

The Goldschmidt studies are very important in several ways in understanding how economies can be controlled, destroyed, and rebuilt. Its history and continuing importance represents the very essence of an authentic economics. The exclusion of their importance to economic policies also describes the fabrication of the falsification of economics for private gain and public loss. Impressing upon history formulaic notions is effectively an exercise in rhetoric in the least sense.

Beginning from economic reality seems to have more potential rather than a set of equations supposing to be a physics of economic life. Though the immediate relevance of the Goldschmidt studies is to the importance of the family farm to agricultural economics, it also has major implications for democracy as a culture and for macro-economic policies for national and international contexts. It also bears upon the simple sustainability of economic practices.

A conspiracy of ideology is in practice little different from a well planned strategy to shape policy. Both will tend to ignore any limiting factors, and both will present their proposals interests as inevitable. and in the best possible interests of the general public. Generally they just don't seem to understand that there are actually physical and social limits to greed. A key factor is the normalization of usury. The suppression of this material from public discourse has far less to do with incompetence, than with arrogance.

Historically there are examples of specific actions and well planned conspiracies. It is also to the advantage of wealth and corporate control

that it has the resources to pay people to watch for opportunities to advance those interests. This is a direct result of both usury and the privatization of sovereign currencies. Those favoring the interests of the commons and democracy will tend to deploy themselves according to principles and during the time not obliged in making a living.

The Goldschmidt studies that were done for the Bureau of Agricultural Economics of the US Department of Agriculture, in the 1940's provide many important bits of economic history and evidence of the effects of economic policies on communities. How the Goldschmidt study was buried and removed from public knowledge also provides a strong case study about corporate political intervention in economic science.

The Great Depression of 1929 was caused by several factors including corporate speculation and centralization. This Great Depression was actually preceded by another economic depression from about 1875 to about 1900. The 1929 version was perhaps more spectacular. Part of the background to the Depression era was the Dust Bowl years of 1930 to 1939, which was caused by falling prices on agricultural commodities after World War I and corporate agriculture depleting the land and water sources in order to increase profits. The Dust Bowl storms displaced about 3 million people who lost their farms to banks and became mostly migrant workers.

In response to the Great Depression of the 1930's, President Franklin Roosevelt established his New Deal policies. For the first time the U.S. government assumed a central role in the responsibility for the economic security of the

people and for the economic growth of the nation. The Roosevelt administration actually represented a temporary compromise between economic democracy and economic corporatism. The Roosevelt administration probably had the most progressive approach to economics that had been seen in the U. S. up to that time, but that didn't require much of a deviation. That Roosevelt's New Deal policies were not able to recover a wider prosperity, until the late 30s when the US began to supply the combatant nations in Europe and the gold of Europe began to flow into the US, and later when US troops were also sent to the Pacific and Europe for combat is a measure of its moderation

Many New Deal measures (i.e. social security and insurance for the jobless) also served the interests of the American corporatists to ensure that there was a pool of under-employed workers available to them and to depress demands for increased wages. But these corporate interests were not going to let the government go as far as advocating for the protection of workers and certainly not in favor of wealth creation for average Americans.

One division within the United States Department of Agriculture (USDA) was central to this debate among different economic theories. This division was the legendary and now dissolved Bureau of Agricultural Economics (BAE). This was a rather innocuous sounding name of a USDA division that was incredibly threatening to the American corporate giants. The BAE and the Bureau of Reclamation had an interest in actually considering the impact of public policies on the distribution of wealth and on the quality of life in rural

America. For the brief existence of the BAE economics was an empirical; and pluralistic science rather than a bastion outpost of free market econo-theology.

In the 1940s the BAE wanted to study whether the 160-acre limitation should be applied to the growing California agricultural production sector. BAE wisely thought it best to engage in a scientific study of the issue before applying the policy. The young social anthropologist Walter Goldschmidt was given the responsibility for conducting this research. Prior to him receiving the contract from USDA, Goldschmidt had looked at similar issues in Wasco, California.

In his "What If presentation in 1993, Goldschmidt said: "Half a century ago I was in the town of Wasco, California making a study of community life and social organization. The study showed that industrial farming creates an urban like social system. That is, where agricultural production is dominated by highly mechanized labor with necessarily high capital requirements and the use of large amounts of hired labor the result is a social order characterized by impersonal social relationships, social class differentiation and conflict, and the dominance of monetary values over other social values. As you sow, so shall you reap. The study was published under the title 'As You Sow.'

"This finding was far from trivial, obvious as it may seem now. The Great American Myth of citizen democracy is fundamentally agrarian and the small town has been long seen as the bastion of basic American values. It is the very heart and soul of our egalitarianism and therefore of our democratic institutions and central to our

values. In this view the California situation was seen as an aberration, as was the institution of slavery was central to our southern plantation economy, over which we fought a major war.

"Three years after Wasco, I was asked to provide an answer to a simple question: What difference does it make if the farm units are large or small? The question was asked as part of the Central Valley Project Studies. Thereby a research program was designed to examine the impact of that project and set the basis for policy matters.

"The Central Valley Project (CVP) in California was developed by the Bureau of Reclamation, and..the Bureau operated , under a then 40-year old ruling that irrigation waters developed (and subsidized) by it must be sold to land units of 160 acres or less. The question therefore was: Should this ruling be applied to the beneficiaries of CVP?

"I initiated a small study comparing the two towns of Arvin and Dinuba, one representing those communities dominated by large-scale enterprises and the other representing the towns where small family-sized operations were the rule. "The study showed clearly that the town surrounded by the small farms was far superior by every measure that I could devise."

text continues in  
The B.A.E. Goldschmidt Studies Part 2

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 one

# Re-Imagining Economics