

The Business of Agriculture

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The ceremonial occasion of a presidential address to a professional organization follows a traditional pattern. The addresses are usually quite personal. The president uses the occasion to describe how he -- I use the pronoun "he" not only because it is the convention of the English language to use the masculine pronoun even when speaking of both sexes but because very few women, at least in the historical profession, have been presidents of their professional organizations -- came into the field and how his thinking evolved over the years of his career. This is generally combined with an assessment of the field itself, how it has developed and changed, and what needs to be done in the future. This combination of what the president himself has done and how the field has developed is not fortuitous, of course. The president not only wants to aid younger scholars in seeing where we have been and where we are going, but also to justify his own contribution.

I have no complaint about this tradition; indeed, I shall attempt to stay well within it; but it does present me with some serious problems. Like M. Jourdain who was not aware that he was speaking prose, I was unaware that I was a business historian until I was asked some years ago to participate in the meetings and other activities of the Business History Conference. But M. Jourdain, you will recall, had it easy. When the professor of philosophy informed him that he had indeed been speaking prose, he also provided a brief explanation or definition: "All that is not prose is verse; and all that is not verse is prose." Given the nature of modern poetry and the style of some novelists and essayists, this is perhaps too simple a definition. But I suspect that it is adequate for most cases and certainly was enough for M. Jourdain, who could respond contentedly and enthusiastically, "Knowledge is a fine thing."

Indeed, it is. But, alas, it is not adequate to supply us with a simple statement that defines business history and differentiates it from other kinds of history. Or at least it will not supply us with a statement that does these things so as to produce results with which we can all agree.

The failure is not for lack of trying, however. As writers of history became more self-conscious about what they were doing, as the social sciences began to appear and separate from one another, as the various disciplines became increasingly professionalized, and as the discipline of history itself began to subdivide not only by period and place but by topic, professional practitioners periodically stopped what they were doing to attempt to *define* what they were doing and to differentiate what *they* were doing from what others were doing.

Although the task usually proved surprisingly difficult, the efforts were not fruitless. They regularly opened new areas for investigation, suggested new approaches and new methods, and in the process often advanced scholarly endeavor. But they seldom brought consensus and certainly no lasting agreements. Indeed, it has most often been the arguments elicited by such efforts that have brought the greatest results. If the goal of clear definitions and precise boundaries for disciplines proved elusive, the search itself was often, if not always, valuable.

The lack of clear definitions and precise boundaries may not be tidy, but it is good. Rigidity in boundaries and definitions can only lead to rigidity in scholarship. Indeed, when a degree of rigidity seems to arise, we historians tend to attack the very barriers we have erected by turning to interdisciplinary work. The periodic blossoming of "new" history and the regular appearance of new subdisciplines are the most obvious of the attacks on the rigidities produced by a previous generation.

I do not intend here to suggest a new definition of business history and to open a debate on methods and objectives. I doubt that such a discussion would be useful at this time. As a matter of fact, I am convinced that one of the strengths of our discipline is its variety in methods and subject matter and in its strong interdisciplinary character. The breadth and variety of the papers presented to our annual meetings, in the articles in the *Business History Review*, and in the work of the discipline's practitioners appearing elsewhere are, in my opinion, signs of health and vigor. To find a more rigorous definition of what we are might give us the psychological lift associated with self-identity, but the costs in narrowed vision would far outweigh the benefits.

I.

Rather than narrow our perspective, I propose that we broaden it. More specifically, I propose that business historians give greater attention to the business of agriculture. I find it astonishing that we study manufacturing, trade, advertising, banking, and transportation -- but rarely farming. We study the manufacture and sale of farm machinery and chemicals, but rarely

the production of farm commodities. We study the development of institutions of trade in farm commodities -- merchants, factors, warehousemen, bankers, commodity exchanges, and the like -- but rarely the institutions involved in the production of farm commodities. No business institution escapes our scrutiny except agriculture. For some reason business history seems to begin and end at the farm gate; only a very few of us venture inside.

There are, I suppose, a number of things that might *explain* our relative neglect of the business of agriculture, but, I submit, none of these things *justify* this neglect. I shall consider only a few of the most obvious.

Human beings have raised crops and animals from the time they emerged from the stage of hunters and gatherers. Most of us would probably agree that those farmers in the distant past whose activities are only dimly perceived through the efforts of anthropologists and archaeologists cannot be considered businessmen. But human beings have been manufacturers for an even longer time, fashioning tools first of flint and then of metal for the hunt, for cultivating the soil, and for war. Some historians at least have investigated this manufacturing and the trade in such goods (and in agricultural goods, I might add) as forms of rudimentary business enterprise. If the investigation of such manufacturing and trade be accepted as legitimate for business historians, then the exclusion of agriculture cannot be justified.

Most business historians would prefer to treat business as a product of modern times, tracing its emergence to the rise of capitalism and commodity production for the market. Again, including agriculture is certainly necessary. Indeed, excluding agriculture creates a serious problem of analysis because the goods that played a large role in early trade and provided much of the raw material for the early manufacturing enterprises were agricultural products.

It might be objected that agriculture and the agriculturalists themselves are the sources of traditionalism, of premodern ideologies and social organization and therefore the center of opposition to those modernizing, bourgeois tendencies we associate with the rise of business. While this was often the case, it was not universally so. In any event, it does not follow that business historians should have no interest in farming when farmers seem to act so unbusinesslike any more than they should ignore trading and manufacturing guilds because they too often played a similar role in perpetuating traditionalism and premodern social organization.

American historians face the related but additional difficulty of overcoming the powerful tradition of agrarianism, that Richard Hofstadter called the "agrarian myth," and Joseph S. Davis, Gilbert Fite, and others have termed "agricultural fundamentalism." We are all familiar with Thomas Jefferson's paean to the sturdy, independent yeoman, sentiments that have echoed and

reechoed throughout our history. But we know as well that one of the most important, if also the most obvious, changes in American farming has been the transformation of the independent, self-sufficient yeoman into a commercial farmer, that is, into a businessman. When the Republicans fulfilled their campaign promise of a homestead act, they simultaneously enacted laws supporting railroad construction, establishing the US Department of Agriculture, expanding the work of the Commissioner of Agriculture, and creating the land-grant colleges -- all designed to ensure that homesteading as well as other farmers would be commercial farmers and not self-sufficient yeomen. It would be a mistake, of course, to dismiss this phenomenon of agricultural fundamentalism; it is an essential part of our ideological baggage traceable to early modern European ideas concerning landowning and to specifically American notions of republican virtue and persisting in altered forms and with varying influence to the present day. If the ideas associated with agricultural fundamentalism are real and important, equally real and important is the development of commercial agriculture. Neither, but especially the latter, should be ignored by business historians.

All of this is not to deny that there are significant differences between farmers and other businessmen, especially in the United States where there is no tradition of serfdom or peasant agriculture. Compared with Europeans, Americans found land easily accessible. This did not prevent the development of class differences and conflicts among Americans, but, until the growth of a large urban working class, class conflicts usually took place among propertied people. Reformers themselves, and often the historians who wrote about them, saw farmers as poor and oppressed -- as, indeed, they sometimes were -- struggling against the wealthy and powerful interests -- variously, easterners, speculators, middlemen, bankers, and industrialists. That farmers often found themselves in opposition to other businessmen, that reformers often linked farmers and workers as allies, and that progressive historians have tended to see reform in the United States as the efforts by farmers, workers, and other "ordinary" people to limit the power and influence of business have helped to obscure the facts that farmers are businessmen. In short, emphasis on differences between farmers and other businessmen has obscured the similarities between them. When business historians fail to consider both the similarities and the differences, they fail to consider an important part of business history.

Perhaps our failure to give adequate attention to the business of agriculture is nothing more than the result of a scholarly division of labor. We leave the farmers to those who specialize in agricultural history. Curiously enough, however, we exhibit no squeamishness about invading the province of other specialists such as historians of labor or historians of technology; nor do

we ignore those businesses involved in marketing farm commodities or in supplying farmers, both of which have drawn extensive investigation by agricultural historians.

If there really was a true division of labor between business and agricultural historians, there would be little problem. Unfortunately, however, this is not really the case. Without in the least way denigrating the work of agricultural historians, I think it accurate to point out that they adopt very different perspectives from those of business historians.

As I have already indicated, there is no single perspective or method or approach used by business historians. At the same time our discipline is not marked by anarchy. For most of us our central concern is the process of decision making in the business community, a somewhat vague notion that gains specificity when we direct our primary attention to matters of business management and gains historical perspective when we attempt to trace and explain changes in management over time. Over the years our perspective has widened, our methodology has become more sophisticated, our use of theoretical concepts -- or, at least, the insights derived from theory -- has increased, and our notion of what constitutes and explains the process of decision making has broadened.

If some histories of particular firms have been little more than narrative biographies, others have been informed by theoretical insights from the entrepreneurial school or from the theorists of the firm. Emphasis on the innovating role of successful business leaders remains central to many studies, but many of us now see that role in a larger context which leads to an attempt to show how the structure of the firm and the nature of its business influence the strategies adopted by the firm's leaders. Some of us approach the problem by stressing the social and cultural forces that motivated and shaped the perceptions not only of business leaders but of the entire nation creating what is termed a business culture or a business society. In a word, then, we have not so much abandoned N. S. B. Gras's emphasis on business administration as the basis for business history as we have extended and broadened it.

My argument is simply that the insights, the methods, and the approaches that business historians have developed over the years may be fruitfully applied to the business of agriculture and that our failure to do so creates an artificial division between business and agriculture that is unfortunate and misleading from both a practical as well as a scholarly point of view. Let me begin with the purely practical.

II.

At formal sessions and in informal discussions at meetings of the Business History Conference we have over the years bemoaned

the fact that business history is given little or no attention in the curricula of most business schools. Even when it is part of the curriculum, business history neglects agricultural business which probably goes unnoticed because agricultural business is usually taught in schools of agriculture rather than in business schools. Although there are a few exceptions, for the most part agricultural economics, which ordinarily includes farm management and finance and other aspects of agricultural business, is generally taught in schools of agriculture; and schools of agriculture are even more notorious in their neglect of history than are business schools.

Admittedly, agricultural economists and specialists in farm management sometimes voice their awareness of the importance of history in their work. Given the nature of this work, they, like their counterparts in the business schools, usually see the need for historical study in purely practical terms. Thus Henry C. and Anne Dewess Taylor, in their massive history of agricultural economics, introduce a chapter on the "Historical and Geographical Approach," by noting that the approach "is useful because the facts of history and of geography amplify the facts of individual experience" and thereby help to provide a better basis for the formulation of policy. "The historical method is indispensable to the understanding of institutions which give form and effectiveness to the policies affecting agriculture." Policies which seem eminently rational often fail, they explain, because they ignore the patterns of "habitual action of the people concerned..." In short, then, agricultural policymakers must know history if their proposals are to be realistic enough to win acceptance.

Most historians, of course, would insist that their discipline has more to offer than a practical guide to successful policy implementation. Yet even a limited recognition of the value of historical study is seldom reflected in practice. The Agricultural History Group in the Department of Agriculture in Washington does very good work, but it is small and rarely if ever has counterparts in schools of agriculture throughout the nation. The Department of Agricultural Economics in the School of Agriculture in my own school, Purdue, requires no courses in history at either the graduate or undergraduate levels. Students may choose courses in history as electives, but they are not required to do so. Nor is Purdue exceptional in this respect. A national study of the undergraduate curriculum in agricultural economics published in 1976 makes no mention at all of history. An earlier study by William H. Nicholls, whose own work, incidentally, reveals the great value of a historical approach, noted that agricultural economics undergraduates seeking to enter graduate study "rarely ... had courses in history or the social sciences other than economics." And the graduate curriculum, Nicholls added, was equally narrow and specialized.

These areas of specialized study in departments of agricultural economics as well as much of the work of federal and state departments of agriculture are and always have been based on the assumption that agriculture was a business. The collection of statistics, the discussions of techniques of management, organization, and labor relations, the studies of technology including costs and expected returns are, obviously, concerns of commercial farmers and parallel similar concerns among businessmen in other sectors of the economy.

The conclusion to draw should be obvious. If business history has a legitimate and important role to play in business school education, that business history should include agricultural business; moreover, business history, including, of course, agricultural business, has an equally legitimate and important role to play in schools of agriculture, especially in departments of agricultural economics and farm management.

III.

My major reason for raising the question of agricultural business among business historians is not to convince faculties of schools of agriculture and business to include history in their offerings or to send their students to our courses, important as this may be on a practical level to them and to us. My intention instead is to convince my fellow business historians that by ignoring the business of agriculture they are ignoring an important part of their own discipline and, moreover, that by bringing the insights and methods that business historians have found so valuable in their study of manufacturing and commerce to a study of agricultural development they can make an equally valuable contribution in this area.

Let me illustrate my point by briefly discussing two areas that have attracted a great deal of attention in recent years, the first primarily by agricultural economists, businessmen, farmers, politicians, and the general public, the second primarily by economic and social historians. Neither seems to have drawn the interest of business historians although both, I believe, would benefit greatly if they did. The first area is agribusiness -- or farm structure or the decline of the family farm, the other rubrics under which agribusiness is sometimes discussed. The second area concerns the changes in Southern agriculture after the Civil War and emancipation.

IV.

The concept of agribusiness arose in the years following World War II in the midst of what Wayne Rasmussen has called the

Second Agricultural Revolution, the period of massive increases in productivity arising in part from increasing use of machinery but mainly from the widespread use of chemicals. To many observers it appeared that these developments were erasing differences between farmers and businessmen as farmers became more business-like in the management of their farms and began to recognize and accept the close interrelationship (rather than conflict) between themselves and other businessmen.

"Farmers and other businessmen" should recognize that they are partners, Walter B. Garver of the US Chamber of Commerce told members of the American Society of Farm Managers and Rural Appraisers in 1952. In an astonishingly frank class analysis, Garver insisted that attempts to forge a farmer-labor alliance were doomed to failure because the real interests of farmers and workers clashed. Attempts to unite farmers and workers against big business were the work of labor leaders seeking to increase the strength of the unions and left-wing farm leaders seeking to divide farmers from one another and "isolate farmers from their business friends." He granted that many businessmen did not support agricultural policies that interfered with the operation of the free market for agricultural commodities but added that most right-thinking farmers agreed. He concluded by listing the "fundamental things" that unite farmers and other businessmen: Both are entrepreneurs, capitalists, and managers; and both, he concluded, are conservative yet optimistic, "believing that the future of the nation is brightest with the hope of a continued free, democratic, competitive market enterprise system."

In the same year that Garver spoke to the farm managers, the Harvard Business School launched its Program in Agriculture and Business. Three years later, John H. Davis, the director of the program, coined the work, "agribusiness," "to define the many diverse enterprises which produce, process, and distribute farm products, or which provide supporting services." Davis introduced a course in Agriculture and Business which the *Harvard Business School Bulletin* announced was the only one of its kind in American universities, and two years later Davis and Ray A. Goldberg published *A Concept of Agribusiness*, "the first publication growing out of research conducted under the Program in Agriculture and Business."

Davis along with Kenneth Hinshaw, a farm journalist and public relations expert, also published a more popular book, *Farmer in a Business Suit*, a kind of docu-novel describing the rise of agribusiness:

The farmer in a business suit has taken the place of the old homesteader. His horsepower is bred in factories and his stock is fed by the white-frosted scientists in the laboratories that produce those fabulous substances known as antibiotics and hormones. His family farm is a costly, efficient, revved-up

complex of fields, barns and equipment with a gluttonous hunger for capital and managerial know-how. His productivity is a hundred, a thousand times his family's own needs. His harvests flow through myriads of enterprises and arrive in your kitchen cleaned, prepared and processed as if by a built-in-maid service.

Almost as soon as enthusiasts proclaimed the wonder of agribusiness, critics appeared who linked the development with a broad range of evils including the poisoning of the environment by dangerous chemicals and inadequate waste disposal from feedlots, of the destruction of soil and water resources, of the production of inferior products loaded with chemicals and other unnatural ingredients, of the barbaric treatment of animals -- to mention but a few. At the heart of the criticism was the argument that agriculture and business were not in partnership but rather that big business was taking over agriculture. Often the very evidence that proponents of agribusiness pointed to as signs of progress, critics called signs of the destruction of the family farm.

My intent here is not to review the literature or to evaluate the arguments but simply to note that historians in general and business historians in particular have seldom been involved in the debate. As a result the perspective is presentist and short-term and the emphasis is completely political and policy-oriented. Thus, for example, a 1980 publication by the Senate Committee on Agriculture, Nutrition, and Forestry is entitled *Farm Structure: A Historical Perspective on Changes in the Number and Size of Farms*. Yet, except for a few pages at the beginning of the volume in a section entitled "Providing a Perspective," the "historical perspective" promised in the subtitle rarely extends back further than 1950 in the detailed analysis of changes that constitute most of the volume of almost 400 pages.

This very shallow historical perspective may be sufficient for policymakers -- although this is debatable -- but it is obviously myopic so far as historians are concerned. Business historians adopting any of the various approaches that have yielded such good results in their studies of industrial and commercial business would, I believe, get equally exciting and valuable results in investigations of agricultural business over the longer run. For example, histories of the firm -- in this case histories of particular farms or groups of farms -- informed by insights from the entrepreneurial school and concerned with matters such as organization, management, strategies, decision making, and the like would be invaluable to our understanding of the history of business in America as well as the history of the business ideology in the United States. A deeper understanding of the family farm should shed some additional light on the policy disputes. Even more important, it should provide us with a greater understanding of policy formation, which is too often

studied either from the point of view of the policymakers or as a response to what is termed "farmer unrest."

V.

Investigating farms as business firms would also prove valuable in the second area I have chosen to illustrate the importance of agricultural business for the business historians -- changes in Southern agriculture after the Civil War and emancipation.

The post-Civil War South has attracted a great deal of attention in recent years. Historians, both "new" and "traditional," have reinvestigated familiar topics -- sharecropping, tenancy, crop liens, country stores, and the like -- and have studied topics that hitherto had been neglected -- whites in the upcountry, legal changes, the role of the blacks in shaping the institutions of the society in which they lived and worked. We have learned a great deal from this new work, yet I am convinced by my own research that the insights and methods used by business historians will be able to take us even further.

In this field, the discussion and debates have generally been among historians rather than policymakers. Yet, ironically, the vision has often been just as myopic as that of those debating the significance of agribusiness. In part this stems from the continued adherence to traditional periodization and in part from the nature of the sources being used. Reconstruction, mainly a political period that "officially" ends in 1877 with the withdrawal of federal troops from the South, too often forms a time period for study even when the subject matter under study is social or economic change. Moreover, a great deal of recent work relies heavily on the manuscript census schedules which, because of the accidental destruction of the 1890 returns and the unavailability of later returns, means an unduly heavy emphasis on 1880. Finally, the advent of populism and progressivism, also traditional topics -- mainly political and with traditional periodization -- form terminal dates for the study of the postemancipation developments, the only connection being that the unrest and the quest for reform were protests against the social and economic conditions that had become established after the Civil War.

One result of this approach is to force the massive social and economic changes associated with emancipation into a brief period of time. The social and political institutions that characterized the South until the World War II period were established within a decade or two of Appomattox, a conclusion that is really merely assumed because detailed investigation of developments after 1880 is rarely undertaken.

This relatively static picture is supported by the tendency to aggregate data from the manuscript and printed census and from

price schedules for cotton and other commodities produced on Southern farms. Considerations of behavior patterns and management decisions are read back from the aggregated data to produce, variously depending upon the investigator, rational economic behavior in a competitive market or coerced behavior arising from market imperfections, usually monopoly control by merchants.

Scanted in such analyses are differences in time and place and differences by race. Indeed, the most prevalent conclusion regarding race is that most blacks and whites found themselves in identical situations -- tenants and sharecroppers working small tracts and dependent upon powerful merchant-landlords. For those who find this situation one in which black and white tenants were locked into poverty bordering on peonage -- as most but not all investigators do -- there emerges the problem of why blacks and whites did not unite to further their interests. The readily available answer, of course, is the existence of virulent and vicious racism, the evidence for which is ample. Why this racism persisted if blacks and whites faced similar problems, problems that might have been solved or alleviated through unified action, is difficult to explain. Ordinarily it is not; description takes the place of explanation of this key factor in Southern history.

Many of the problems I have described -- and others as well -- disappear or become more amenable to adequate solution when a different approach, one familiar to business historians, is adopted. By the simple expedient of studying the evolution and operation of particular farm units in various places over a longer period of time, we can see patterns of similarities and differences that have seldom entered recent discussions. We discover that the systems of farm organization and management developed gradually over a long period of time; that, indeed, systems and not a system emerged; that the similarities between the experience of blacks and whites were more apparent than real and that therefore the needs of each group, despite their common poverty, were usually quite different.

VI.

Investigations of agricultural firms in the manner I have suggested might seem more difficult than studies of industrial or commercial firms, because records are less full. As industrial and commercial firms grew larger, hiring more workers and managers and purchasing more of their supplies and raw materials, they began to keep careful records which usually form the core of the sources used by business historians studying those firms. Agricultural firms, largely family-owned and -managed (even when the land itself was not owned), purchased fewer of their inputs, hired less labor and fewer managers, and therefore has less need

for detailed records. Those farmers who kept records often saw no need to preserve them, and they have therefore suffered loss and destruction.

Nevertheless, many of these records remain, some in archives, others, I suspect, in the hands of descendants. Courthouse records and court reports provide additional data for particular farms and farmers. But perhaps the richest store of information may be found in the publications and the unpublished reports of investigators and researchers working for federal and state departments of agriculture and their various agencies including the land-grant colleges. Literally thousands of studies are available which provide data for national, state, and local developments as well as information concerning individual farms in particular localities. Written to advise and aid farmers and policymakers, such studies usually lack a historical dimension, but when placed end to end, so to speak, the historical dimension becomes readily apparent.

I have provided only two examples of how business historians might make significant contributions to our understanding by directing attention to agricultural business. I have done some preliminary work in two other areas where the business history approach has also proved valuable; the labor force participation rate and work experience of women, now considered primarily as work in the nonagricultural business sector, thereby producing a number of very misleading results; the development of a bourgeois or business mentality or ideology, now considered primarily as the result of experiences in the nonagricultural business sector, leading to equally misleading conclusions as the work of Thomas C. Cochran and James Henretta have demonstrated.

I hope that there is no need to multiply examples and that I have convinced you of the many opportunities available for further research in this neglected field of business history.

NOTE

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