

Agriculture scholar Al Krebs notes the following regarding Goldschmidt's research: "What the Arvin-Dinuba study revealed has become near legend in the argument for perpetuating the family farm system of agriculture throughout rural America. Dinuba was found to be far superior to Arvin as the quality of life in each community was directly related to the inequities in landholdings and directly reflected in the difference in the community's economic, political and social stability."

Large scale farming operations were immediately seen to have an important part in the creation of the conditions found in Arvin as Goldschmidt reported. Its direct effect was to create a community made up of a few persons of high economic position, and a mass of individuals whose economic status and whose security and stability are low, and who are economically dependent directly on the few. In the context of American culture industrialized farming creates circumstances where community participation and leadership, economic well-being, and business activities are relatively impoverished.

The small-farm community of Dinuba was able to support 62 separate small businesses with a volume of trade of \$4.3 million, while the large-farm community of Arvin had 35 established businesses; expenditures for household supplies and building equipment were over three times greater in the small-farm community; Dinuba had a larger dollar-volume of agricultural production; over one-half of the breadwinners in the small-farm community were independently employed, while in the large-farm community less than one-fifth were so employed: public services in the small-farm

community were far better; the small farm community had two newspapers while the large-farm community had one, and the small-farm community had twice the number of organizations for civic improvement and recreation.

With respect to the economic impact of the difference is that in Dinuba more money tended to circulate within the community such that the wealth that was created stayed within the community. In Arvin a wealth extraction process dominated whereby wealth was both concentrated and drawn out of circulation. These results also have major implications for urban communities as well, and the impact of public economic policies which tend to also favor corporate interests over small business.

As it might be applied to the distribution of irrigation water the 160 acreage limitation principle was found not only to be justified, but that it should be encouraged and supported in favor of small-farm based communities.

Reactions to the Arvin-Dinuba study were immediate and threatening. Multiple efforts were made to block the publication of the study and its conclusions after the - completion of the study in 1944. When the publication of the results of the Arvin-Dinuba study were finally published in December, 1946, it was due principally to the efforts of U.S. Senator Dewey Anderson of the Senate Small Business Committee and U.S. Senator James E. Murray, committee chairman.

The publication of the study was permitted with an agreement that no mention WHATSOEVER be made of USDA's involvement in the Dinuba-Arvin study. Efforts

were also made principally by the American Farm Bureau Federation (AFBF) and its corporate allies to discredit the study in the press, on the radio, and in Congress. Corporate agriculture then also worked to discredit the activities of the BAE which had been a long-time adversary of the AFBF. Corporate agriculture had a codicil inserted into the 1947 USDA's Appropriations Act. that codicil was: "That no part of the funds herein appropriated or made available to the [BAE] under the heading "Economic Investigation" shall be used for state or county land and planning, for conducting cultural surveys, or for the maintenance of regional offices."

The effectiveness of this censoring exposes the thin nature of the commitment to empirical and pluralist economics and the "moderation" enforced upon the Roosevelt administrations. The timing of the censoring by corporate agricultural interests may also be important, in that worst of the Depression had already passed and after 1941 the fortunes influence of the corporations had already been partially restored. This 1940's resurgence of corporatism merges as well with the severe anti-socialist and anti-communist reaction of the late 40's and early 50's led by Senator Joseph McCarthy and others.

In looking back on the events surrounding this study, Goldschmidt believed that those who sabotaged the expansion of the research project into a larger sample of communities knew exactly what it would reveal. It was much easier for the corporatists to discount the Arvin-Dinuba conclusions than it would have been to dismiss the results of a much more comprehensive study. Nearly sixty years later that "sabotaging" by corporate agribusiness and its allies continues.

Goldschmidt said further that, "My recommendations in 'As You Sow' were that it was essential to recognize the industrial quality of farming, which clearly was already diffusing throughout the nation, and its urban consequences, (this) meant that the regulations of the Labor Relations Act should be applied to the agricultural sector and that unions should not only be allowed to develop, but should be encouraged. What was needed was a professionalization of the farm worker.

"These' recommendations were also not followed. Instead, we have had the continued exploitation of the farm workers, the increased concentration of land ownership in the hands of the few, greater difficulties for the small farmer precisely because they were not protected from such the centralized and monopolized control of the markets, or from all the other difficulties that derive from an unregulated industrialized agricultural system."

Corporate America and thereby the USDA did not want Goldschmidt's findings to be publicly revealed and Congress made sure that the BAE no longer engaged in rural "quality of life" studies. Once again, corporate America attempted to belittle the opportunities for wealth creation and creative competition in the American economy, both rural and urban. The interests of American public lost because the U.S. government bowed to corporate interests rather than acting in the interests of ordinary American citizens.

In the burying of the Goldschmidt study and the refusal to do a more comprehensive and larger study we lost the possibility of scientific validation for economic democracy and for land conservation policies. We have let corporate

industrial agriculture expand almost without limits. Yet, small family farmers and a diverse economy in rural or urban America are not only best for the development of a strong thriving economy, but for a healthy planet as well. Small farmers have always been known as the most efficient producers and the best conservationists and many Americans, at long last, are finally beginning to realize this fact.

What we have witnessed in the past 30 years is the Wal-Mart-ization of the American economy, much of the rest of the world, and those policies being applied to American foreign policy as well through trade initiatives and the agencies like the World Trade Organization.

Under the NAFTA agreement, for example, the US forced Mexico to change its land tenure laws allowing foreigners to purchase land for the first time and to open up more intensive dumping of industrially produced and subsidized cheap corn and other products on the Mexican Markets. As expected. These trade policies have proven themselves to not be healthy for any community, rural or urban, counter-productive to high quality of life, and contrary to democratic values. The current U.S. paradigm of support for the concentration of wealth under the fiction of trickle down economics doesn't work. A new paradigm of building common wealth and increasing resource distribution is necessary to let human genius have an opportunity to flourish and be sustainable.

appreciation to Heather Gray's article of May 24th, 2006 found at Counterpunch.com . That text has been edited with permission by Heather Gray to fit this format.

The BAE/ Goldschmidt Study of Arvin and Dinuba:

How to Build and Sustain
Community Wealth, part two

Re-Imagining Economics