

DEVELOPMENT OF THE
FIELD OF ECONOMICS AT IOWA STATE*

(A Brief Informal Review Covering the Century 1858 to 1958.)

I. W. Arthur

Prologue

Professor E. D. Ross published a history of Iowa State⁽¹⁾ in 1942 and a history of the land-grant idea at Iowa State⁽²⁾ in 1958. These studies suggest that what happens in the various Departments can have an important impact on the direction of development in the total University.

This can be illustrated by George Snedecor's work in the field of mathematics which later resulted in a new Department of Statistics. This in turn affected and modified the work in most of the other Departments of the University.

Likewise the Principles of Economics can cut across and modify the work of many other Departments in the University. Sometimes these modifications are welcomed and adopted in a cooperative manner. In other cases they are resisted or resented. Sometimes the adjustment attempted is for the Department affected to hire its own statistician or economist or to designate one of its own members to serve in that capacity. One problem for the administrators is to comprehend the content of the different disciplines and to secure their proper articulation and separation.

*The statements in this informal paper are based on information taken from the Iowa State catalogs, the Experiment Station and Extension Service reports, the Office of the Registrar, and from the Special Collections section and card catalog files of the I. S. U. Library. This paper is written only for internal use by the Economics staff and their supervisors. It is not for formal printed publication. The judgments are largely my own.

I. W. Arthur

It is of interest to trace through the development of the discipline of Economics at Iowa State including the growing pains and some of the administrative problems related thereto. An appropriate place to begin is at the time this University was started.

Period 1858 to 1876

An act of the Iowa legislature in 1858 provided for the establishment of a state college of agriculture, science and mechanic arts for the common people of the state⁽¹⁾. Most of the prominent colleges and universities in the Eastern part of the United States in the 1850's were devoted to instruction in liberal arts, the professions, religion, languages and classical literature. In Iowa the State University at Iowa City was designed and organized earlier to serve that function here. The purpose of the new college was to teach the children of working people how to apply mathematics and science to the solution of problems in agriculture and mechanic arts and the work-a-day world⁽²⁾. Its name was to be Iowa Agricultural College. In addition to agricultural subjects training was also to be given in Engineering, Science, Veterinary Medicine and, after 1872, a Domestic Economy course for women. Students were to do physical work and apply their new knowledge to increase their productivity in doing that work.

Incidentally, the arguments for starting the new college in the 1850's and 1860's were very similar to the arguments heard a hundred years later for starting the area vocational-technical schools in Iowa⁽³⁾.

The Board of Trustees for the new college was chosen by the legislature. One came from each judicial district. They purchased the farm on Squaw Creek near Ames in 1859 and erected some farm buildings in 1860 and 1861⁽¹⁾.

The whole enterprise was slowed down by the outbreak of the war between the states. However, President Lincoln signed the Land-Grant College Act in 1862. After the Civil War was over the Board of Trustees launched an intensive search for the most competent man in this country to head the new educational enterprise. They chose Mr. A. S. Welch for the job. His influence in setting the direction for the new college was of such importance as to warrant further comment here. Mr. Welch graduated from the University of Michigan in 1846 with the A. M. Degree. At Michigan he specialized in English, psychology and classical literature. Upon graduation in 1846 he studied law for one year and in 1847 was admitted to the Michigan bar. He never practiced law. Upon finishing his law degree he was selected to organize a new school at Jonesville, Michigan, where he served for four years. He was so successful in organizing the school at Jonesville and acting as its principal that when the new normal school was planned at Ypsilanti, Michigan, he was chosen as its organizer and first president. He served in that capacity for thirteen years and worked so hard at it that his health failed. He then went to Florida and regained his health in two years. He was elected to the U. S. Senate from Florida in 1866. After two years he left the U. S. Senate to start the new Iowa Agricultural College at Ames. Instruction at the new college included domestic science for women after 1872. This was the first of the state colleges to permit women to attend and it was done here only after much opposition and debate.

The small staff which was first assembled was composed largely of people trained in mathematics, English, the physical sciences, agriculture, engineering, and veterinary medicine. The sciences of chemistry, zoology and botany were emphasized from the beginning.

From this modest beginning there developed a small but good quality academic community largely in the Science Division. This nucleus succeeded, over the following century, in turning a trade school into a broad academic community. While I. S. U. does not grant degrees in medicine and law it is nevertheless able to qualify as an outstanding university in the areas of knowledge which it does present. I believe this is largely due to the precedents and the quality of the appointments Mr. Welch made in his Science Division during his presidency.

While little or no attention was paid to the field of Economics in assembling the first staff, President Welch did occasionally teach a course entitled "Political Economy". Also at other times he taught a course called "Moral Philosophy". This reminds one of the chair of the same title at the University of Glasgow in Scotland occupied a hundred years earlier by Adam Smith. President Welch must have had something along the line of Political Economy at the University of Michigan and of course he had spent two years in the U. S. Senate.

An outstanding member of the first I. A. C. graduating class in 1872 was E. W. Stanton. Stanton got his Bachelor of Science in engineering and was immediately hired by Mr. Welch to teach mathematics and English and to assist Mr. Welch with the course in Political Economy which he did for four years. In 1877 Stanton was made professor and head of the Department of Mathematics and Political Economy at the Iowa Agricultural College.

Period 1877-1906

The 1877 report of the secretary of the Board of Trustees of I. A. C. to the governor of Iowa lists Political Economy as a subject taught by a professor E. W. Stanton. The text was Perry's "Political Economy".

Mr. Stanton remained the head of the Department of Mathematics and Political Economy from 1877 to 1906. It was during this period that Henry C. Taylor got his Bachelor of Science degree at Iowa Agricultural College in 1896 and his Master of Science degree in 1898 and went immediately to Wisconsin to get his Doctor's degree. Later Taylor started a Department of Agricultural Economics at Wisconsin. In 1922 he started the Bureau of Agricultural Economics in the U. S. Department of Agriculture in Washington, D. C.

The Iowa State catalog for 1886 shows a change in the name of Iowa Agricultural College to Iowa State College of Agriculture and Mechanic Arts. There was also a new seal with a slogan, "Science with Practice". However, this change was not official by the Trustees until 1898.

B. H. Hibbard got his Bachelor of Science degree under Stanton in 1898. He then went to Wisconsin and earned a Ph.D. degree under Ely in 1902. That same year he came back to I. S. C. to help Stanton with the course in Political Economy. During this period there had been a dearth of staff members in the field of Economics at Iowa State. President Beardshear encouraged students to become active members of numerous literary societies whose members engaged in debates and public speaking. Literary societies were organized as soon as the college started operating. Hibbard made a significant contribution to the economic enlightenment of the student speakers and debaters in the 17 literary societies and in the college debate teams. They increased interest and enrollment in his classes in Economics and in Public Affairs.

Period 1906-1913

B. H. Hibbard was hired as an instructor in Political Economy in 1902 in the Science Division and was made a full professor in 1906. Hibbard offered the first course in "Agricultural Economics" at I. S. C. in 1906.

It was taught five hours a week in the Science Division. (It can be noted parenthetically that P. G. Holden started a course entitled "Farm Management" in 1906. That course dealt mainly with crop production and rotations. Holden was a professor of farm crops in the Agronomy Department and Superintendent of Extension work.) Hibbard studied Economics at the University of Berlin during a year's leave in 1908. The I. S. C. catalog for 1908 and 1909 showed Hibbard as the head of the Department of Economic Science with John Brindley as helper. Hibbard served as head of Economics at Iowa State from 1909 to 1913. He had Brindley and John H. Coulter as instructors hired in 1907. Other instructors were F. W. Dickey in 1909 and John Rankin in 1911. C. B. Williams was the first man hired at I. S. C. as assistant professor of Agricultural Economics in the Science Division to teach Hibbard's course in "Agricultural Economics". Williams served from 1913 to 1915. John Ise was hired as an instructor in Economics in 1914 and George Von Tungeln was hired as associate professor of Rural Sociology the same year. Both Ise and Von Tungeln had their Doctor's degrees from Harvard. These men were all in the Science Division and there were no economists in any other division of the college at that time. For administrative convenience teachers in Economics, Sociology, History and Government were lumped into one department under Hibbard.

The I. S. C. catalog of 1907-1908 on page 238 shows a Department of Economic Science in the Science Division. By 1907 Mr. Stanton had withdrawn from teaching Political Economy and turned it over to Hibbard. At that time eight major courses in Economics were offered. They were: Economics I - "Outlines of Economics", text by Fetter; Economics II - "Principles of Economics", five hours per week; Economics III - "Economic Problems", text by Ely, "Socialism and Social Reform", a three-hour course; Economics IV -

"Money and Banking", text by Kinley entitled "Money"; Economics V - "Finance", text by Adams, "Science of Finance"; Economics VI - "Industrial History of the U. S."; Economics VII - "American Labor"; and Economics VIII - "Agricultural Economics", a five-hour course taught by Hibbard with the following topics covered: comparative agricultural systems; land tenure; size of farms; cooperation; taxation; prices; transportation; marketing; land credit; and the relation of the state to agriculture. Hibbard made a major contribution to the federal census of 1910. He published a "History of Public Land Policies" in 1924 at Wisconsin.

Iowa State Unique

From the foregoing it can be seen that the origin of the field of Ag Economics at Iowa State was unique in that it got started in the Department of Economic Science in the Science Division. At almost all of the other land grant colleges in this country Ag Economics got started as "farm records" or "farm management" in one of the technical production departments, such as Agronomy, in the Agricultural Division. This usually led to conflict between the two departments and between two major divisions of the university for budget and control. One of the important and unique advantages enjoyed by Iowa State has been the combination of general Economics and Ag Economics in one department from the very beginning under Hibbard. For a time this arrangement lapsed here but then it was re-established. More recently at least two other schools in this country have adopted this arrangement.

It seems fair to say that Hibbard was the first well-trained economist of his day to be employed on the Iowa State campus. He had a broad interest in and good training for that period in general Economics and Agricultural Economics. In the four years, 1909-1913 in which he was the head of the

Economics Department in the Science Division at I. S. C., he dominated the campus in both Agricultural Economics and in general Economics. From 1904 to 1930 he was widely recognized as a competent and productive but sarcastic leader in Agricultural Economics in this country.

Hibbard resigned from Iowa State in 1913 to join the staff at the University of Wisconsin. His departure left a vacuum which was not promptly or adequately filled. It also came at a time when there were sharply increased demands for economic research, counsel and advice both from within the institution and from the outside. This situation invited the conflict of contending forces which prevailed here during the next three decades. If E. G. Nourse could have come to Iowa State five years earlier (1913 instead of 1918) the development of Economics on this campus would have been far more constructive, productive and peaceful.

Period 1913-1928

J. H. Brindley was made acting head of Economics and Sociology following the departure of Hibbard. Brindley hired C. B. Williams to take over Hibbard's Agricultural Economics course. Williams had the title of Ag Economist in the Science Division. Brindley initiated a four-year undergraduate major course in Economic Science in the Science Division. George Von Tungeln was the only staff member in Sociology and his interest was mainly in rural sociology.

Dean Curtiss of the Agricultural Division was unhappy with the only Ag Economist on the I. S. C. staff being a member of the Science Division. Curtiss proceeded to hire George Munger from Cornell to teach a course in Farm Records and Farm Management in the Agricultural Division in 1914. In 1915 the Ag Division offered a five-year undergraduate program in Farm Management with Munger in charge. Curtiss dropped the Farm Management course

entitled "Farm Crops VIII" which had been started by P. G. Holden in 1906. Holden had been hired from the Funk Seed Corn Company in Illinois to head up Extension and teach Agronomy.

There had been Extension activities from the very beginning but there was no Extension organization or budget. In April, 1906, the State Legislature passed an Act creating an Agricultural Extension Department at Iowa State and Holden was soon designated as Superintendent. This unit was directly responsible to the President of the College and not to the Dean of Agriculture. Holden served until 1912 and then left to join the International Harvester Company. W. J. Kennedy served as Superintendent from 1912 to 1913. Paul Taff was leader from Kennedy's departure until R. K. Bliss was made its Director in 1914.

In 1915, Sam Thompson was hired as the first Ag Economist to work in Farm Records and Farm Accounts in the Extension Department. In 1916, four men were listed on the extension staff in the area of Farm Management. One of these men also operated in the area of Rural Sociology.

It should be repeated that the Agricultural Extension Department operated under a separate budget and a separate administrator from the Division of Agriculture. To some extent there was competition both in the college budget and even before the legislature for support and funds in the field of Economics at I. S. C.: The Ag Division, the Ag Extension Department, the Economics Department in the Science Division all became competitive for personnel, funds, and functions to be performed in the field of Economics. Also, in the 1916-1917 catalog is the outline for a four-year undergraduate course in "Business Engineering". In this way, another competitor for budget in this field appeared. In addition, a section dealing with some phases of Economics was established in the Home Economics Division.

The catalog of 1916-1917, on pages 183-187, shows that Rural Economics and Rural Sociology were under Brindley in the Department of Economic Science in the Division of Industrial Science. This catalog appeared before E. G. Nourse came to Iowa State College. However, the next catalog (1917-1918), on page 190, states, "The work in Rural Economics and Rural Sociology is administered jointly by the Divisions of Industrial Science and of Agriculture, and the budgets are submitted by each division. The heads of these lines of work are members of the faculty of the Division of Agriculture with their offices and work in that division, and they are also members of the faculty of the Division of Industrial Science." This 1918 statement appeared after Nourse came. It indicates a partial clarification in the struggle for dominance in these areas. However, Mr. Brindley was very unhappy with this arrangement. The resulting conflict reduced the effectiveness of the work done at Iowa State College in the field of Economics.

Professor Brindley was a student of taxation. He had graduated from Wisconsin and got his Doctor's degree at the State University of Iowa under Shambaugh. He was head of the Economics Department at Iowa State from 1913-1929. For his Doctor's thesis at the State University of Iowa Brindley wrote two volumes on the history of taxation in Iowa, covering the period up to 1910. This was published by the Iowa Historical Society. Later he wrote the history of taxation in Iowa from 1910-1920 which was also published by the Iowa Historical Society in 1921. Brindley served as secretary of the Iowa Tax Commission in 1912 and again in 1923. He recodified the Iowa tax laws in 1919 and was a trusted tax advisor of Ed Cunningham, Secretary of the Iowa Farm Bureau. The Farm Bureau was very much interested in Iowa tax policy and tax law. Brindley did research, teaching and extension work in Economics and in effect overloaded himself. He undermined his health by overwork and by the internal and external struggle for power in the field of Economics.

Mr. Brindley was a productive student in the area of taxation. It seems fair to say that if he could have devoted his resources in that area and restricted them to that area he would have been rated as an acceptable scholar in that field. Brindley's case is another illustration of the weakness which results from having the discipline of Economics split up and strewn around in a number of different departments.

As it turned out he devoted too much time to too many things, including a struggle for budget and administrative and political powers. In this way he undermined his health and was invited to resign from the College in 1931. More on this later.

Period 1918-1924

The 1917-1918 wartime food shortages, which brought stress on American and European agriculture, made it clear that an outstanding scholar in Ag Economics was needed for the staff at Iowa State. Dean Curtiss hired E. G. Nourse for that job. Nourse was well trained in general Economics as well as Agricultural Economics. His bachelor's degree was earned at Cornell University and his Ph.D. came from Chicago in 1915. He had solid experience in research and administration.

The 1919 I. S. C. catalog carried his name in three divisions of the College. These were Agriculture, Science and Engineering. Responsibility seemed to gravitate naturally to Mr. Nourse as he undertook his duties at Ames. He instituted a well-rounded and well-balanced program covering the different aspects of the field of Ag Economics. For farm management research and teaching he had C. L. Holmes assisted by John Hopkins, who had just finished at Harvard. Holmes and Ed Hurd immediately set out on a program of research on the types of farming then prevailing in the different areas of Iowa.

This proved to be very productive. Frank Robotka and Paul Miller were recruited for work in marketing; Miller in teaching and research and Robotka in research and extension. Fred Garlock was brought in to the staff for the money and banking and finance area. He was also assisted by Russell Engberg. Nourse brought in George Fuller to head up the Business Engineering or the Industrial Economics section in Engineering Hall. Lee Albaugh, Sam Thompson and John Galloway were active in Ag Economics Extension. The graduate program was expanded and masters degrees were being offered in that area. For the undergraduates in Ag Economics Mr. Nourse offered majors in farm management and agricultural business. Agricultural marketing and cooperative marketing were also emphasized in the graduate and undergraduate programs. Harold Rowe was active in the field of agricultural policy.

There was a boom on in cooperative marketing right after World War I. Mr. Nourse met the demands in this area by having men trained in marketing extension work in the fields of livestock, grain, dairy products and poultry. It was his concept that the Iowa Farm Bureau would be a general farm organization which would not deal in specific farm commodities. He thought there should be separate cooperative commodity organizations handling the marketing in the four major commodities being produced in Iowa at that time. Nourse was active in organizing the Iowa Institute of Cooperation and the American Institute of Cooperation. Publications issued during this period include: "Cooperative Livestock Shipping in Iowa in 1920", "Philosophy of Cooperation", "The Outlook for Cooperative Marketing", and "Fifty Years of Farmers' Elevators in Iowa, 1923". Approximately 700 livestock shipping co-ops, 300 co-op creameries and around 300 co-op grain elevators were operating in Iowa in the 1920's.

Prices of farm products in Iowa in 1919 and 1920 were skyrocketing a good deal as they have been in 1972 and 1973. Mr. Nourse wrote an article in 1920 entitled "Will Agricultural Prices Fall?". This appeared in the Journal of Political Economy at the University of Chicago. In the article Nourse predicted that there would soon be a definite drop in the prices of Iowa farm products. The article was published in 1920 and prices of Iowa farm products underwent the severe drop in 1921. This brought a howl of complaint from the Farm Bureau and from the commodity departments in the Division of Agriculture at Iowa State. In effect, Nourse was blamed for the drop in farm prices because his article was published prior to when that drop came. Even though the criticism was severe, Nourse stood his ground and increased in stature among the leading economists of this country. He went on to become president of the American Economic Association and of the American Farm Economic Association. From 1922 to 1931 there was a sharp increase in the number of B.S. and M.S. degrees in Economics granted at I. S. C.

Mr. Nourse had the ability to guide and stimulate his young staff to productivity in research, teaching and extension and in matters of public policy. His success soon led to a broad national recognition and eventually to an offer from the Brookings Institution in Washington, D. C. to become director of research and vice president of that institution. This position was sought after by many of the best men in Agricultural Economics and general Economics in the Middle West. He decided to accept the Brookings offer and left Ames in 1924. From there he went on to even greater achievements. In 1946, President Truman appointed him as the first chairman of the newly created Council of Economic Advisors to the President of the United States. In this post, Mr. Nourse made a national and international reputation for himself and for the Council.

Back in Ames there still was an Economics Department in Beardshear Hall and a de facto Agricultural Economics Department which Mr. Nourse had headed in Ag Hall. Mr. Brindley, who was head of the Economics Department, was very unhappy to have the budget and resources go pretty largely to Nourse in Ag Economics. This really caused Nourse very little trouble because he overshadowed Brindley so completely. However, after Nourse left Ames, this division and dissension and competition between Ag Economics and general Economics flared up again. It caused considerable trouble and finally caused the departure of Mr. Holmes, the man who took over as the new head of the work in Agricultural Economics.

Period 1924-1928

Upon the departure of Mr. Nourse to the Brookings Institution, Mr. C. L. Holmes, who had been in charge of farm management, was made head of Ag Economics. Mr. Holmes was a vigorous research man and teacher. He had made a very real contribution to Iowa agriculture in his studies and publications on the major types of farming prevailing on the different major soil types in the state. Previous to the time of these studies there was a general feeling that, if you had an acquaintance with one county in Iowa, you knew all of them. Mr. Holmes changed that abruptly. He showed that there were five major types of farming areas in Iowa. His findings were based on the analysis of the census reports of the assessors in the state. In addition to the bulletins, he published a farm management text. Mr. Holmes also initiated the agricultural outlook work in Iowa. Along with Paul Miller he pushed the work in the agricultural marketing research and extension.

The young men coming along from the Nourse period were developed into staff members in research, teaching and extension. Definite accomplishments were made by Robotka in grain marketing and by Ed Gaummitz and Bud Holt in dairy marketing and Sam Thompson in livestock shipping associations.

In 1928 Mr. Holmes received an offer from the Bureau of Agricultural Economics in Washington to head up their work in farm management. Holmes liked what he was doing at Iowa State and really did not want to move. However, the dissension between Brindley in Beardshear Hall and Holmes in Ag Hall had become more and more irritating. Mr. Brindley was jealous of the success and expansion of the work in Agricultural Economics and wanted to share in the limelight and the development that was going on, particularly in the extension arm. Mr. Bliss, Director of Extension, made use of Brindley in contacts with the legislature. Dean Curtiss resented very much Brindley's contacts and tampering with the legislature. Curtiss and Holmes went to the new president, R. M. Hughes, with the threat that unless Brindley was fired, Holmes would leave and go to Washington. Mr. Hughes promptly took the position that two men could not come in and demand the firing of a third man whom they did not like. Therefore to carry out their threat, Holmes resigned and went to Washington even though he would much rather have stayed at Iowa State. In this way Curtiss used Holmes as a cat's-paw to get rid of Brindley. It did not work. President Hughes was a gracious and kindly man but he realized the difficulties that Brindley had caused. Later on, after Curtiss retired, President Hughes asked Brindley to resign.

Period 1928-1929

For well over a year it was impossible to get anyone of standing and competence in the field of Ag Economics to take over Mr. Holmes' position.

As long as there were in effect two departments with active dissension between the two departments no responsible or competent man would come in with that kind of conflict going on. And so for over a year it was not possible to get an acceptable candidate to apply for the position that Holmes had left.

Period 1929-1933

In 1929 Albert Black, who was a co-worker with John D. Black at the University of Minnesota, agreed to undertake the work of head of Economics at Iowa State, provided Ag Economics and general Economics and Industrial Economics could be combined into one department. This was done. Brindley and Fuller were put under Black who headed all Economics work at I. S. C.

Albert Black had made a good name for himself at the University of Minnesota in cooperating with John D. Black in the publication of two books and numerous articles. For his thesis topic at Minnesota, Black had examined and restructured all of the indexes that had to do with agriculture in the state of Minnesota. The two Blacks had cooperated to take over the undergraduate principles work on the main campus at the University of Minnesota. In that way they had access to good graduate students who taught part-time at the university and worked on agricultural research problems at the farm school campus.

Albert Black was a good scholar and he was interested in bringing in outstanding young men to strengthen the general Economics Department. However, the great depression had started and money was very scarce. Within a year he had brought in Theodore Schultz from the University of Wisconsin and Wallace Wright in money and banking from Stanford. Black carried on the research and extension program which was outlined under Nourse and

Holmes and was successful with that work at Iowa State. The first Ph.D. in Ag Economics at I. S. C. was granted by Black in 1930. He encouraged Schultz to continue his work in foreign trade in farm products and Wallace Wright to strengthen the work offered in money and banking. Outlook work was important during these years of falling farm prices from 1929 to 1933. Upon the appointment of A. G. Black as head of Economics, George Fuller, who was head of the section in Engineering Hall called Industrial Economics, and who wanted to be head of the combined Economics work at Ames, resigned and went to the Federal Land Bank at Omaha where he became comptroller.

Depression, Bankruptcy and Disaster

By 1932 the U. S. A. was in the grip of the worst depression in our history. In industry more than one-third of the work force was idle. Farm products prices dropped 60 percent from the 1920's to the 1930's. Corn was selling for ten cents per bushel and hogs at three cents per pound. In the winter of 1933 all the banks in this country were closed by order of President Roosevelt. The boom in World War I farm land prices and farm mortgages led into a corresponding big boom in foreclosures of farm mortgages in the 1930's. Prices of some farm products fell so low that they could not pay the freight to haul them to market.

In this situation President R. M. Hughes asked Dr. Black and the Economics Department to get out a series of short releases explaining the causes of the agricultural emergency in Iowa and the nation and to suggest corrective measures. The resulting series of ten short circulars entitled "The Agricultural Emergency in Iowa"⁽⁷⁾ attracted widespread attention not only in Iowa but all over this country and in the Congress. The circulars provided the basis for a vigorous Extension program in Iowa and led the way for Secretary of State

Cordell Hull's Reciprocal Trade Agreements Program for the United States and to the Agricultural Adjustment Program under Franklin Roosevelt. The circulars referred to above were written by Black, Schultz, Bill Murray, Geoffrey Shepherd, John Hopkins and Wallace Wright.

Briefly the circulars showed that during World War I the United States changed abruptly from a debtor to a mature creditor nation but we failed to act like a creditor nation. We erected high tariff barriers in 1922 and passed the much higher Smoot-Hawley tariff in 1930. We had large exportable surpluses of farm products but the high tariff barriers prevented sufficient imports to come in to pay for dammed up exports of wheat, cotton, tobacco, rice, corn and lard.

During this period the so-called corn-hog program was created by Henry Wallace and the Congress and was carried on in the states. A great deal of use was made of members of the Economics Department at Ames in getting information to carry on and apply that program in this country. Al Black became very much involved in this enterprise and eventually accepted a position as head of the corn-hog section in the Agricultural Adjustment Program in Washington. Later he became head of the B. A. E. and still later head of the Farm Credit Administration. This was a time when many outstanding agricultural economists were being called to Washington to help carry on the work of the Agricultural Adjustment Program.

It was not possible at that time to find a mature scholar and administrator with the ability to carry on as head of the Economics work at Ames to replace Dr. Black. President Hughes was very short of money. He could not get anybody he wanted to come in from the outside so rather reluctantly he appointed T. W. Schultz, age 32, to assume the headship of Economics at Iowa State.

In making the appointment President Hughes told Ted Schultz: "This is a tough job. You are all that I've got. For heavens sake make good at it." Schultz did make surprisingly good at it.

Period 1933-1943

T. W. Schultz was born in South Dakota in 1902. He attended the State College at Brookings where he was active on the debating squad and earned part of his way through college as an announcer on the college radio. These two experiences were to be very useful to him in later years.

He had attended the University of Wisconsin and received his Ph.D. in Agricultural Economics from that school in 1933. During the late 1920's the Rawleigh Company had financed a series of studies of the forces that were causing the low incomes of farmers in the cornbelt. The Rawleigh people sold patent medicines and other products to cornbelt farmers and their sales were rapidly falling. At Wisconsin it was soon determined that the effect of the Smoot-Hawley tariff system was an important factor in determining cornbelt farm prices and incomes. This led to studies on foreign trade, the tariffs and American foreign trade policies. For his Ph.D. thesis, Schultz worked on the tariffs on barley, oats and corn. This made him knowledgeable with regard to the effects of the Smoot-Hawley tariff program and the trade restrictions that grew up in the United States in the 1920's.

When Schultz came to Ames in the summer of 1930, he found a very large gap in the staff at Iowa State at that time in the field of foreign trade policy, particularly as it affected agriculture. Farm organizations, congressmen and legislators were much interested in this area because the great depression of the 1930's really got started in the fall of 1929 with the collapse of market prices which started at that time. By his talents and

training Schultz was ideally suited to move into this vacuum. He soon attracted wide-spread attention, not only within the state but within the cornbelt and the country. When Franklin Roosevelt became President in 1932 and Cordell Hull became Secretary of State, they immediately embarked upon a program to attempt to correct the fallacious international trade policies then existing in this country.

Basic educational work was needed throughout this country to help modify public opinion so that Americans would be willing to give up their short-sighted trade and monetary policies. There quickly followed an important list of publications while Schultz was working with Black and after he became head of the Department in 1935. Among these were his "Tariff on Barley, Oats and Corn", published by the Rawleigh series at the University of Wisconsin in 1933, "Vanishing Farm Markets", the World Peace Foundation in 1935, "Is Our National Farm Plant Too Large?", Iowa Experiment Station Bulletin 314 in 1934, "Planning Land Use in Iowa" for the Iowa State Planning Board in 1934 (this was typewritten), "Competitive Position of Lard", Iowa Experiment Station Bulletin 177, and also Bulletins 319 and 320, all with Schickele, "Variation of Swine Prices within Iowa", Iowa Research Bulletin 161 with A. G. Black.

Also there was a constant stream of articles appearing in Iowa Farm Science and in the Des Moines Register and Wallace's Farmer and other current publications.

Several bright young men were soon added to the staff. Gerhardt Tintner, George Stigler, Albert Hart, Rainer Schikele, Walter Wilcox, Loren Soth, Ken Boulding and others soon were helping to increase the publications being issued.

Expansion was going on in research, in extension, in publications, in public policy and in both the graduate and the undergraduate programs. Arrangements were soon made to expand the Ph.D. program in Economics at Iowa State.

A great deal of help came to Schultz from his teachers at Wisconsin, Hibbard and Taylor. Help also came from President Hughes and from R. E. Buchanan who was Dean of Science at that time and who later became director of the I. S. C. Agricultural Experiment Station. Schultz was the moving spirit in starting the Social Science Seminar which proved to be a broadening and stimulating force on the campus.

The U. S. D. A. was instrumental and interested at that time in developing substantial training for Agricultural Economists in the area of Statistics. A program was set up at Ames to give training to staff members in Agricultural Economics from the U. S. D. A. and from the various state universities and colleges. This was logically centered at Ames because Iowa State had the first Department of Statistics in the United States. It was headed by George Snedecor, who went on to develop an international reputation in that field and the largest statistical department in American universities. With these kinds of facilities available, graduate students came from all over the United States and from all over the world. Many of these students later became leaders in Economics work in other universities in the United States and in other areas of the world. Outstanding graduate students, such as Gale Johnson and Earl Heady on the Iowa State staff, soon became very productive when World War II came on.

Schultz took on the editorship of the Journal of Farm Economics and staff members were stimulated and encouraged to make contributions to the Journal. This brought quick recognition all over this country that a high quality program was underway at Iowa State.

A monthly magazine entitled the Iowa Farm Economist was started for circulation among leaders within the state. Another publication entitled Farm Policy Forum was started for even wider circulation. Loren Soth, an I. S. C. graduate in Journalism and Economics was editor of both of these publications. He also published a Base Book of Iowa which contained the most important economic and statistical background data on this state.

Schultz developed great flexibility in regrouping his staff from time to time to do research and educational work in connection with the federal economic programs being applied during the depression years of the 1930's. Extension workers were trained in matters of public policy with good local research to back them up.

During the depression years a great deal of Iowa land was farmed hard to get enough income to avoid farm mortgage foreclosure. A great deal of effort during the late 1930's went into an enterprise called Land Use Planning. This activity undertook to classify Iowa land by counties according to its capability for production with due regard to its conservation. This enterprise involved Iowa State Extension, The Bureau of Ag Economics, the S. C. S. and the A. A. A. Four or five members of the Economics Department assembled much of the data needed to put out County Agricultural Conservation Plans ⁽⁸⁾. Then as World War II came on all-out production again became the order of the day.

One interesting development of the depression years was the gift to Iowa State of 12 farms and roughly \$100,000 in cash from C. R. Musser, a successful businessman and banker of Muscatine. He figured that if he could not make his farms pay in the depression years then the average Iowa farmer could not possibly do it. So he gave his farms and the money to Iowa State

to demonstrate how farms could be profitably operated under depression conditions. Jim Wallace, from the Economics Department, was put in charge of supervising the rental and operation of the farms included in this gift. Mr. Wallace had run one of the very successful farm business associations served by the College before he took over management of the Musser gift. Soon after the gift was received, World War II broke out and then the farms made plenty of money. Possibly the parties who learned the most out of this enterprise were the College officials who tried to supervise Mr. Wallace and the Musser gift.

As World War II came on, many Iowa State staff members were granted leave to help in the numerous agricultural programs carried on by the federal government. Most staff members were not only doing a part of their work at Ames but doing more in Washington on part-time leave. World War II not only took young staff members into the military service but many of the older staff members were assuming additional duties or even full-time duties in Washington. Loren Soth, who had been the editor for most of the publications put out by the Economics Department in the 1930's, was frequently absent on wartime duties in the 1940's and 1950's. Wartime depletion of staff and the increase in the demand for research and publication on strategic wartime problems all exacted their price and their drain on the remaining staff.

America entered World War II on December 7, 1941. By 1942, the Iowa State Economics Department was involved in publication of a series of eleven bulletins entitled "Wartime Farm and Food Policy Pamphlets" to be financed by The Rockefeller Foundation. In 1943 Bulletin No. 5 in that series was prepared by O. Brownlee, a junior member of the staff remaining at Iowa State. The bulletin was to be entitled "Putting Dairying on a Wartime Footing". It surely did just that as far as Iowa State was concerned.

Certain dairy pressure groups in the country had long been engaged in a fight with producers of margarine and were prepared to do whatever they could to reduce the sale of margarine as a competitor with butter. During the war it became obvious that not only this country, but some of its allies also, were running short of fats. From the information contained in Bulletin 5 it became apparent that one man or one acre devoted to the production of fats from soybeans in the central cornbelt could be much more productive than if these same units were devoted to production of dairy feeds and the care and milking of dairy cows as a way to get a wartime supply of fats. In other words, a cornbelt farmer with a drill and a combine could produce several times as much fats from an acre of land in growing soybeans as he could by growing dairy feeds and getting fat out of the udders of milk cows. The obvious conclusion was that in wartime more emphasis should be placed on vegetable fat production which can largely be mechanized. To a considerable extent the vegetable fats could substitute for dairy fats which are highly intensive in labor which was very scarce during the war.

This Bulletin 5 in the series did contain sweeping statements and minor errors. It was hurriedly and loosely written but its major conclusions were essentially accurate, honest and correct. Its publication drew little immediate attention but after a period of several months it became obvious to the dairy pressure groups that, if handled properly, a successful attack could be made on this bulletin, using it as a pawn in two or three power struggles which had been in progress for some time. Charles Holman, of the National Dairy Association, rented the back page of one issue of the Des Moines Register and devoted it to an attack on the bulletin and on Professor Schultz, who did not write the bulletin but was head of the department that produced the bulletin.

President Friley of Iowa State at first promised to support the scholars in their findings and in their publication.

Publication of Bulletin 5, like others preceding it in that series, was financed by The Rockefeller Foundation. As such they did not require a committee from the rest of the University staff for approval before publication and they had no Experiment Station review committee. However, when the pamphlets appeared they bore the footnote that the supporting data came from certain projects of the Iowa Agricultural Experiment Station. One of the rules of the Station is that before publication, a bulletin from the Station had to undergo review by a committee, appointed by the Director of the Experiment Station. There was conflict as to whether or not Bulletin 5, being financed by a foundation, would need an Experiment Station review committee. If it were a publication of the Experiment Station, as the footnote about containing Station data would suggest, then it would require a Station committee. Whose oversight it was to include the footnote about data from the Experiment Station on this series of bulletins, I do not know. I believe that if men like Schultz and Soth had been present and less involved in wartime duties, it is unlikely that this oversight would have occurred.

As it was, the internal and external dairy pressure people pointed to the fact that there was no Experiment Station committee appointed by the Director to review Bulletin 5. And even though such a committee was finally appointed when this oversight was recognized, it was impossible for a long time to get agreement between the dairy pressure group and the authors of the bulletin on the details of the revised manuscript.

The dairy interests insisted that President Friley withdraw Bulletin 5. They threatened to terminate his tenure as President of the University if this was not done. When Friley yielded to the pressure and withdrew the

bulletin, Schultz submitted his resignation as head of the Economics Department with the charge that academic freedom had been restricted. At that time, one of the prominent scholars in another field on the I. S. C. campus made the statement: "The President has made a fool of himself." Another prominent local scholar said: "Iowa State would have been better off if Friley had gone and Schultz had stayed."

Schultz did resign and go to the University of Chicago where his scholarship and administrative ability and productivity were again demonstrated. Within a short time after Schultz left many of the other outstanding economists on the staff also left. Among these were Al Hart, Walter Wilcox, Bill Nichols, Margaret Ried, Oz Brownlee and Gale Johnson who later became Dean of Social Science at the University of Chicago. All of these people have made national reputations for themselves and soon occupied positions of distinction in university posts all over America. The Iowa State Economics staff suffered severely from the drain of their exodus. Incidentally, Oz Brownlee, editor of Bulletin 5, later became head of the Economics Department at the University of Minnesota.

At the time of the fight over Bulletin 5 this writer was impressed by the extent of the antagonism to Schultz on the part of so many I. S. C. staff members, especially in the Ag Division and in the Agricultural Extension Service. This may be partly explained by jealousy and struggle for power within the college staff and partly by over-confidence and even arrogance on the part of Schultz himself.

An informal report to Dean Andre prepared by Karl Fox carried this quotation:

"One indication of the level of excellence which E. G. Nourse and T. W. Schultz established and maintained at Iowa State College is indicated by a summary of the articles published in the Journal of Farm Economics from 1919 through 1953. This journal has always been an official journal of the American Farm Economics Association and one with the highest prestige among agricultural economists. During that thirty-five year period Iowa State contributed 170 articles to the Journal of Farm Economics, standing head and shoulders above any other university. Its nearest rivals were Minnesota--126 articles, the University of California at Berkeley--125, the University of Wisconsin--120, and Cornell University--110."(9)

Period 1943-1955

Following the departure of Dr. Schultz a number of other staff members also left within a short time. Eventually William Murray was appointed to serve as head of the department but with a sharply reduced staff and budget as is reflected in the following figures from the relevant I. S. C. catalogs:

Department Head	Period	Number of Economics Staff with Ranks of Instructor to Full Professor
Schultz	1940-1943	50 to 53
Murray	1944-1946	28 to 32

This represents a cut of around 40 percent in the staff with the ranks of instructor to professor. Some of this decline was no doubt related to wartime decline in student enrollment. In the area of Economics Extension workers, the catalogs show a decline from 23 workers listed in 1942 to 10 workers in 1946. By 1947 and 1948 a rebuilding trend in staff had started, especially at the instructor level. Apparently Dr. Murray had taken on the job of department head without sufficient guarantees as to budget and other support he could depend on from the overhead college administration.

The outstanding achievement which occurred in the department during the period 1943 to 1955 was the rapid progress made by Earl Heady in publications, research and the increased number of outstanding graduate students which he attracted from all over this country and from all over the world. During a part of this time he had more research publications and counselled more graduate students as their major professor than all of the rest of the Economics staff combined. He soon established a reputation as an outstanding scholar in his areas of specialization which included Production Economics, Linear Programming and problems of Agricultural and Economic Adjustment.

At one point in the 1950's Earl Heady's research showed that farm prices and incomes might be expected to fall if federal farm price supports and controls were abandoned as the officers of a major farm organization had advocated. When representatives of the farm pressure group appeared on the campus to demand that such research and publication be discontinued President Hilton said in effect that, unless errors could be proven, this research and publication effort would not only be continued but would be expanded. This stand by the President was in sharp contrast to that of former President Friley when he was confronted by a dairy pressure group. The importance of that stand was not lost on any local researcher nor on any future prospective pressure group.

In the 1940's and 1950's Professor Geoffrey Shepherd kept up his work in farm prices and markets. He published articles and texts on Agricultural Price Analysis and Marketing Farm Products. At various times he went on leave for assignments in Washington and into other countries to do work on these subjects.

John Timmons was added to the staff to carry on the work in Land Economics formerly handled by Schiekele and Arthur Bunce. Dr. Timmons developed course work, research projects and publications in that field. He cooperated successfully with the people in Soils and other production disciplines and with the Law School at Iowa City. Kenneth Boulding stayed on for a few years and taught Economic Theory as did Leo Hurwicz. Don Kaldor and Wallace Ogg specialized in farm policy while Soth and Frank Kutish emphasized publications and outlook. Gerhardt Tintner gained wide recognition in his areas of Mathematical Economics and Statistics. With the exception of Timmons, the foregoing men were all holdovers from the Schultz regime.

Dr. Murray continued his work in Farm Finance and Farm Appraisal. His books in these areas were used as texts. He continued to teach and publish in these fields and was an excellent teacher. He was soon elected president of the American Farm Economics Association.

During this period control of the section called Industrial Economics was shifted from Dr. Murray to W. H. Schramper. President Friley and Dean Gaskill were interested in increasing the enrollment at Iowa State, especially in the Science Division. They wanted to develop a business school type of curriculum at Iowa State to increase enrollment, even though the Regents had decided to have the business school at Iowa City. In 1955 the Regents returned the Economics part of Industrial Economics to the Economics Department. Then they set up a new department under Schramper called Industrial Administration. This new department enrolled a lot of undergraduates, many of whom were transfers from the more rigorous academic courses. The Industrial Administration Department did not have sufficient staff to be permitted to grant the Ph.D. degree.

During the latter part of Dr. Murray's administration there was an expansion of the options in Ag Economics offered to undergraduate majors. This was worked out by Ray Beneke and Earl Heady who secured the approval of the agricultural curriculum committee and the Agricultural Dean. The options offered were Agricultural Economics, Agricultural Business, Marketing Industries and Public Service. Enrollment in these areas expanded as much as 300 percent from the mid 1950's to the middle 1960's. This was a much more rapid increase than occurred in the total Iowa State University enrollment during that same period. A definite increase also occurred in the number of Ph.D. degrees granted during this time. Many of these candidates were Earl Heady's graduate students.

By 1953 Dr. Murray requested to be relieved of his duties as head of the Department so he could devote full time to teaching and research in his special fields of interest.

There were at least three men in the department who would have been competent to step in as the new department head. However, Dean Gaskill wanted more control over Economics and was successful for almost two years in delaying appointment of a new head for the Department of Economics at Iowa State and in keeping any of the eligible local men from being appointed to the job. During this period, when the Department was essentially leaderless, Gaskill was able to exert more control and to reallocate funds as he saw fit. A number of men from the outside were invited in to look over the job of the new head of the Economics Department but most of them turned it down when they found out what the conditions would be. After considerable delay Karl Fox was appointed head of the Economics Department at Iowa State, effective October 1, 1955.

Period 1955 to 1958

Karl Fox was born in Salt Lake, Utah, in 1917. He was graduated from the University of Utah in 1936 with a B.A. in English and minor in Mathematics. He received a Masters degree in Sociology from Utah in 1938 and his Ph.D. from Berkeley in 1952. He was a member of Pi Kappa Phi and of Phi Beta Kappa. He worked in the War Food Administration in World War II and later became head of the Division of Statistical and Historical Research of the Bureau of Ag Economics in the U. S. D. A. In 1954-55 he was the representative of the U. S. D. A. to the President's Council of Economic Advisors in the Whitehouse.

When Dr. Fox arrived at Iowa State in the fall of 1955 hog prices had dropped to ten cents per pound. At that time Iowa farmers depended on hogs for 35 percent of their cash farm income so Fox became very much interested in the program of "The Center for Agricultural and Economic Adjustment" which Earl Heady had underway at that time.

Other important projects were to secure more budget and personnel to build up replacements for the staff in general Economics, to create separate administrative units for Economics and Sociology and to secure a new building for the Economics Department. President Parks was most helpful in bringing these changes about.

The foregoing statement covers some aspects of the development of the field of Economics at Iowa State from its beginning in 1858 down through the century ending with the year 1958. It is hoped that in the future some other department member will extend the narrative to cover more recent periods.

APPENDIX

TABLE 1. Iowa State Economics Staff Members of the Rank of Professor to Instructor in Selected Years 1913-1971.

Year	Head of Economics Departments	Profs.	Assoc. Profs.	Asst. Profs.	Instr.	Extension Staff	Total Economics Staff	Total Student Enrollment at Iowa State
1913	Hibbard	1	1	1	1	1	5	1,741
1917	Brindley and Munger	2	1	0	2	1	6	2,562
1924	Nourse and Brindley	2	2	4	1	8	17	3,388
1928	Holmes and Brindley	5	2	3	3	7	20	4,391
1934	Black	5	6	4	3	10	28	3,704
1942	Schultz	6	7	9	8	23	53	6,461
1955	Murray	17	10	10	9	(R)	47	9,176 (a)
1971	Fox	40	15	3	37	(R)	93	19,320 (a)

Source: The relevant college catalogs.

(R) Prior to 1940, Extension workers' ranks were sometimes viewed as different from the ranks of those engaged in teaching and research. Soon after 1942 this distinction tended to disappear.

(a) Fall quarter only.

TABLE 2. Degrees Granted at Iowa State in the Field of Economics in Selected Years 1913-1971

Cal- endar Year	Head of Department	Undergraduate Degrees Granted			Graduate Degrees Granted	
		AG Division Ag Economics, Ag Business, or Farm Management	Science Division Economic Science	Science	M.S.	Ph.D.
1913	Hibbard	0	0	0	0	0
1917	Brindley and Munger	1	1	1	1	0
1924	Nourse and Brindley	18	31	8	8	0
1928	Holmes and Brindley	12	44	9	9	0
1934	Black	11	24	6	6	0
1942	Schultz	9	19	9	9	2
1954	Murray	8	46	7	7	8
1971	Fox	113	57	29	29	25

Source: The relevant commencement programs for the above years.

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