, particularly where the lien system is still in operation. It would be the purpose of such systems, aside from providing loans on the best terms and with the most freedom consistent with safety, to keep as much as possible of the money in circulation in the open country where the values originate. The present banking systems tend to take the money out of the open country and to loan it in town or to town-centered interests. We suggest that the national bank examiners be instructed to determine, for a series of years, what proportion of the loanable funds of rural banks is loaned to the farmers in their localities, in order that data may be secured on this question. All unnecessary drain from the open country should be checked, in order that the country may be allowed and encouraged to develop itself (United States Senate, 1914, pp. 135-6).

> It is essential that all rural organizations, both social and economic, should develop into something like a system, or at least that all the efforts be known and studied by central authorities. There should be, in other words, a voluntary union of associative effort, from the localities to the counties, states, and the nation. Manifestly, government in the United States cannot manage the work of voluntary rural organization. Personal initiative and a cultivated cooperative spirit are the very core of this kind work; yet both state and national government as suggested, might exert a powerful influence toward the complete organization of rural affairs (United States Senate, 1914, pp. 136-7).

Today, this quotation, identified with Bailey, is considered to be the catalyst for the emerging system of agricultural credit in the USA. Although the Report of the

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Commission on Country Life was published as Senate Document No. 705, 60th Congress, 2nd Session, it was not made available for popular distribution until the Spokane Chamber of Commerce reprinted it, for use in the country life movement in the Northwest. In fact a "Country Life Movement" swept across the USA and with it grew the idea of a European style cooperative banking system targeted to agriculture. Bailey, continue to promote the idea. In an address at MAC in December 1912 he spoke about the popularity of a European system, and the idea of land banks but cautioned against a pure transplant of a European system. Rather he spoke of a need to determine over a series of years exactly what farmers in different localities needed. He called for a fellowship of understanding between the banker and the farmer so that the banker can learn and understand agriculture and farming, and the farmer could gain the banker's trust. "Cooperative credit" he said "specially needs to be undertaken carefully. It must be developed rather than established; it must grow up. Experience in cooperating is necessary. Credit organizations that are really cooperational [sic] are societies rather than banks" (Bailey, 1913, p. 12).

Interestingly, Bailey did not overtly promote cooperative credit. Perhaps because the call for cooperative credit was in full swing by 1910, or perhaps because he wanted to discuss broader issues of country life, his 1911 book *The Country Life Movement* was virtually silent on the subject (Bailey, 1911). Nonetheless in the Rural Sciences book series of which Bailey was Editor came *The Principles of Rural Credits as Applied in Europe and as Suggested for America* which was published in 1915 by James Morman. Morman noted the explosion of interest in agricultural credit since 1910 and the consensus that the system be a derivative of the European system but with designed for the significant differences between Europe and America. Bailey as indicated edited the volume and it is easy to extrapolate not only the direction of the book in terms of cooperative credit as suggested by the Country Life Commission, but also the caveats so provided. Morman was actually reporting on Senate Document No. 214, 63rd Congress, First Session, United States Commission on Rural Credits. The document was a culmination of a 1913 initiative of the Southern Commercial Congress, who sought a joint American/Canadian commission to study agricultural cooperation and rural credit throughout Europe. This was known as the "American Commission". Action on the Country Life Commission was not taken by President Taft who defeated Roosevelt in 1908, but by the time Woodrow Wilson was elected in 1912 the issue of rural credit reform was politically unavoidable, largely because of the populist rural writings in *Wallaces' Farmer*, by Henry Wallace who was a member of the Country Life Commission. Thus Congress, in 1913 voted to send a representative body to cooperate with the American Commission and President Wilson appointed the United States Commission on Rural Credits. One of Wilson's appointees was Dr Kenyon L. Butterfield, president of the Massachusetts Agricultural College in Amherst. Butterfield also sat on the Country Life Commission and in fact the one condition that Bailey imposed on President Roosevelt to encourage his decision to lead the Commission was that Butterfield, because of his understanding of agricultural extension, education and rural life, also be appointed.

The first principle reported by the Commission on Rural Credits was the idea of issuing long-term bonds to finance amortizable mortgages on farm land and long-term credit. Further it was argued that these bonds be free of taxation, and that the state provides a surety on repayment on what they referred to as a Collateral Trust Land Mortgage Bond. The bonds would be issued by a National Land Bank with the proceeds being used to finance farm mortgages. They also recommended consideration

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of cooperative or joint-stock bank with its entirety of capital dedicated to agricultural (as opposed to urban) loans. Furthermore, this commission fully considered the implications of a singular legislation on both long-term farm mortgage and shorter term personal credit and elected to segregate the two. Interestingly, the commission rejected the idea of a central bank or entity that would issue the bonds on behalf of the land banks as is done today. In part their argument was based on competition and market liquidity, but for the most part they were concerned with the awkward relationship between federal and state laws which can differ significantly state by state. Likewise, the land banks would be established on a state by state basis with the intention being that a land bank in each state would provide for the farm mortgages in each state.

Thus in 1916, upon the recommendation of the commission, was the Federal Farm Loan Act of 1916, which established the American Land Bank system. This legislation resisted the idea of state-defined land banks, and authorized the Federal Farm Loan Bureau under the Department of the Treasury and a Federal Farm Loan Board for oversight. The board was instructed to divide the contiguous USA into 12 land bank districts and assign within each district a single land bank with the authority to issue and purchase bonds. Within each district are national farm loan associations which were established on cooperative principles to transact between the farmer demanding the loan and the land bank procuring the loan. In addition the 1916 Act provided for the legal formation of joint-stock land banks that would operate in parallel with, but distinct from, the federal land banks. Thus was established the first step in the creation of a system for making agricultural loans that evolved with the Federal Farm Loan Act of 1923 and the Farm Credit Act of 1933 to form the beginnings of the Farm Credit System which flourishes in the present day.

The final leg work for the system established in 1916 was not conducted by Bailey. In 1913 he retired as dean of the New York State College of Agriculture and spent much of his remaining years as an independent biologist and horticulturalist, author and promoter of the Country Life movement long after retirement. It is enough that students of agriculture should know of Bailey, but why specifically should he be revered as much by the student of agricultural finance as one of horticulture? It is because Liberty Hyde Bailey is a rare find in the annals of agricultural studies. It is enough for our discipline to recognize that it was he who initiated the survey method of agriculture that led to the broadening and opening field of farm management that in turn led to the analysis of farm records and ultimately the identification of the problems of rural credit. It was this form of research that led him to consider country life as a total package of community, aesthetics, nature, conservation and economy; and it was he who led the charge in the formal development of agricultural extension and education. As indicated in the opening paragraph to this communication the reader will be sorely disappointed at the lack of writing on the subject of agricultural credit by Bailey. But that is not the point. The point is that by promoting country life he was thus placed in charge of an influential commission on country life; and within the text of that commission report were some short paragraphs identifying the relationship between rural credit, rural livelihood and the quality of country life; and offered as a solution to the rural credit problem was a system of rural credit based cautiously on the European system of cooperative lending which laid roots and ultimately led to the formation of a farm credit system in 1916.

Liberty Hyde Bailey died on Christmas day, 1954, at his home in Ithaca, aged 97. He was survived by his daughter Ethel who lived until 1984. His wife Annette had died in 1938 only three years after the death of his daughter Sara. He is described as a man for

all seasons with the listed attributes; botanist, horticulturalist, plant breeder, traveler and plant explorer, outstanding teacher, astute and successful administrator, lobbyist, rural sociologist, prolific writer and superb editor, environmentalist, philosopher, photographer, poet and visionary[1]. I end with a poem drawn from his book of poetry which more than any other is autobiographical with respect to his life's work:

Undertone
From morning till night and everywhere
My days are full of their effort and care;
Full of labors to drive and schemes to test,
Of work to finish and knowledge to wrest;
And the known result of this noise and strife
Is what men and the world will call my life,-
This is the meed of the work that I own
Outspread on my life as an overtone.

But ever there runs through the work I own
The all-silent stream of an undertone.
This stream is myself as my life I live
And out of it flows all the strength I give.
It's the tone of hills and calm of the plain
The smell of the soil and the touch of rain;
'Tis a careful thought of the calm sweet grass
An abiding joy in the birds that pass
In the mite that lives in the growing shoot
And the changing tints of the leaf and fruit;
'Tis the melting snows and the morning sun
And the soft gray days and the marshes dun;
'Tis appeal of frost and the fragile dew
Of the passing clouds and the depths of blue;
Then a quiet heart that can give no sign
Of the sacred calms that are only mine,
Or the gentle sins that are part of me
As the silent twigs are part of the tree,
Or memories deep I cannot express
Any more than the tree in its wild'rness.

The peace of the winds is my undertone-
I move with the crowd, but I live alone.

Note

1. http://rmc.library.cornell.edu/bailey/index.html

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Further reading

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Appendix. Letter from President Roosevelt to Liberty Hyde Bailey

THE WHITE HOUSE
WASHINGTON

Oyster Bay, NY
August 10, 1908.

My Dear Professor Bailey:

No nation has ever achieved permanent greatness unless this greatness was based on the well-being of the great farmer class, the men who live on the soil; for it is upon their welfare, material and moral, that the welfare of the rest of the nation ultimately rests. In the United States, disregarding certain sections and taking the nation as a whole, I believe it to be true that the farmers in general are better off today than they ever were before. We Americans-are making great progress in the development of our agricultural resources. But it is equally true that the social and economic institutions of the open country are not keeping pace with the development of the nation as a whole. The farmer is, as a rule, better off than his forebears; but his increase in well-being has not kept pace with that of the country as a whole. While the condition of the farmers in some of our best f d n g regions leaves little to be desired, we are far from having reached so high a level in all parts of the country. In portions of the South, for example, where the Department of Agriculture, through the farmers' cooperative demonstration work of Doctor Knapp, is directly instructing more than thirty thousand farmers in better methods of farming, there is nevertheless much unnecessary suffering and needless loss of efficiency on the farm. A physician, who is also a careful student of farm life in the South, writing to me recently about the enormous percentage of preventable deaths of children due to the unsanitary condition of Southern farms, said:

> Personally, from the health point of view, I would prefer to see my own daughter, nine years old, at work in a cotton mill, than have her live as a tenant on the average Southern tenant one-horse farm. This apparently extreme statement is based upon actual life among both classes of people.

I doubt if any other nation can bear comparison with our own in the amount of attention given by the government, both federal and state, to agricultural matters. But practically the whole of this effort has hitherto been directed toward increasing the production of crops. Our attention has been concentrated almost exclusively on getting better farming. In the beginning this was unquestionably the right thing to do. The farmer must first of all grow good crops in order to support himself and his family. But when this has been secured, the effort for better farming

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should cease to stand alone, and should be accompanied by the effort for better business and better living on the farm. It is at least as important that the farmer should get the largest possible return in money, comfort, and social advantages from the crops he grows, as that he should get the largest possible return in crops from the land he farms. Agriculture is not the whole of country life. The great rural interests are human interests, and good crops are of little value to the farmer unless they open the door to a good kind of life on the farm.

This problem of country life is in the truest sense a national problem. In an address delivered at the Semi-centennial of the Founding of Agricultural Colleges in the United States a year ago last May, I said:

> There is but one person whose welfare is as vital to the welfare of the whole country as is that of the wageworker who does manual labor; and that is the tiller of the soil-the farmer. If there is one lesson taught by history it is that the permanent greatness of any state must ultimately depend more upon the character of its country population than upon anything else. No growth of cities, no growth of wealth, can make up for low in either the number or the character of the farming population. … The farm grows the raw material for the food and clothing of all our citizens; it supports directly almost half of them; and nearly half the children of the Unites States are born and brought up on the farms. How can the life of the farm family be made leas solitary, fuller of opportunity, freer from drudgery, more comfortable, happier, and more attractive? Such a result is most earnestly to be desired. How can life on the farm be kept on the highest level, and where it is not already on that level, be improved, dignified and brightened as to awaken and keep alive the pride and loyalty of the farmer's boys and girls, of the farmer's wife, and of the farmer himself? How can a compelling desire to live on the farm be aroused in the children that are born on the farm? All these questions are of vital importance not only to the farmer, but to the whole nation …
>
> We hope ultimately to double the average yield of wheat and corn per acre; it will be a great achievement; but it is even more important to double the desirability, comfort, and standing of the farmer's life.

It is especially important that whatever will serve to prepare country children for life on the farm, and whatever will brighten home life in the country and, make it richer and more attractive for the mothers, wives and daughters of farmers should be done promptly, thoroughly and gladly. There is no more important person, measured in influence upon the life of the nation, than the farmer's wife, no more important home than the country home, and it is of -.national importance to do the best we can for both.

The farmers have hitherto had less than their full share of public attention along the lines of business and social life. There is too much belief among all our people that the prizes of life lie away from the farm. I am therefore anxious to bring before the people of the United States the question of securing better business and better living on the farm, whether by cooperation between farmers for buying, selling and borrowing; by promoting social advantages and opportunities in the country; or by any other legitimate means that will help to make country life more gainful, more attractive, and fuller of opportunities, pleasures and rewards for the men, women and children of the farms.

I shall be very glad indeed if you will consent to serve upon a Commission on Country Life, upon which I am asking the following gentlemen to act:

Professor L.H. Bailey, New York State College of Agriculture, Ithaca, NY, Chairman.
Mr. Henry Wallace, Wallace's' Farmer, Des Moines, Iowa.
President Kenyon L. Butterfield, Massachusetts agricultural College, Amherst, Massachusetts.
Mr. Gifford Pinchot, United States Forest Service.
Mr. Walter H. Page, Editor of The World's Work, New York.

My immediate purpose in appointing this Commission is to secure from it such information and advice as will enable me to make recommendations to Congress upon this extremely important matter. I shall be glad if the Commission will report to me upon the present condition of country life, upon what means are now available for supplying the deficiencies which exist, and upon the best methods of organized permanent effort in investigation and actual work along the lines I have

indicated. You will doubtless also find it necessary to suggest means for bringing about the redirection or better adaptation of rural schools to the training of children for life on the farm. The national and state agricultural departments must ultimately join with the various farmers' and agricultural organizations in the effort to secure greater efficiency and attractiveness in country life.

In view of the pressing importance of this subject, I should be glad to have you report before the end of next December. For that reason the Commission will doubtless find it impracticable to undertake extensive investigations, but will rather confine itself to a summary of what is already known, a statement of the problem, and the recommendation of measures tending towards its solution. With the single exception of the conservation of our natural resources, which underlies the problem of rural life, there is no other material question of greater importance now before the American people. I shall look forward with the keenest interest to your report.

Sincerely yours,

Theodore Roosevelt

Corresponding author
Calum G. Turvey can be contacted at: cgt6@cornell.edu

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