

The National Producers' Alliance

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THE ORGANIZATION of the short-lived National Producers' Alliance in Minneapolis on February 23, 1923, chiefly through the efforts of Arthur C. Townley, former head of the Nonpartisan League, came as an anti-climax to the political formula he had previously prescribed for the relief of agriculture. The Alliance hoped to organize the farmers to obtain for them "cost of production" plus a reasonable profit for their products. Never a strong organization, it did, nevertheless, mass together a membership which one spokesman placed at the highly questionable figure of fifty thousand.¹ The agricultural depression, faltering leadership and organization methods, uncertainty as to the objectives to be attained, and the competition of rival farm groups for membership, no doubt, facilitated its demise and merger with the Farmers' Union in January, 1926, less than three years after its birth.

The Alliance, besides being a product of the agricultural depression of the 1920's, was reflective of the schismatic state of agriculture.² Its focal point was in the Dakotas, Minnesota, and Montana, but originally the general plan for organization encompassed the upper Mississippi Valley. At its inception, the Nonpartisan League was on the way out, the Equity Cooperative Exchange was about to be thrown into the hands of receivers, rumblings of a Farmer-Labor party were in the offing in Minnesota, the American Farm Bureau

¹ *Farm Market Guide* (Minneapolis), June, 1925; *Minnesota Leader* (Minneapolis), March 15, 1923; *National Leader* (Minneapolis), July 16, 1923. It is claimed that Townley called some of his old associates from the Nonpartisan League states to meet at the West Hotel in Minneapolis, and that the resulting conference brought the National Producers' Alliance into existence. Townley's affiliation with the Alliance was short-lived; he resigned in the spring of 1924 to go into the oil business. See *Farm Market Guide*, March 15, 1926. A file of this paper, from which much of the information for the present article has been drawn, is to be found in the office of the *Farmers' Union Herald* in South St. Paul.

² For a good account of agriculture in the Northwest in the period that followed World War I, see J. H. Rich, *The Economic Position of Agriculture in the Northwestern Grain Raising Areas* (Washington, 1923).

Federation was unsuccessfully striving to penetrate into the admittedly radical agricultural Northwest, the Farmers' Union was attempting both to fill in the vacuum created by the Equity and to absorb what left-wing farm groups it could, and commodity pools inspired by Aaron Sapiro, like the Minnesota Wheat Growers' Association, were springing up at an alarmingly fast rate.³

The principal difference between the Alliance and the major contemporary farm organizations, like the Farm Bureau and the Grange, was that it was committed to a price-fixing program based on "cost of production." Politics, it was agreed, was an important part of life, but the discouraging thing about it was that it was nothing more than "a scramble for public office." If politicians and legislation would not help make agriculture pay, an application of the production and price policies of industry probably would. An application of the tactics of organized labor also would be helpful.⁴

The farmers, according to the Alliance, should have learned from fifty years of fruitless agitation that it was not free silver, greenbacks, government ownership of railroads, more stringent government controls, co-operative packing plants, marketing associations, and commodity pools that they wanted, but price fixing by an economic organization. Farmers had to control production, regulate marketing, fix prices, and strike if necessary. They had to take a leaf from the pages of industry and labor. Industry kept up its profits by controlling production and fixing the price of its products; industrial workers depended on unions to fix their hours and wages. If the

³ *Farm Market Guide*, July, 1924, June, 1925, February, 1926; Theodore Saloutos, "The Expansion and Decline of the Nonpartisan League in the Western Middle West, 1917-1921," in *Agricultural History*, 20:235-252 (October, 1946); *Fargo Forum*, March 9, 1923; Ramsey County District Court, File no. 150484; Minnesota Farmer-Labor Convention, *Proceedings*, 1923; American Farm Bureau Federation, *Report of the Executive Secretary*, 1925, p. 12. Henry G. Teigan, one of the staunchest advocates of a farmer-labor alignment, believed that the Alliance might become worth something politically. "The Alliance can be hooked up with the political movement in the same way that the Labor Unions are at the present time," he observed in a letter to G. E. M. Jauncey, August 18, 1923, now in the Nonpartisan League Papers in the possession of the Minnesota Historical Society.

⁴ *Farm Market Guide*, July, 1924. In the issue for March 15, 1926, the editor declared that "We do not go out to organize a calf club, a seed corn club, a hen testing club, an alfalfa club, or a community club . . . but we are organizing a business club. Our particular business is to build an organization that will enable us as farmers to fix prices."

farmers organized on "a cost-finding, price-fixing basis," they could "demand instead of beg." An economic organization based on such a program would empower the farmers to "transfer the power to fix prices" from the middlemen to the farmers.⁵

Prices could be fixed, the argument went, if the twelve states in the upper Mississippi Valley that comprised the heart of agricultural America, the nation's breadbasket, were organized. The nation could hardly subsist without the products of these states. For instance, if the hog producers co-operated with one another and withheld their hogs from the market, all packinghouses would have to close for the want of hogs. Snowstorms were known to have driven up the price of hogs fifty cents a hundred merely by delaying freight deliveries two or three days. "What then would happen if the farmers concertedly created a hog famine at the packing centers?" asked the *Farm Market Guide*.⁶

The co-operative marketing movement was enlisting thousands of new converts at the time the Alliance was launched. Friendly though it was toward the movement, the Alliance believed that it was "the cart, and not the horse." The co-operative marketing associations were nothing more than selling agencies that paid little or no attention to production costs and price fixing. The payment of patronage dividends by the co-operatives would never solve the farm problem, and there also was the danger that the entire marketing machinery would fall into the control of interests that were inimical to those of the farmers. The Alliance nevertheless felt that co-operatives could perform an important role if they co-operated to market products at prices that were based on production costs.⁷

The Alliance had nothing but feelings of antipathy for rival farm groups like the Farm Bureau and the commodity marketing associations founded by Sapiro. The Farm Bureau was charged with being "hog-tied" to business and the county agents, who in turn were bound up with the colleges of agriculture, while the commodity marketing associations, organized through Sapiro's promotional ef-

⁵ *Farm Market Guide*, March 15, 1926.

⁶ *Farm Market Guide*, July, 1924.

⁷ *Farm Market Guide*, July, 1924, February, March 15, 1926.

forts, were alleged to have fleeced the farmers of many hard-earned dollars. The South Dakota College of Agriculture, claimed the Alliance, did such a "fine job" of educating farm youth that fully ninety per cent of them never went back "to soil their college hands in mother earth."⁸ In other words, the Alliance claimed that the farmers had little to expect in the way of relief from any of these agencies because they were not committed to the "cost of production" principle.

What is known of the organization activities of the Alliance, its membership, and structural arrangements, is fragmentary. The articles of incorporation were drawn up by attorneys, a national committee was established, and Townley was made the first national manager.⁹ Members were recruited for the first time in the spring of 1923. One became a life member once he paid \$4.50. Annual dues were placed at a dollar; but they were not to be paid until the *Farm Market Guide*, the official paper of the Alliance, began publication, and that was to take place only after twenty thousand members were enrolled. In the beginning businessmen were encouraged to join the Alliance, which was unusual for a Townley-led organization. "Rural bankers and business men are in reality a substantial part of the business of farming," read a statement in the *Farm Market Guide*. "Their prosperity and welfare depend on the prosperity of the farmer. . . . Town and country must unite to protect the business of farming. . . . Anything which unites the business men and the farmer is good. Anything which divides them is bad."¹⁰

It is not clear just who was responsible for encouraging rural businessmen to join, but it is obvious that this policy soon changed. Demands became insistent that the farmers "grow their own talent, develop their own leadership and build their own organization," if they were to compete successfully with other groups. By early 1926 the demands became even more pronounced for the setting up of an

⁸ *Farm Market Guide*, February, July, 1926, February, 1927.

⁹ *Farm Market Guide*, March 15, 1926.

¹⁰ *Farm Market Guide*, July, 1924, June, 1925. Dues and fees paid by members varied from time to time. In 1925 dues were a dollar, according to the *Farm Market Guide* for February of that year. The issue for July, 1924, announced that "We want every farmer to join this organization whether he is broke or has some cash in the bank. We therefore changed the initial payment to a contribution."

organization comprised exclusively of farmers. The membership policy of organized labor was cited as a model: employers and bosses were excluded and labor unions trained men who were capable of holding their own in debate with bankers, lawyers, professors, and politicians.¹¹

Political officeholders were barred from holding office in the Alliance largely out of the fear that the organization would become a vehicle for those with political ambitions. The prevailing attitude was: "organize first, find out the cost of production, fix prices." Legislation, the Alliance leaders contended, would not be hard to obtain once the farmers were organized.¹²

By 1923 organization work in Minnesota was reported to have "extended as far north as Fergus Falls, south to the Iowa line, and west to the South Dakota border." Thousands of members were claimed to have been enrolled in the Minnesota spring wheat area that took in such counties as Meeker, Kandiyohi, Yellow Medicine, Marshall, Swift, Lac qui Parle, Chippewa, Big Stone, Traverse, Stevens, and Grant. Late in 1925 the Alliance claimed fifty thousand members in Wisconsin, Minnesota, and the Dakotas. In March, 1926, the *Farm Market Guide* was said to have gone to about a hundred thousand farmers.¹³

Information on Alliance activities and membership in the various states is sketchy. Some twelve thousand members were claimed for Minnesota during 1923 and 1924; no membership figures were found for South Dakota, but it was credited with having more paid-up members than did any other state. The experiences of the Alliance in North Dakota were hardly encouraging. The farmers turned out to hear Townley talk, but few joined the organization. League mem-

¹¹ *Farm Market Guide*, December, 1925, February, 1926.

¹² *Farm Market Guide*, July, 1924. In the issue for December, 1925, the editor aptly summed up the antipathy toward a farmers' political movement. "We have had our fling at politics during a rather busy life and are more or less disgusted with political movements and politicians," he writes. "We had nothing to do with picking Calvin Coolidge for President. We hold nothing particularly against him. He suits us about as well as anyone, not picked by ourselves. He has not promised to do anything for the people, except run the government with economy. We sort of respect Mr. Coolidge for the promises he has not made." The editor reveals that "We don't expect any politician, or group of politicians to do anything for the farmers as a class."

¹³ *Farm Market Guide*, June, November, 1925, March 15, 1926.

bers and sympathizers were offended because Townley said that politics would never solve the farm problem. Wisconsin farmers were introduced to the Alliance through the efforts of Emil Pladsen of Madison, a former Nonpartisan League organizer, but little is known other than that the Alliance claimed three thousand members in Wisconsin early in 1926.¹⁴

The Alliance facilitated the compilation of cost of production figures by furnishing the farmers with instructions and blanks to fill out. In 1925 C. C. Talbott, manager of the National Producers' Alliance in North Dakota, presented figures that were computed both on an acre and a bushel basis. They were held to be representative of minimum production costs and were said to have been approved by North Dakota farmers, presumably members of the Alliance. According to Talbott's figures, the cost of raising wheat on a per acre basis was: supervision \$2.00; plowing, \$2.00; dragging and packing, \$.50; harvesting, \$1.75; seeding, \$2.00; taxes and insurance, \$1.25; interest, \$5.00; and depreciation and maintenance, \$2.00. The total cost per acre was \$16.50. To find the costs on a per bushel basis, the sum of \$16.50 was divided by ten, which was the average per acre yield of wheat in North Dakota. The cost of production per bushel was placed at \$1.65, but threshing and hauling entailed additional costs of fifteen and five cents respectively, to bring the sum total to \$1.85.¹⁵

The year 1925 was considered an ideal year for the farmers to hold their wheat and force "an American instead of a world price" because it seemed certain that production was going to be reduced to domestic requirements and there was a tariff of forty-two cents per bushel on wheat. These favorable conditions prompted many to believe that more effective organization activities in the Red River Valley, Montana, Nebraska, South Dakota, and southern Minnesota would ensure farmers a price of \$1.50 per bushel for their wheat. Support was solicited from the Independent Voters' Association, the Nonpartisan League, the Farm Bureau, the county agents, the rural press, and the country bankers.¹⁶

¹⁴ *Farm Market Guide*, January, 1927.

¹⁵ *Farm Market Guide*, October, November, 1925.

¹⁶ *Farm Market Guide*, June, 1925.

Instructions were issued for the holding of wheat. Farmers were told to hold their "good wheat" only, not Durum, smutty, or low protein wheat. They were advised not to store wheat in local elevators. Early in August, 1925, it was announced that arrangements had been made with the Equity Cooperative Exchange in St. Paul to store there a million bushels of wheat, and with Governor A. G. Sorlie of North Dakota to store a million and a half bushels of wheat in the state elevators at Grand Forks. Provisions were also made for publicity.¹⁷ The campaign failed completely. The farmers failed to follow the instructions issued by the Alliance; it was exceedingly doubtful that the membership was strong enough to influence shipments to market, even had all members co-operated. Lack of storage facilities compelled many farmers to store their wheat in warehouses and private elevators, where they were given receipts and an advance of from sixty to seventy-five cents a bushel on their grain. Many who stored their wheat in local elevators were unaware of the fact that much of it was shipped to the terminal market and made available to purchasers.

The Alliance was handicapped by various factors, including the depressed state of agriculture, the multiplicity of farm organizations and commodity marketing associations, and the unwillingness of the farmers to join. The depression made it difficult for many farmers to pay \$4.50 for membership. Unfortunate experiences on the part of many with the Nonpartisan League, the Equity, the Farm Bureau, and the Sapiro-sponsored marketing associations prompted many discouraged farmers to say, "No thanks, I've had about all the organizations I want." Both the organization methods used by the Alliance and the marketing program that never materialized were faulty.¹⁸ Many people ridiculed all campaigns to obtain prices high enough to cover "cost of production," which, they believed, was impossible to define with any degree of accuracy. Alliance leaders

¹⁷ *Farm Market Guide*, October, 1925.

¹⁸ *Farm Market Guide*, October, November, 1925, February, 1926; *Nebraska Union Farmer* (Omaha), March 12, 1924. The editor of the latter paper pointed to the futility of price fixing by citing the earlier abortive ventures of the Equity Society and the Farmers' Union. A strong co-operative movement was the only way out, he believed. "Why not resolve henceforth to stick to the main road and quit wasting time, energy, and money on detours that get us nowhere?" he asked.

committed a serious mistake when they failed to organize members into locals. It became the practice whenever a township was organized for the members to appoint a temporary secretary who could be reached in the event some important matter came up. All receipts were forwarded to national headquarters. In 1925 plans were being considered for building local, county, and state units, but they never materialized because early in 1926 the Alliance was absorbed by the Farmers' Union along with the Equity Cooperative Exchange.¹⁹

Although the Alliance was seeking prices for the farmers that were based on the "cost of production" plus a reasonable profit, it came forward with nothing novel. Segments within the Farmers' Union and the Missouri Farmers' Association, to mention but two other contemporary instances, advocated the same thing. Similar sentiments had found their way into some of the arguments advanced in behalf of the numerous McNary-Haugen proposals, but it appears unlikely that the Alliance was much of a force behind them. Its chief importance, perhaps, lies in the fact that it helped bridge the gap between the Nonpartisan League and Equity movements, on the one hand, and the Farmers' Union and the Minnesota Farmer-Labor Party, on the other. Former Alliancemen furnished the Farmers' Union with some much-sought leadership. They included Talbott, a real farmer and a powerful organizer in North Dakota, and A. W. Ricker, a former Socialist and Nonpartisan League writer who edited the *Farm Market Guide* and finally became editor of the *Farmers' Union Herald*, the most influential Farmers' Union paper in the agricultural Northwest.²⁰ In a broader sense, the Alliance reflected the rampant economic nationalism of its day.

¹⁹ *Farm Market Guide*, February, 1926. The invitation to merge was accepted as a result of a convention on January 14 and 15, 1926.

²⁰ *Fargo Forum*, November 5, 1927; *North Dakota Union Farmer* (Jamestown), June 1, 1936.



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