THE FAIRWAY FARMS: AN EXPERIMENT IN A NEW AGRICULTURAL AGE

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CHAPTER I

INTRODUCTION

More than two decades have passed since the Fairway Farms Corporation of Montana was phased out of existence. The Fairway project was an experiment aimed at facilitating the climbing of the agricultural ladder from farm tenancy to farm ownership. It had two main goals. First, it was an effort to demonstrate a form of land tenure which would enable a tenant farmer to become a farm owner. Second, it attempted to establish better methods of farm management and land organization.¹ The Fairway Farms Corporation was significant, not only for experimenting with solutions to Montana's agricultural problems of the 1920's and 1930's, but also for placing Milburn L. Wilson in the forefront of American agricultural inquiry. The Fairway Farms Corporation provided the platform on which Wilson's personal rise to national prominence was based.²

Being an exceptional man, Wilson showed an interest in a wide variety of fields, especially those which sought to solve the economic problems confronting not only farmers but all Americans. According to Elmer Starch, a close associate at Montana State College and the Fairway


M. L. Wilson is to the economic world what Thomas Jefferson was to the political world." Where Jefferson furnished leadership in seeking political democracy, Wilson hoped to find a way of achieving economic democracy. Much like Jefferson, he believed that the agrarian element provided the foundation for American virtues and society.

Wilson's keen awareness of agricultural problems resulted from continual exposure to them throughout his life. Having been born in Iowa and raised on a farm, his interests naturally revolved around farm life. Realizing that agriculture required technical knowledge in addition to actual experience, Wilson attended Iowa State College where he graduated in 1907 with a Bachelor of Science degree in agronomy.

Because of a strong desire to put his education to practical use, he moved to Nebraska during the summer of 1907 and operated a corn and hog farm until 1909. Then, according to historian Richard S. Kirkendall, lured by the stories of the homestead boom in Montana, Wilson abandoned Nebraska for the opportunity to farm on virgin land. His homesteading experience near Fallon, Montana, lasted for just two years. In 1911 he

3 Elmer Starch, an unpublished manuscript transcribed from a taped interview by the Agricultural Economics and Economics Department at Montana State University, Fall of 1968.


accepted a staff position with Montana State College and was assigned to the Montana Experiment Station as an assistant in charge of dry-land agricultural investigation and demonstration work. Later he served as the County Agent for Custer County and then as State County Agent Leader. In 1919, Wilson took a leave of absence and enrolled at the University of Wisconsin where he received a Master's degree in agricultural economics. Later, he took additional courses at the University of Chicago and Cornell University. As might be expected, most of his graduate training emphasized farm management.

Although busy with graduate studies and absent from the state for extended periods, Wilson did not forget about Montana. Since the state faced seemingly insurmountable agricultural problems, which stemmed largely from drought and falling commodity prices, Wilson stepped up his efforts to promote better farm management and land organization. In 1921, after discussing Montana's problems with Dr. Henry C. Taylor, a former college instructor of Wilson's and an official of the United States Department of Agriculture, they decided that an experiment embodying the Fairway concepts might offer a solution to farm problems. Thus, the Fairway Farms Corporation was formed and operated under Wilson's management, utilizing the principles of management which he advocated.

The Fairway Farm approach to Montana agricultural problems was

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7 Wilson resume, loc. cit.
8 Kirkendall, loc. cit.
9 Ibid., p. 13.
unique and had an impact on efforts to cope with farm problems throughout the United States. Unfortunately, no monograph has ever been written covering the entire experiment. Knowledge of the Fairway Farms is extremely limited, except to those who were closely associated with the project. This study is not a complete monograph and has limited objectives. It is general in nature rather than technical and is written from the viewpoint of a student of history rather than that of an agricultural economist.

It is the purpose of this study to examine briefly the historical setting of Montana agriculture from 1907 until the inception of the Fairway Farms Corporation in 1924, to determine the origins of the Fairway idea, to examine the objectives of the project, to show how the plan was implemented and how the farms were operated, and to determine whether the experiment was a success or a failure.

This brief study is based primarily on the official Fairway Farms Corporation records which are a part of the Milburn L. Wilson Papers located at Montana State University. As near as the author can determine, all documents relevant to the study were inspected. However, time was limited and only those files that pertained to the objectives of this study were examined closely. It is possible, therefore, that oversights may have occurred.

In addition to original documents, a number of secondary sources were consulted. These were especially helpful in documenting the

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historical background and characteristics of agriculture on the Great Plains and in Montana.

Chapter Two begins this study with a brief examination of agricultural conditions and other significant factors which led to the formation of the Fairway Farms. Chapter Three investigates the origins of the 'fairway' concept and the objectives that the Fairway founders hoped to accomplish. Chapter Four describes how the project was implemented and how each farm was operated. Chapter Five is devoted to evaluating the significance of the project and determining whether it was a success or a failure.
CHAPTER II

MONTANA AGRICULTURE 1907 – 1924

Montana was one of the last frontiers of the United States to be homesteaded. Serious agricultural settlement of the state did not begin until 1907, climaxing between 1909 and 1911. By 1914, the best farming land had been settled. What had once been grazing ranges for immense herds of buffalo and hunting grounds for Indians gave way first to the cattle industry and then later to the tremendous influx of homesteaders.\(^1\) Between 1910 and 1916, Montana rapidly shifted from stock-growing to farming. Quickly, eastern Montana became an agricultural beehive of small towns, stores, banks, and a large number of small farms.\(^2\)

Many factors accounted for the agricultural settlement of the Northern Plains region. They included the lure of new land, the excitement found in settling new territory, attractive land offerings made by the northern transcontinental railways, promotional schemes of land settlement agencies and the railways, and the colonization policies of foreign nations.\(^3\) In addition, Midwestern land speculators priced farm


\(^2\)Ibid.

land in that region beyond the reach of the ordinary man. Thus, when hard pressed Midwestern farmers heard about free land in Montana, they moved West.  

All of the reasons suggested for the settlement of Montana are important. Equally significant, however, homesteading took place at a time when the Northern Plains enjoyed auspicious climatic conditions, when big crop yields were easily obtained from the freshly broken soil, and when weeds and insect pests had not yet become a problem. The combination of favorable environmental circumstances and promotional schemes caused rapid settlement of the public domain and railroad land in Montana. According to Joseph K. Howard, "In 1909 homesteaders had taken up more than a million acres of Montana land; in 1910, the rush under way, they had filed on 4,750,000 acres." By 1922, homesteaders occupied forty-two percent of the entire state.

The first few years convinced many newcomers that the old and tested farming techniques of the humid East guaranteed profitable farming in the West. Income seemed to depend upon the amount of land seeded in wheat. Therefore, most farmers tried to increase their land holdings. Between 1909 and 1919, Montana wheat acreage increased from 258,000 acres

4 Wilson, loc. cit.
5 Ibid., p. 11.
7 Ibid., p. 169.
to 3,417,000.\(^8\) Although land prices rose, easy credit and fine yields of grain sustained the demand for more acreage. In short, an optimistic outlook spread over the entire state. Farming, community growth, banking, merchandising, and marketing all hinged on the assumption that favorable circumstances would continue. World War I contributed to the pervasive optimism by forcing farm commodity prices to record levels. The climax came in 1916 when unusually good crops sold at wartime prices.\(^9\)

Naturally, the favorable circumstances encouraged farmers to view the future optimistically. They gave little thought to the effects of their farming practices. Instead of conserving the land they had, farmers sought even more land and went deeply into debt. This created a heavy demand for credit, and Montana banks could not furnish it alone. Large eastern mortgage companies provided capital at six percent interest to Montana banks, and they in turn loaned it to farmers at rates as high as ten percent.\(^10\) Instead of placing cash reserves in local banks for lean years, farmers reinvested in big tractors, automobiles, farm buildings, and more land. Only exceptional farmers looked ahead, saved for bad years, and took care of their land. The whole financial pyramid seemed secure because rising land values seemingly guaranteed the safety

\(^8\)Ibid.


\(^10\)Howard, *op. cit.*, p. 185.
of such loans.\textsuperscript{11}

A hint of the future came in 1917, when drought set in and Russian thistle became a serious pest for the first time. The meager rainfall in 1918 did not bring relief and conditions continued to worsen until 1921.\textsuperscript{12} In 1919 wheat prices, stimulated by wartime demand, remained high. But Montana had little to sell. During the first sixteen years of this century virgin Montana lands yielded an average of more than twenty-five bushels of wheat per acre. The climax of the hard times took place in 1919, when there was no reserve of moisture remaining from the previous two years; and yields averaged only 2.4 bushels per acre.\textsuperscript{13} The hard winter of 1919-1920 also forced many of the remaining cattlemen into bankruptcy.\textsuperscript{14}

In 1920, after a wet spring and just when things began looking up, grasshoppers and cutworms destroyed a fairly good crop. Dust storms appeared for the first time, and homesteaders were bewildered. Nothing in the past prepared them for this. Another year of drought struck in 1921 and the stream of bankruptcies that had started in 1919 became a torrent. According to K. Ross Toole, "Between 1919 and 1925 there were twenty thousand foreclosures, the bulk of all the farm foreclosures in

\begin{flushright}
\textsuperscript{11}Wilson, \textit{op. cit.}, pp. 13-15. \\
\textsuperscript{12}Hargreaves, \textit{op. cit.}, p. 19. \\
\textsuperscript{13}Howard, \textit{op. cit.}, p. 197. \\
\textsuperscript{14}Wilson, \textit{op. cit.}, p. 20.
\end{flushright}
the history of the state." Climatic conditions and insect pests destroyed another eleven thousand farms. By 1925, approximately two million acres of land dropped out of production and farm tenancy increased to ten thousand.

Montana farmers seemed faced with insurmountable difficulties at the end of the first two decades of the Twentieth Century; some were of their own making, while others were not. Most newcomers moved to Montana totally unprepared for the experience that awaited them, and they brought along or adopted farming techniques unsuited to semi-arid agriculture. James Hill, head of the Great Northern Railway, and his agricultural assistant, Professor Thomas Shaw, encouraged Montana farmers to practice such techniques as deeper plowing and repeated cultivation of the soil. These were intended to conserve the moisture of the soil, but when there was little or no rain for several years they turned parts of eastern Montana into a dust bowl.

Many homesteaders moved to Montana without the capital necessary to get started on a firm basis or the reserves of cash needed to see them through lean years. Large numbers of them had never farmed before.

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16 Howard, op. cit., pp. 207-208.
18 Howard, op. cit., p. 176.
Farming, then as now, required a great deal of natural ability and technical skill which many of the homesteaders simply did not have. M. L. Wilson said, "Not every man is a natural born farmer, but it takes a natural born farmer to succeed at farming."\textsuperscript{19} In his famous study of the "Triangle" area of Montana, Wilson discovered that a typical township had farmers who formerly engaged in such occupations as follows: twenty-three were farmers; two were physicians; one was a miner; two were deep sea divers; two were school teachers; three were maiden ladies; six were musicians; and two were wrestlers.\textsuperscript{20}

In addition to problems directly attributable to unsuitable settlers, many stemmed from attitudes and methods of farm management and land organization inherited from the Nineteenth Century and the humid sections of the United States.

Whenever humid area farmers entered the Plains they clung to old traditions and tried to perpetuate them by adapting them to the new conditions.\textsuperscript{21} Usually the settlers were able to adapt to the new conditions. But they were completely unable to communicate their needs and wants to Eastern legislators. "The Westerner talked in terms that the Eastern man could not understand because the Easterner and his fathers

\textsuperscript{19}Wilson, \textit{op. cit.}, pp. 28-29.

\textsuperscript{20}Ibid.

lacked the experience that enabled them to appreciate the new problems."\(^{22}\)

Unfortunately for the Plains settlers, the humid region controlled the national government. Western farmers belonged to a minority and were forced to live under the laws and institutions made for humid areas. It was only natural under the conditions prevailing during the middle of the Nineteenth Century that Eastern ideas would govern the development of new lands and keep the farm unit comparatively small.\(^{23}\)

A number of factors peculiar to the East tended to restrict farm acreage to small units. First, the land was covered by dense forests - a fact which prevented an individual settler from clearing a large farm. Second, the Industrial Revolution had failed to develop equipment for large farming operations. Had such tools been developed, the broken topography of the humid East would have prevented their use. Third, the quick and thick growth of weeds, requiring constant cultivation to control, further limited the size of Eastern farms. Fourth, Eastern crops, rarely destroyed by hail, never subjected to drought, and never attacked by grasshoppers and other pests which became the scourge of the Plains, seldom failed. A small farm in the humid region was sufficient to maintain a farm family at a decent standard of living.\(^{24}\)

Almost every condition found in the East differed greatly in the

\(^{22}\)Ibid., p. 386.

\(^{23}\)Ibid., pp. 387-388.

\(^{24}\)Ibid., pp. 388-390.
Great Plains. Three fundamental attributes common to the Plains but which differed from the East were: a level surface; the lack of timber; and a shortage of rainfall. 25 These characteristics encouraged and necessitated larger farms than those in the East. However, national land laws did not recognize the basic differences, and provided for distribution of public lands in insufficient amounts. Belatedly, Congress passed other laws, often subject to fraud, intended to rectify the unrealistic situation. 26 These acts, however, fell far short of what was necessary.

Needless to say, considering the disastrous settlement pattern of the semi-arid sections of Montana, the recommendations for settlement of the Great Plains made by Major John Wesley Powell and others went unheeded by Congress. The failure of Congress to enact intelligent land legislation laid the basis for many of the problems Montana farmers faced after World War I. The causes of Montana's agricultural crisis included dry years, insect pests and weeds, the use of some sub-marginal land, hail, unprepared homesteaders, the lack of an adapted type of farming and land organization, poor farming methods, periods of over-expansion and easy credit, and low agricultural prices beginning in 1920.

While the optimism of 1916 gave way to the pessimism of 1923, not


everyone regarded the situation as hopeless. Milburn L. Wilson had conducted an investigation of successful farmers and their techniques in the "Triangle" area and had published the results in 1923. He realized that big changes were needed, but he believed that if the methods of management and land organization employed by successful farmers were shown to other farmers they too could succeed.27

In 1923, Wilson and Henry C. Taylor of Wisconsin devised a plan which they believed would point the way to agricultural revival in Montana and perhaps other troubled areas of the United States. The plan resulted in the formation of the Fairway Farms of Montana.

27 Milburn L. Wilson, Dry Farming in the North Central Montana "Triangle", Bulletin No. 66 (Montana Extension Service in Agriculture and Home Economics, June, 1923.)
CHAPTER III

THE ORIGINS AND OBJECTIVES OF THE FAIRWAY FARMS

I. THE ORIGINS

In Chapter Two we saw what was left of the old "pioneer order" that had settled Montana - a pathetic group working small land units with inadequate equipment. Many Montana wheat farmers had gone broke, and great blocks of land had passed into the hands of distraught insurance and mortgage companies. Conditions continued to deteriorate and became so severe that in the Fall of 1923 Secretary of Agriculture Henry C. Wallace sent H. C. Taylor to Montana to investigate and report on the state's agricultural situation. M. L. Wilson of Montana State College joined Taylor and they toured the state, discussing ways to relieve the acute distress besetting so many farmers. 1 Malcom C. Cutting, a prominent farm writer, reported:

Wilson confided to Dr. Taylor that he would like to set up some types of farms he had in mind, with sufficient area and the right kind of machinery, to be operated on a straight business basis rather than the usual experimental plan, and see if Montana farming could not be made safe and profitable for the average farmer in any year.2


Taylor suggested that Montana needed a corporation which would step in and work with, rather than against, distressed farmers. Such a corporation would provide adequate farms for sale to tenant farmers. The corporation would give the prospective buyer a definite long term contract, sound guidance, and financial help during bad years. Taylor believed that such a corporation could turn the tide against tenancy and help restore the freehold, one-family farm as the basic buttress of American society.³

Taylor had developed these ideas several years earlier while serving as professor of agricultural economics at the University of Wisconsin. While at the University, he had purchased two run-down and poorly operated farms near Madison with the intention of making them paying propositions. Both farms were located in dairy country but were improperly equipped for dairy purposes. Neither had silos or barns suited to dairy operations; and much of the soil was permeated with acid, which prevented the growing of clover or alfalfa. Under the previous owners, the farms had been operated by tenants who grew tobacco as the major crop. Dairy operations earned only about $40 per month.⁴

When Taylor bought the farms he dropped tobacco, improved the land, added needed equipment, and had the tenants devote their efforts to dairy

³Lord, loc. cit.

operations. This change resulted in an income of $600 per month on dairy operations, as compared to the previous $40.\(^5\)

While Taylor made tremendous advances on his own two holdings, other farms in the area operated by tenant farmers and inadequately equipped did not fare as well. Wilson wrote that:

This state of affairs led to the idea that profits could be made and at the same time a number of land owners and tenant farmers benefited, if a company were organized for the purpose of buying and rejuvenating run-down farms.\(^6\)

The company would put efficient, enterprising tenants on the farms and provide capital to equip and improve them. A lease would be drawn up with an option for the tenant to buy the farm at a definite price. It was, thus, a project in which both the tenant and the owner had a common interest. Both would benefit by having a company step in with adequate capital to put the farms on a profitable basis of operation. In order to accomplish these goals, Taylor proposed the formation of a million dollar corporation to finance the plan. Unfortunately, the project never got off the ground because Taylor was called to Washington to serve in the Department of Agriculture.\(^7\)

Credit for developing the Fairway Farms concept has usually gone almost exclusively to Taylor. In an article published in 1926, M. L. Wilson reinforced that belief by acknowledging the primacy of Taylor's contribution.\(^8\) While that view is largely true, it tends to obscure the

\(^{5}\text{Ibid.}\)

\(^{6}\text{Ibid.}\)

\(^{7}\text{Ibid.}\)

\(^{8}\text{Ibid., p. 156.}\)
important role that Wilson played in formulating the concept. Taylor gave a more balanced view by ascribing great importance to Wilson's beliefs in better land organization, improved farm management, and agricultural democracy as key factors in the Fairway concept.\(^9\) These, in addition to his own experience in revamping his two farms in Wisconsin, formed the basis for the Fairway concept.\(^{10}\)


\(^{10}\) Letter from Harvey J. Sconce to M. L. Wilson, April 3, 1924, M. L. Wilson Papers (Montana State University Archives), File SH: F-8.

Wilson and Taylor were not the only men thinking along the lines of the Fairway experiment. Oddly enough, and completely independent of outside influence, Harvey J. Sconce of Slidell, Illinois, developed a plan to help tenants up the agricultural ladder. His plan called for placing high-class, reliable young farmers on lands owned by a special corporation. The idea was to have tenants operate farms under the supervision of a residing manager who would live on one farm and have responsibility for several others. The corporation would furnish the capital necessary to get the farms into operation. Sconce believed that farm proceeds should be divided up three ways. One-third would go to each of the following: the tenant, the corporation, and a fund to retire the farm debt in favor of the tenant. The objectives of the Sconce plan were remarkably similar to the Fairway objectives as developed by Wilson and Taylor. They included the desire to give good men the chance to acquire farms early in life instead of spending a large portion of their producing lives saving money to acquire farms; the desire to stimulate the business side of farming; the desire to develop proper marketing techniques of farm commodities; the desire to develop and put under production semi-cultivated farms and lands, and to systematize the work so that it would become profitable; the desire to show that a special corporation could make a profit by helping tenants work their way back to farm ownership.

In addition to the Sconce plan, there were two resettlement plans which were similar to the Fairway plan. They differed only in their emphasis on resettlement rather than on aiding tenants. In a letter from
According to Wilson, two basic assumptions lay behind the Fairway idea. The first assumption, developed by Taylor, held that the ideal system of farm tenancy and ownership consisted of a father passing his farm on to his son. The son began as a partnership tenant and received financial and managerial supervision from his father. Both Wilson and Taylor hoped that a corporation could be set up to play the role of the father for tenants desiring to become owners. Secondly, they assumed

According to its plan, no down payment was necessary, and annual installments did not begin until the end of the third year. Interest of six percent and all taxes were paid by the settlers. In an effort to get settlers set up properly, the company offered to fence, erect buildings, and drill wells for the actual cost of the work.

Another resettlement plan was described in a letter from an unidentified sender at Oregon State College to H. E. Selby at the Montana Experiment Station in Bozeman, April 29, 1924, (M. L. Wilson Papers, Montana State University Archives, File SH: F-8). According to this letter, the Oregon State Land Settlement Commission put a plan into effect which was intended to demonstrate a feasible method of land settlement under state guidance. If the demonstration proved to be successful, it was to be expanded into a plan to aid a limited number of settlers. The plan called for the establishment of a demonstration unit in each locality in the state where a desirable opportunity was offered for settlement. Demonstration units were designed to show prospective settlers the best size, price, and character of land needed for profitable farming. At the same time they were to indicate the best farm organization and the equipment needed. The state legislature appropriated a small revolving fund of $50,000 to back the project. In order to replenish the revolving fund, each demonstration farm would be sold to a qualified settler. The sale was outright, at commission cost figures, on reasonable terms, and at low interest rates. In settler selection, the commission did not look for individuals with extraordinary ability. Instead, it desired ordinary men who had some farming experience. The plan was put into effect in 1921 and, according to the writer, proved successful despite the depressed condition of agriculture.
that big changes were necessary in equipping, organizing, and managing farms so that they might return larger profits.\(^1\) In order to accomplish such changes, most farmers and tenants needed substantial financial backing. Only a corporation created especially to aid agriculture could do the job. The early 1920's amply demonstrated that during hard times relentless interest rates often destroyed Montana farmers. Crops might fail, but the interest payments continued.\(^2\) A special Fairway type of corporation, therefore, could protect farmers against the mortgage foreclosures which had become so common in Montana during the decade of the 1920's.

Wilson's contribution to the Fairway idea stemmed largely from his investigation of agricultural problems in the "Triangle" area. He found through his study of that section that the homesteader who moved West with the hope of duplicating his Midwestern experience found several unexpected and almost insurmountable problems.\(^3\) The problem in that section, as in all the semi-arid portions of Montana, centered on changing old farming methods and techniques to meet the requirements of new soil and climatic conditions. Wilson discovered a great similarity between the conditions facing Montana farmers and those that had confronted


\(^3\) Elmer Starch, "A Farm Designed for the 20th Century" (Unpublished manuscript in the Agricultural Economics and Economics Department at Montana State University), pp. 2–3 (Mimeographed.)
farmers in the Palouse country in Washington and other areas at an earlier date. By following the experiences of other dry farming sections, successful Montana farmers learned to meet and conquer the apparent disadvantages of their land.\footnote{14} Since some farmers successfully solved their problems, Wilson believed others could also if they practiced the techniques proved suitable for the region.

As a result of his investigation, Wilson suggested that Montana farmers "build reserves in good years for use in poor years, build permanent homes on a diversified farming base, engage in livestock operations where untillable lands provided grazing, make the highest use of tillable land with wheat being the principal crop, and make the greatest possible use of flood waters for dry-land irrigation."\footnote{15}

Thus the concept as originally conceived by Taylor aimed at finding a "fair way" by which a tenant could become a farm owner. Wilson summed it up by saying that the basic idea of Fairway was "establishing better standards and methods in the farming business whereby capable men may more easily climb the agricultural ladder to ownership."\footnote{16} The Fairway plan approached the problems of land ownership from the national point of view. That is, all interests were considered - the tenant


\footnote{15}Ibid., Part 5.

farmer, the landlords, and the general public. Although emphasis on several of these elements changed with time, they formed the basis of the initial approach of the project to Montana agricultural problems.

II. THE OBJECTIVES

The broad objectives of the Fairway Farms, as discussed previously, were to aid tenants and to demonstrate better methods of farm management and land organization.

According to section one of the By-Laws of the Fairway Farms Corporation of Montana, the corporation hoped to demonstrate a practical system of farm purchase, development, settlement, leasing, and sale to be known as the "Fairway" system. The founders of the project intended to establish landlord-tenant relations which would help the capable tenant purchase a workable amount of land, provide supervision of tenant farm operations, demonstrate profitable farm management practices, and establish a relationship between farm land values and profitable agriculture. Special concern was devoted to picking honest, capable, and experienced tenants. Unfortunately, most of the tenant selections proved to be disappointments.

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17 Ibid.
In a letter to an interested observer, Wilson explained what he hoped to accomplish by the Fairway project. He indicated that the plan envisaged an economical type of farm organization and land unit which could succeed under the prevailing weather and economic conditions. Wilson believed that, if America were to have agricultural democracy, the system of land tenure must allow a capable but inexperienced farmer to advance to the tenant stage and then to the ownership stage. By the time the farmer reached retirement, he should own the farm he lived on and be able to provide for his retirement through earnings from it or from its sale. A healthy agricultural situation, then, permitted the younger generation to follow the same procedure and buy out the older generation.

Wilson indicated that one of the chief objectives of the experiment was to ascertain whether land companies might be formed to act as reservoirs of capital. The capital pooled in such a company could be used to acquire farms for tenant purchasers, not for speculative purposes. Instead of paying the usual form of rent, the tenant would earn his living from the farm and make an annual settlement with the corporation for its purchase. The yearly settlement would include the deduction of interest, taxes, living expenses, and operating expenses from the gross income of the farm. The net income would then be applied as principal toward the

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21 Ibid.
purchase price of the farm in favor of the tenant. When the tenant had
paid twenty-five percent of the purchase price by annual installments,
the corporation would give him a contract to buy the farm. Once he had
paid fifty percent of the contract price, he qualified for a Federal Farm
Loan and could then make his way to complete ownership without further
assistance from the corporation.22

Wilson's interest in the preservation of agricultural democracy
stemmed from his belief that the family farm should remain the mainstay
of the American way of life. Thus it became an important objective of
the Fairway Farms project. During the formative years of the project,
even while advocating vast changes in agriculture, he was still imbued
with the Jeffersonian agrarian ideal of maintaining the family farm as
the buttress of American virtues and society. He did not want the current
trend of farm ownership and operation, whereby one was divorced from the
other to continue. Over a period of several years, however, Wilson's
views changed, and he displayed a curious ambivalence concerning American
agrarian ideals.23

By 1930, faced with a vastly changed agricultural situation, Wilson
changed his views considerably. In an interview with Russell Lord, a
prominent writer, he suggested that all the inherited, romantic notions
about farm life and the farm home stood opposed to the changes taking

22Letter from M. L. Wilson to Beardsley Ruml, February 11, 1925,

23Cutting, loc. cit.
place in agriculture. He contended that America was undergoing a period of revolutionary agricultural mechanization which touched upon the lives of nearly every citizen. "Present trends in agriculture," he said, "point to the removal of all but the ablest engaged in it. It will wipe out the remaining differences, distances, and distinctions between country and city people." 

Wilson believed that within twenty-five years, increased mechanization of agriculture and improved communications would turn the American farmer into a city dweller. The farmer would live next door to lawyers, doctors, and businessmen and enjoy all of the conveniences that they enjoyed. Contrary to Jeffersonian beliefs, Wilson contended that American farmers could become urbanized and yet hold on to all of the sacrosanct agrarian virtues. Through better management practices and better land organization, farmers could become more efficient, make more money, and have more leisure time for self-improvement.

Other of Wilson's goals for Fairway included developing methods of farming which would allow the most efficient possible output per man given the available expenditure of time, effort, and money; low-cost cultivation techniques which would conserve soil moisture; and diversification through the development of supplemental livestock enterprises which would supply family living requirements and yield some income to offset

24 Lord, op. cit., p. 17.
25 Ibid., p. 53.
26 Ibid.
poor crop years. Of greatest importance, Fairway personnel recognized the need for larger farm units in Montana in order to provide adequate income for farm families. The Fairway Corporation combined as many as eight smaller farms to make one new unit.

In retrospect it seems clear that the Fairway Farms attempted to organize agriculture on the basis of low cost operation utilizing scientific methods and diversification. Underlying the whole concept was the idea that the tenant could buy the land he farmed at a stipulated price and demonstrate the type of farm that could survive in Montana.

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27 E. J. Bell, Jr., "Instruction, Research and Extension in Economics and Sociology, 1893-1968" (paper prepared for Montana State University, February, 1968).

CHAPTER IV

THE IMPLEMENTATION AND OPERATION
OF THE FAIRWAY FARMS

I. THE IMPLEMENTATION

Following their trip to distressed areas throughout the state and after long discussions concerning the agricultural situation, both Wilson and Taylor decided that Montana provided a perfect setting for testing the Fairway concept. Montana farm problems were so serious and the old methods of problem solving so inadequate that nothing short of a radical departure from tradition seemed to offer any hope.¹

A plan such as the Fairway Farms required substantial financial backing. Montana banks, still recovering from the collapse of agriculture after World War I, could not be called upon to furnish the capital.² Banks, insurance companies, and mortgage-loan companies all had a stake in the revival of Montana agriculture, but to seek aid from them would have required the abandonment of certain aspects of the Fairway concept in favor of a strict business approach. Due to the experimental nature of the project, funds had to be sought from another source. Although the

¹Letter from Elmer Starch to Richard C. Ross, Assistant State Statistician, March 1, 1928, M. L. Wilson Papers (Montana State University Archives), File SD: F-1.

plan included many elements of experimental farming, Wilson and Taylor emphasized that every effort would be made to make it financially successful. Harold P. Fabian, a Rockefeller attorney, said that:

Only a complete and practical demonstration, with black figures appearing consistently in the net profits column, together with no little patriotism and pioneering faith, could induce the bankers to make loans on dry farm wheat lands again.  

An important goal of the Fairway plan was to dispel the hostile psychology of bankers through such a demonstration. Due to necessity, Wilson and Taylor secured financial backing from a private source outside the state.

During the summer of 1923, Professors Richard T. Ely and H. C. Taylor, while attempting to set up the Institute for Research in Land Economics and Public Utilities, solicited funds from the Laura Spelman Rockefeller Memorial Fund.  

Rockefeller Memorial Fund officials expressed an interest in the undertaking and dispatched Colonel Arthur Woods, a member of the Board of Trustees, to Washington, D. C., to see Taylor and to investigate the Institute's possibilities.  

Desiring more than a statement of general goals, Woods asked Taylor to suggest a concrete project which could be carried out to benefit agriculture. In response, Taylor outlined the Fairway Farms plan.  

\[3\] Ibid.  


\[5\] Ibid.  

\[6\] Ibid.
and asked that a statement on the Fairway plan be prepared for the Rockefeller Board of Trustees. Taylor complied with the request and then let the matter rest until his trip to Montana that fall.

In his talks with Wilson, they decided to contact the Rockefeller people for assistance. Before leaving Montana, Taylor wrote to Dr. Beardsley Ruml, Director of the Memorial, describing the conditions in Montana and emphasizing the desirability of organizing a project and demonstrating the Fairway principles.  

Upon receiving the request, the Rockefeller Memorial Board sent a representative to Montana to investigate the undertaking and to make recommendations regarding the project's feasibility. The investigator reported favorably, but Memorial Fund charter stipulations prevented the financing of the project. Fortunately, John D. Rockefeller, Jr., believed that the venture was worthwhile and agreed personally to furnish the needed capital, up to the sum of $100,000.  

Although the Memorial Fund had been unable to aid the project, it recognized its value and granted $10,000 to the Institute for Research in Land Economics and Public Utilities for the purpose of defraying the expenses of research in Montana prior to launching the Fairway Farms  

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7 Ibid., p. 153.  
Corporation. Although the Fairway plan had been associated with the Institute initially, it became completely independent. The only connection between the two resulted from the participation of the noted economist Richard T. Ely, who served on the Boards of Directors of both organizations.

In addition to later financial agreements, Rockefeller qualified his support by insisting that no publicity be given to his role in the venture and that the Fairway Farms be incorporated before formally requesting financial assistance. Wilson and Taylor managed to honor the second of those conditions, but news of Rockefeller's part in the undertaking leaked out and caused quite a stir among some people. It seemed necessary to form a corporation so that the project might be carried on in a businesslike manner. One of the primary objectives of

9 H. C. Taylor, loc. cit.


11 The manner in which many people reacted to news leaks concerning Rockefeller's role is shown in a personal letter from T. E. Williams of Reserve, Montana, to John D. Rockefeller, Jr., on December 1, 1924, (M. L. Wilson Papers, Montana State University Archives, File SK: F-2). Williams, a distressed farmer, had heard that Rockefeller intended to put money into Montana agriculture. However, the information Williams received was erroneous, because he believed that Rockefeller intended to help out the trust companies which had taken land from farmers through mortgage foreclosures. He said, "Now my dear man if you have money you would like to do a good turn with you could place a lot of it here at the present time, [sic] the farmers here who are facing [sic] foreclosure [sic] would be glad to pay you eight percent for same." Williams believed that the loans J. P. Morgan made to France were responsible for the credit shortage in Montana. He made it clear to Rockefeller that he was not seeking charity, but wanted to make a business proposition.
the Fairway plan was to ascertain whether or not private corporations could be set up to aid tenant farmers. Therefore, Wilson and Taylor decided that a business organization offered the only realistic method of demonstration.  

Early in March, 1924, Wilson submitted the articles of incorporation, as an educational and benevolent non-profit corporation, to the State of Montana. The Secretary of State of Montana accepted the Articles of Incorporation of the Fairway Farms Corporation of Montana and issued it a charter on March 21. According to the charter, all power was vested in a nine member board of directors, chosen with the idea of giving the corporation the benefit of many different points of view. Wilson selected men who had many years of successful experience in handling the types of problems the corporation would most likely have to face. Once chosen, the Board of Directors elected farmer-banker J. L. Humphrey as president, Chester C. Davis as vice president, and Wilson as secretary and managing director. After Beardsley Ruml turned down the office of treasurer, it was offered to and accepted by Charles Vandenhook, President of the Commercial National Bank in Bozeman.

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15 *Ibid.* Wilson listed the other Directors as Augustus Vaux, Dean J. M. Hamilton, F. S. Cooley, and E. H. Lott. Hamilton, Cooley, and Lott agreed to serve as temporary directors until others could be found to replace them. Vaux later became vice president.
Once the organizational aspects of setting up the Fairway Farms were accomplished, the Board of Directors made the formal application for financial assistance to Rockefeller. He immediately furnished $100,000 at five percent interest. Later, when the corporation faced financial insolvency, Rockefeller made two additional loans of $25,000 each at the same rate of interest. Rockefeller loaned the entire $150,000 to the Fairway Farms without requiring legal or moral obligations to full repayment of the principal by the individual trustees of the Corporation. However, he expected the trustees to use their best efforts to make the undertaking successful and to repay both principal and interest as tenants took over and paid for the farms. Repayment did not begin for five years and the Fairway Board of Directors decided very early to apply the initial net income to farm expansion rather than to current interest payments. The corporation, therefore, agreed to compound the interest in lieu of immediate repayment. This decision contributed to the huge debt that Fairway accumulated and owed Rockefeller.

Wilson used most of the borrowed money to buy equipment for the farms. Through arrangements with several mortgage-loan companies, he


17 Telegram from H. C. Taylor to M. L. Wilson, February 25, 1927, M. L. Wilson Papers (Montana State University Archives), File SK: F-3; and Ruml to Wilson, loc. cit.

18 Wilson, "The Fairway Project," op. cit., p. 158.

19 Ruml to Wilson, loc. cit.
obtained five year lease-purchase options on farm land with little initial outlay of cash. He believed that by spending small sums on the land, the corporation could expand and operate the originally proposed number of twenty farms. However, the plan called for starting just five or six farms during the spring of 1924 and negotiating for several more during the summer. \(^{20}\)

Once Fairway had been incorporated and Rockefeller had provided the capital, the Board of Directors went ahead and carried out policies dealing with the selection and acquisition of land, the formulation of tenant-purchaser contracts, and the selection of tenants. \(^{21}\) By 1926, the Fairway Farms Corporation had nine farms in operation. As it turned out, this was the maximum number ever managed. Originally, Wilson hoped to buy farm land at very cheap prices, but a favorable crop year in 1924 caused land prices to surge upward. This, along with a series of hard years following 1924, restricted Fairway expansion to the nine farms instead of the proposed twenty. Wilson said:

An almost unbelievable change has taken place in this country. A surprising amount of debts are being paid. Lots of the wheat is going from twenty to forty bushels per acre, and is selling for $1.35 in Glasgow today. This is complicating the Fairway problem a little bit, in that mortgage companies are pushing up the price of their land and are not as willing to make sacrifices as they were prior to this crop. \(^{22}\)

\(^{20}\)Ibid.


Of the nine farms established, tenants eventually operated eight. Wilson reserved the Lone Warrior farm near Brockton as an experimental tractor farm and operated it with hired help. 23

The Board of Directors located six of the farms in the eastern part of the state and one each in the central, northern, and western sections. (See the map on page 35 for the farm locations.) While the Fairway founders devoted most of their attention to dry-land wheat farming, they recognized that the agricultural problems of Montana extended into the western portion of the state as well. In recognition of that fact, they purchased the Woanlo farm in the cut-over area of extreme western Montana. In addition to the keen interest in dry-land wheat farming, as demonstrated by the Lone Warrior experiment, Wilson set up several smaller farms to experiment in diversified techniques, combining irrigated crop farming with dry-land grazing. 24

The Fairway Farms Corporation began operations with a total of 3500 acres distributed rather unevenly among the nine farms. The dry-land wheat farms had the largest number of acres, while those with irrigated lands, along with the farm in the cut-over area of Montana, had the


The Locations of the Farms Operated by Fairway Farms

1. Cartee (Yanktoni)
2. Lone Warrior (Brockton)
3. Richland
4. Hiota (Frazier)
5. Tuiyan
6. Cloverleaf
7. Rosebud
8. Davis (Comanche)
9. Woanlo

smallest. Within a short time, Fairway personnel discovered that the farm units were much too small for efficient operation.

Great changes took place in agriculture between 1924 and 1929 due to mechanical developments and the revival of European wheat production, causing the world price to sink disastrously. These developments forced Fairway personnel to reconsider the optimum farm size in relation to changing techniques and world markets. Several years earlier, Wilson conducted a survey of the Palouse area of Washington and discovered that many successful farmers used the "big hitch" technique of tillage. By hitching twelve to thirty horses to farm implements, Wilson believed Montana farmers could greatly increase their acreage, reduce costs, and make greater profits. While the idea generated romantic interest, it was essentially unrealistic and proved unfeasible due to additional labor requirements and the uncertainty of the weather cycle and its effect on raising feed for the horses.

Wilson quickly dropped the "big hitch" concept and turned his interest to power driven machinery. He discovered that the capital invested in power equipment was largely wasted on the small acreages operated

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by Fairway. By using a tractor, a farmer could greatly increase his efficiency; consequently, much larger farm units were needed. In addition, insufficient acreage forced the tenants to live at lower standards of living than desirable. Beginning in 1926, therefore, the original Fairway Farms doubled their acreage.

While Wilson and other Fairway personnel selected farm units, they also gave considerable attention to choosing the tenants to occupy them on a tenant-purchaser basis. The tenant purchase contract was one of the novel features of the project. Instead of compelling the tenant to pay a stipulated amount every year, good times and bad, it permitted him to pay only as the farm returned a profit on the year's operations. In this way the farmer was relieved from the pressure of the relentless interest rates which had forced so many to the wall following World War I.

According to Wilson, the individuals chosen worked on the farms as laborers without obtaining legal control of the property. Had they been given legal control, the corporation would not have had the authority to direct farm operations. In return for his labor, each tenant farmer received living expenses of $1,000 per year. After paying other operations,

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28 Fabian to Woods, loc. cit.

29 Letter from Elmer Starch to J. D. Pope, Head Professor of Agricultural Economics at Alabama Polytechnic Institute, October 3, 1929, M. L. Wilson Papers (Montana State University Archives), File SH: F-8.

30 Cutting, loc. cit.
costs, the net return from each farm was then applied to the tenant's option to buy the farm. "That is, if a farm cost $10,000, and at the end of the first year the farm had produced a net income of $500 to be applied to the option contract, he would then have the option to buy the farm at $9,500."  

When the tenant had accumulated twenty-five percent of the total stipulated purchase price of the farm, he received a land contract from the Fairway Farms Corporation. The contract allowed the same landlord-tenant supervisory relationship to continue until the tenant had paid fifty percent of the purchase price. Upon reaching that point, the tenant could secure a Federal Farm Loan and proceed independently of the Fairway Farms.  

In order to pay the administrative costs of providing supervision, Wilson indicated that the Fairway Farms Corporation intended to levy a two percent interest charge above that which it paid for the Rockefeller loan. Thus, the tenant-purchaser paid seven percent interest, but only in good crop years. In addition, Wilson intended to set the sale price of each farm high enough to earn a small but sufficient profit. By showing that profits could be made, he hoped to encourage private companies to set up their own "fair way" projects.

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32 Ibid.

33 Ibid.
Wilson sought ordinary men with average capabilities for farm tenants. He attempted to choose former tenants of proven managerial capacity, thrift, and knowledge of practical farming. He believed that, if the Fairway concept were to prove useful, it had to demonstrate that average men could succeed at farming once they had proper land units and adequate equipment. Their problems in the past, he felt, stemmed largely from the lack of capital to purchase economic land units for use in conjunction with adequate machinery. In his study of the "Triangle" area, Wilson had shown that exceptional men survived Montana's agricultural depression during the early 1920's. But the Fairway experiment sought to involve ordinary rather than extraordinary men.

Although great care and effort went into the selection of tenants, very few proved to be satisfactory. Many of them had been unsuccessful farmers before signing with the Fairway Farms and continued to be just as unsuccessful as tenants. It would be unfair to blame their lack of success entirely on their own inability because the farms on which they were placed were those which had gone broke during the early 1920's. But indeed, it appeared that exceptional managers were needed. Very few of them understood the technical need either for planning ahead of time or for getting seed and equipment ready before spring planting. In semi-arid regions,

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such as Montana, the difference between a good year and a bad year often hinged upon timeliness of operations. By 1930 even Wilson, who had held such high hopes for the tenant aspect of the experiment, expressed dissatisfaction with that part of the project. When Harold P. Fabian conferred with Wilson during a trip to Montana in 1930, Wilson said that the demonstration up to that time did not favor the tenant feature, unless a very select class of tenants was used. He indicated that many of the tenants required constant supervision. In many cases it would have been cheaper and easier for the supervisor to do the actual work instead of instructing the tenant.

Once the project had been incorporated, the funds made available, the land selected, and the tenants chosen, it was time to put the plan into operation and to determine whether or not the Fairway concept offered a workable solution to Montana's and the nation's agricultural problems.

II. FARM OPERATIONS

In this section, each of the nine Fairway Farms will be examined individually in an effort to show the type of agriculture practiced and the role each played in the total Fairway scheme. The farms will be discussed in the order in which they are listed on the map on page 35. In order to avoid confusion, each farm will be referred to by the name listed

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36 Statement by Edward J. Bell, Jr., personal interview on February 21, 1969.

37 Letter from Fabian to Woods, loc. cit.
in the legend of the map. Most of the farms had several names, and this has caused a great deal of bewilderment to those not intimately connected with the project. At times, Fairway personnel referred to the farms by the names of tenants currently operating them. At other times they were called by Indian names or by their geographic locations. Wilson attempted to give each farm an Indian name selected from words used by various tribes to express "fair way". Regrettably, most Indian expressions, with the exception of Taiyan which was a Sioux word for "fair way", were impossible to pronounce and more conventional English designations were substituted.  

Cartee Farm (Yanktoni)

The Fairway Corporation devoted this 380-acre farm located in the

38 Wilson hoped to get Indian words from such tribes as the Mandan, Hidatsa, Crow, and Cheyenne which would be suitable for each of the farms. In a letter from Miss Martha Eder of Miles City, Montana, to M. L. Wilson, August 4, 1925, (M. L. Wilson Papers, Montana State University Archives, File SA: F-9), Miss Eder listed a number of Crow Indian words which came as close to meaning "fair way" as possible. Included in the list were "chukuk adeinda" which meant smooth road, "itsick adatshea" which meant good farm, and "marasha itsick" which meant my heart is good; and in a letter from C. H. Asbury, Superintendent of Crow Agency, to M. L. Wilson, August 10, 1925, (M. L. Wilson Papers, Montana State University Archives, File SA: F-9), Asbury gave three additional Crow Indian expressions which amply demonstrate the impossibility of using Indian names. The first he mentioned, translated exactly as "fair way" but was spelled "Ba-ah-da-goat". The others were "Bah-tots'-tsche" which meant straight conduct, and "Dah-sa-wot'-tsche" which meant one heart and one mind. Names which Wilson received from other tribes proved less suitable so the effort to affix an Indian name to each farm ended.
extreme northeastern part of Montana, to wheat production. Wilson acquired the land on a lease-purchase option from a mortgage company and divided the cost of the lease between the tenant-operator and the corporation. The farm did fairly well through the crop year of 1928 and then disaster struck in the form of bad weather and poor crop prices. Conditions continued to worsen until farm commodity prices reached their low point in 1932. When the lease-purchase option came due in 1932, Fairway did not exercise the option and closed the farm's operations down. Thus, it became the first of the farms to fail. Others soon followed.

**Lone Warrior Farm (Brockton)**

Wilson had the Lone Warrior operated by hired men rather than by a tenant. It became the salvation of the entire Fairway project and produced a great deal of important data on scientific farming techniques. Consisting of 1600 acres of corporation-owned land and 1400 acres of leased land in eastern Montana, Wilson used it for experimental work in farm management and land organization. Throughout the farm's existence, Fairway personnel conducted studies which combined the efficient utilization of land, labor, and equipment for the development of low cost wheat

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42. Wilson to Taylor, loc. cit.
production techniques in the northern plains region. The studies attempted to analyze the effect of adjusted acreages upon farm organization and costs. In addition to low cost wheat studies, they conducted valuable experiments in Diesel tractor operation, and in new crop practices and tillage methods aimed at combatting soil erosion.43

Experiments conducted on the Lone Warrior farm had a national and international impact. Not only did they influence the techniques of dry land grain production in the United States, but they caught the eye of Russian agricultural experts who were seeking ways of increasing that country’s agricultural production.44 Due to the pleadings of the Russians and the recommendation of Thomas D. Campbell, Wilson went to the Soviet Union for four months during the summer of 1929 to act as an adviser on a 100,000-acre state farm.45 Upon his return from the Soviet Union, Wilson said "...the whole work was largely an outgrowth of Fairway experience, more particularly in connection with the experimental work that we have done on the Lone Warrior farm."46 However, he believed the American family farm concept was much superior to the Russian factory farm system.47

43Report on Reorganization, loc. cit.
44Wilson to Taylor, loc. cit.
47Statement by Edward J. Bell, Jr., personal interview on February 21, 1969.
As with all the other farm units, the Lone Warrior farm operated deeply in the red. (See Table Number One on page 45 for the financial condition of the farms in 1935). Faced with a combination of falling commodity prices and bad weather conditions, it survived at the cost of large operating losses.

Richland Farm (Vaux)

Located in eastern Montana, the Richland farm consisted of 640 acres of dry and irrigated land. Wilson intended to demonstrate with it the lower limits of land quality from which a subsistence could be secured when practicing diversified farming. After conducting extensive management tests, Fairway personnel switched the farm to strictly dry-land wheat production because the tests indicated that greater efficiency resulted from specialization than from diversification. As in the case of several other farms, the Richland farm proved to be too small to guarantee a decent standard of living for its operator.

Frazer (Wiota)

This farm, located in the Missouri River bottom in northeastern Montana, consisted of 200 acres of irrigated land. It tested irrigated farming techniques for use on the northern plains. However, an

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48 Report on Reorganization, loc. cit.
50 Ibid.
TABLE I

FINANCIAL CONDITION OF FARMS IN 1935

<table>
<thead>
<tr>
<th>Farms</th>
<th>County</th>
<th>Acreage **</th>
<th>Purchase Price *</th>
<th>Net Worth in 1935*</th>
<th>Outstanding Advances and Interest-1935</th>
<th>Tenant Contract Price**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cartee</td>
<td>Daniels</td>
<td>880</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lone Warrior</td>
<td>Roosevelt</td>
<td>3000</td>
<td>15,620</td>
<td>10,060</td>
<td>17,377.77</td>
<td>-</td>
</tr>
<tr>
<td>Richland</td>
<td>Richland</td>
<td>640</td>
<td>12,089</td>
<td>4,800</td>
<td>9,197.21</td>
<td>12,640</td>
</tr>
<tr>
<td>Frazer</td>
<td>Valley</td>
<td>200</td>
<td>5,937.03</td>
<td>1,110</td>
<td>21,386.18</td>
<td>-</td>
</tr>
<tr>
<td>Taiyan</td>
<td>Valley</td>
<td>160</td>
<td>3,417.90</td>
<td>2,026</td>
<td>37,360.03</td>
<td>7,513</td>
</tr>
<tr>
<td>Cloverleaf</td>
<td>Hill</td>
<td>1440</td>
<td>9,385.34</td>
<td>9,816</td>
<td>16,602.77</td>
<td>11,200</td>
</tr>
<tr>
<td>Rosebud</td>
<td>Rosebud</td>
<td>640</td>
<td>10,000</td>
<td>-724</td>
<td>20,267.47</td>
<td>11,500</td>
</tr>
<tr>
<td>Davis</td>
<td>Yellowstone</td>
<td>320</td>
<td>3,585.04</td>
<td>196</td>
<td>18,587.64</td>
<td>5,600</td>
</tr>
<tr>
<td>Woanlo</td>
<td>Sanders</td>
<td>320</td>
<td>9,000</td>
<td>4,000</td>
<td>8,592.55</td>
<td>-</td>
</tr>
</tbody>
</table>

No principal repayment and no interest payments were ever made on the farms.


No functional breakdown of acreage available.
insufficient water supply handicapped it from the beginning. While considering it a serious problem, Wilson believed that the lack of water was a problem common to all areas developing irrigated farming for the first time.\(^5^1\)

**Taiyan Farm**

The Taiyan farm consisted of 160 acres of irrigated land, and an unspecified amount of adjoining leased dry-land in northeastern Montana.\(^5^2\) As with the Richland farm, the Taiyan featured the combination of irrigated and dry-land farming. In the adjustment of western agriculture, Fairway personnel believed that diversified farming, which combined dry-land and irrigated land, provided the most stable basis for community organization. With income and a suitable headquarters furnished by the irrigated land, efforts could be made to unlock the resources of the adjacent dry-land areas. Wilson, Elmer Starch, and others who were involved in the Fairway enterprise, believed that the semi-arid region of Montana and the Northern Plains could be stabilized through this combination of interspersed irrigated and dry-land areas.\(^5^3\)

**Cloverleaf Farm**

*Swen Twedt,* the most efficient and successful of all Fairway tenants, operated this farm of 1440 acres near the 'high line' in north-

\(^5^1\)Report on Reorganization, loc. cit.

\(^5^2\)Wilson to Taylor, loc. cit.

\(^5^3\)Report on Reorganization, loc. cit.
central Montana, bordering on the famous "Triangle" area. Disastrous weather conditions and ridiculously low crop prices prevented him from developing a thriving farm. Fairway personnel chose the Cloverleaf site to test the feasibility of livestock and cash grain farming in an area of marginal soil fertility. After several years of operation, Elmer Starch characterized the farm as intermittently high in productivity due to limited stock water supplies and the unpredictable nature of crop production. That is, during favorable years the land was too valuable to be utilized for grazing, but during unfavorable years the grass cover was not good enough even for livestock. Starch believed that some definite policy had to be adopted regarding such land because of its potential value as wheat land; thus, its optimum use had to be determined via an experiment such as Fairway.

Rosebud Farm

Located near Forsyth, Montana, in the driest part of the state on 640 acres of land, the Rosebud farm tested diversified farming techniques based on dry-land farming and livestock production. Before the overabundance of farm products became prevalent, this area held the possibility of becoming a rather intensive feed crop area, producing such row crops as beans and corn. Initial experiments indicated that a combination of low cost corn, supplemented by wheat and livestock, could make a profit.

54 Wilson to Taylor, loc. cit.
55 Report on Reorganization, loc. cit.
Continued drought which reached its maximum dryness in 1934, however, caused the farm to operate far below expected levels. Faced with poor weather conditions, the experiment showed that, even with low cost production methods, feed crops could not be successfully grown. Therefore, Fairway personnel concluded that the farm should be reseeded and shifted to straight livestock production.  

Davis Farm (Commanche)

Selected because of its location in the winter wheat reversion area of Montana near Billings, the 320 acre Davis farm tested various types of farming. After ten years of experiments, it clearly indicated that production should be shifted from cultivated crops to grass and some hay. The most scientific farming techniques of the period failed to attain sustained and profitable crop yields. Even the low cost methods developed on the Lone Warrior farm fell far short of what was needed to produce cereal crops economically at the prevailing price levels. Fairway officials concluded that in order for a family to earn a decent living, crop farming had to be replaced by livestock raising. However, since national demand might stimulate wheat production at some future time, they classed it as first reserve wheat land.

Woanlo Farm

Established in the cut-over area of western Montana, far from the Great Plains environment of the other Fairway units, the Woanlo farm

56 Ibid. 57 Ibid.
comprised 320 acres of irrigated and pasture lands. After the droughts of the early 1920's, large numbers of settlers migrated from eastern Montana to this area, hoping to get a fresh start in farming. However, difficult conditions made progress slow. Just as in the humid east, farmers in the cut-over area of Montana faced the taxing job of clearing the land before using it. Because of that fact, the greater part of the Woanlo farm income during the first ten years of operation did not come from the farm itself, but from outside work which the tenant engaged in. Very little, as a result, emanated from the farm to offset its constant drain on Fairway financial assets. Regardless of its disadvantages, however, Fairway officials believed that it would furnish valuable information on the farm organization and land economics of the mountain valleys of western Montana and deemed it invaluable to the total Fairway experiment.\(^{58}\)

As we have seen, the Fairway Farms Corporation of Montana attempted to forge a system of land economics, land tenure, and farm organization in the Northern Plains which would meet the needs of the region. One of the most urgent needs of agriculture was an analysis of the relationship between farm acreages and various tillage and agronomic practices which utilized new types of power equipment. This chapter has shown where Wilson and Taylor raised funds for what was essentially a risky venture, how the corporation was organized, the nature of land and tenant policies adopted by the Board of Directors, farm locations and sizes, and finally the type of farming and the goals sought on each of

\(^{58}\)Ibid.
the nine farms.

An attempt will now be made to evaluate the project and to determine whether it succeeded or failed. This evaluation will be made in terms of the objectives which Wilson and Taylor set for the project from the beginning. Pertinent questions that must be answered relate to the financial status of the venture, the practical results of management techniques and land organization, the influence which the experiment exerted on American agriculture and agricultural policy, and the effect which drought and prolonged depression had on the outcome of such a pioneering endeavor.
CHAPTER V

AN EVALUATION OF THE FAIRWAY FARMS

In June of 1942, Joseph Ackerman, an official of the Farm Foundation, visited the remaining farms operated by the Fairway Farms Corporation and conducted interviews with several of the members of the Board of Directors. The Farm Foundation, a philanthropic and educational corporation devoted to aiding American agriculture, had acquired Rockefeller's loan notes on the Fairway Farms in June of 1937. The Foundation hoped to salvage and preserve the scientific data secured from the Fairway experiments and also provide direction for an orderly liquidation of the entire project.

In his interviews with the Directors, Ackerman asked for their views on the accomplishments and failures of the Fairway venture. Charles Vandenhook, President of the Commercial National Bank of Bozeman and

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4 The Commercial National Bank is now the First National Bank of Bozeman.
Treasurer of the Fairway Farms Corporation, felt pessimistic about the future of the project and criticized the way it had been run in the past. He believed that the original plan had been very good, but that it had failed principally because of Wilson's mismanagement. According to Vandenhook, Wilson had many good ideas. But once he had organized and developed them, he immediately lost interest. He admitted that the failure was not due entirely to Wilson. It also stemmed from selection of sub-marginal farm land, selection of low grade tenants, and a series of the worst crop years ever experienced in the state.\(^5\)

J. M. Humphrey, President of the Fairway Farms Corporation and a prominent Great Falls real estate man, held a high opinion of Wilson and believed Fairway still had a bright future.\(^6\) According to Humphrey, the depression and the years of drought had taught Montanans the dangers of excessive debt and they were not likely to succumb to overexpansion in the future. The Fairway project succeeded, he thought, in showing Montana farmers the proper farm size and the proper farming techniques. A combination of these two factors seemed to show the way to eventual agricultural prosperity in Montana. Humphrey believed that the Fairway project should be continued and not liquidated as most of the other Directors, Montana State College personnel, and Farm Foundation officials desired.\(^7\)

Neither Dr. R. R. Renne nor O. A. Parsons, both Montana State

\[^5\text{Ackerman, loc. cit.}\]

\[^6\text{Ibid.}\]

\[^7\text{Ibid.}\]
College professors as well as members of the Board of Directors, commented on the project, since they were new and had not had time to study corporation files or to form opinions. But Ackerman contacted Henry H. Stippler, an agricultural economist with the Bureau of Agricultural Economics and a former farm manager under Elmer Starch, for his comments. According to Stippler, the failure of the farms to pay and the failure of the operators to become owner-operators resulted from the laxity of supervision. He claimed that during the time he worked on the project, Wilson and Starch frequently ignored his advice and accepted that of the tenants. Both Wilson and Starch seemed much too lenient when the times required a hard-boiled approach. To support his contentions, Stippler pointed to other farmers in the vicinities of the Fairway farms who had succeeded without assistance. 8

While care must be exercised in either accepting or rejecting the preceding statements, they do provide a useful point of departure for an evaluation of the Fairway project. Both Vandenhook and Stippler had axes to grind. Apparently, Vandenhook felt slighted because he had little to say about the operation of the farms, and Stippler felt that his superiors failed to accept all of his suggestions. Vandenhook centered much of his criticism on the corporation's failure to make repayment to Rockefeller.

Stippler came to the United States from Germany in order to do research on a transportation study for his doctoral degree at the University of Berlin. His criticism is hard to understand, since both

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8 Ibid.
Wilson and Starch took him under their wings, gave him positions of responsibility, and valued his advice. However, if the popular stereo types of German efficiency and authority mean anything, they certainly applied to Stippler who was the epitome of both. Since he held the responsibility of managing the farms under Starch, he believed that his instructions should be carried out to the letter, regardless of how the tenants viewed the situation.

J. M. Humphrey held the more balanced view as to the actual contributions made by the project. He realized that the project failed financially but recognized the significant contributions it made toward efforts to restore agricultural prosperity in Montana and the Northern Plains region.

Much of the sharp criticism directed at the project and at Wilson and Starch resulted from the frustration inevitable with any undertaking spanning nearly twenty years and facing overwhelming problems. Even the normally pleasant correspondence between H. C. Taylor and other board members grew caustic and defensive in nature. President A. L. Strand of Montana State College lost his temper and became involved in the heated atmosphere surrounding the venture during 1942. He harshly criticized both

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10 Ackerman, loc. cit.

Wilson's and Starch's handling of the project. Referring to Starch, Strand said:

He is open to severe criticism for his entire administration of the Fairway Farms Corporation. He has turned over no contracts and no important records of the corporation to Dr. Renne. The whole business procedure in regard to the Fairway Farms, and some of this involves M. L. Wilson as well, was atrocious.\textsuperscript{12}

Strand went on to say:

The main thing you can say for the general administration was that they were attempting to do something for agriculture and possibly in an indirect way hit on some ideas that were valuable. But to my knowledge any such ideas have never been recorded.\textsuperscript{13}

It is not the purpose of this study to accept or reject opinions such as those cited above, although each contains a grain of truth. Rather, the remainder of this chapter will be devoted to a dispassionate discussion of the Fairway Farms, attempting to determine whether it succeeded or failed. Consideration will be given to the financial aspects of the project and to the contributions which the experiment made to agricultural knowledge and policy.

II. FINANCIAL STATEMENT OF FAIRWAY

John D. Rockefeller, Jr., made his first personal loan to the Fairway Farms on May 20, 1924, and his final loan on May 23, 1930.\textsuperscript{14}


\textsuperscript{13}Ibid.

Altogether, twelve separate loans were made, totaling $150,000.\textsuperscript{15} The corporation made no principal or interest payments prior to the transfer of the loan notes to the Farm Foundation in 1937. The venture passed out of existence in the spring of 1946 without any repayments being made to the Farm Foundation, except for the sums realized from the sale of the remaining farm units. Rockefeller gave the notes, as a gift, to the Foundation in order that the scientific data gathered by the experiment might be preserved and written up. In addition, all proceeds from the sale of the farms went to the Foundation to finance worthwhile agricultural research projects.\textsuperscript{16}

Almost from the very beginning of its existence, the Fairway Farms suffered financial difficulties. According to Harold P. Fabian, many of the difficulties which the farms experienced stemmed from the original run-down condition of the farms, the adverse psychology of bankers who did not want to make short term operational loans, poor weather conditions, and declining crop prices.\textsuperscript{17} In addition, farmers faced a great deal of hostility from other people. Cattlemen demonstrated their hostility toward dirt farmers when one of them said, "...they are trying to make a damn poor

\textsuperscript{15}Ibid.


farming country out of an excellent livestock range." That statement also commented accurately upon the type of land taken over by the Fairway Corporation. Much of it, which is now good farm land, should have been left for grazing at that time.

By 1926, the farms were experiencing serious financial strain for the first time. The gravity of the situation came as a shock to the Rockefeller people, who believed the venture was progressing successfully. According to Colonel Arthur Woods, the Rockefeller people believed that, when the corporation was set up, Wilson and the other Directors were very confident. Woods presumed that Wilson had planned a large margin of safety to guarantee success. He wondered whether the trouble resulted from failing to maintain a contingency fund or whether it stemmed from difficulties which follow the early stages of any such new project. Viewing the problem in retrospect, it seems that both of the reasons cited by Woods contributed to the financial hardship.

In 1927, conditions seemed so bleak that Wilson considered selling the Lone Warrior farm in order to raise enough capital to operate the other eight. The corporation simply did not have enough capital to operate nine farms, especially since Wilson estimated the cost of spring planting at $15,000. According to Wilson, if the corporation had maintained large cash reserves to guard against bad years, its operations would have

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18 Ibid.

been so limited that the whole endeavor would hardly have been worthwhile. Rather than see the Fairway Farms fail, Rockefeller agreed to make an additional loan of $25,000. This loan allowed the retention of the Lone Warrior, which turned out to be not only the best farm but also the salvation of the whole venture. While the loan rejuvenated the corporation temporarily, by 1930 the corporation once again faced insolvency due to a string of extremely poor crop years and sinking commodity prices. Once again Rockefeller went to the aid of the venture, even though he was extremely unhappy about the corporation’s failure to begin repayment on the first loan note which had come due in 1929. In return for the new loan of $25,000, Rockefeller stipulated that Fairway ask for no additional funding, that the venture be conducted in a business like fashion, that loan repayments be carried out as agreed upon, and that Wilson remain in Montana and personally give full attention to the farms.

Unfortunately, the loan brought only a temporary palliative. Conditions continued to worsen as drought persisted year after year with only occasional breaks, and depression prices continued to fall until they reached rock bottom in 1932. When the Fairway idea arose in the early

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1920's, agricultural conditions were difficult. But during the later 1920's and early 1930's, due to the continuation of drought and the steady decline of commodity prices, the situation became hopeless. By 1932, the Fairway Farms owed Rockefeller $207,898.07 on the principal and interest of his loans, with little hope of repayment. 24

Although the experiments on the Lone Warrior farm had reduced production costs on wheat to approximately sixty cents per bushel, in 1932 wheat per bushel sold for only thirty-five cents. 25 Due to the extremely low commodity prices ensuing from depression and prolonged drought, land values dropped out of sight. Good land which had sold for $30 per acre in 1925, brought not even $5 in 1932. 26 The net worth of Fairway assets in 1935 amounted to a small $31,284. Thus it proved impossible for the Fairway Farms to repay Rockefeller through the sale of corporation assets.

The depression and poor weather conditions were largely responsible for the financial failure of the Fairway project. (See Tables Two and Three on pages 60 and 61 respectively for a comparison of precipitation and crop yields.) But a number of other factors also contributed to that


25 Ibid.; Russell Lord in The Wallaces of Iowa (Boston: Houghton Mifflin Company, 1947), p. 302, claimed that Wilson stated that wheat could be produced on the Lone Warrior farm for twenty-five cents a bushel and the expenditure of three minutes labor. If that had been the case, Fairway would not have been in such serious financial difficulties. The lowest production cost for wheat that the author discovered is sixty cents.

26 Memorandum on the Status of the Fairway, loc. cit.
### TABLE II

**AVERAGE WHEAT YIELDS DURING SEVEN* CRITICAL YEARS**

<table>
<thead>
<tr>
<th>Farm</th>
<th>Average yield per acre seeded in wheat</th>
<th>Average yield</th>
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<tbody>
<tr>
<td></td>
<td>1926</td>
<td>1927</td>
</tr>
<tr>
<td>Davis</td>
<td>6.9</td>
<td>12.6</td>
</tr>
<tr>
<td>Taiyan</td>
<td>3.1</td>
<td>21.1</td>
</tr>
<tr>
<td>Wiota</td>
<td>22.1</td>
<td>20.0</td>
</tr>
<tr>
<td>Cloverleaf</td>
<td>3.4</td>
<td>21.7</td>
</tr>
<tr>
<td>Rosebud</td>
<td>6.7</td>
<td>16.9</td>
</tr>
<tr>
<td>Lone Warrior</td>
<td>16.3</td>
<td>8.9</td>
</tr>
<tr>
<td>Richland</td>
<td>7.1</td>
<td>23.4</td>
</tr>
<tr>
<td>Montana**</td>
<td>12.1</td>
<td>20.1</td>
</tr>
</tbody>
</table>

No figures available for the Cartee farm, and the Woanlo farm had no wheat acreage.

*See Table on Field Operations and Yields, M. L. Wilson Papers, (Montana State University Archives), File SE: F-8.

**Montana Agricultural Statistics, Montana Department of Agriculture Labor and Industry, Helena, Montana, December 1946, pp. 4-5.
### TABLE III

**PRECIPITATION IN INCHES AT WEATHER STATIONS NEAREST**
**FAIRWAY FARMS**

<table>
<thead>
<tr>
<th>Weather Station</th>
<th>Farm</th>
<th>1925</th>
<th>1926</th>
<th>1927</th>
<th>1928</th>
<th>1929</th>
<th>1930</th>
<th>1931</th>
<th>Average</th>
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<tr>
<td>Billings</td>
<td>Davis</td>
<td>14.43</td>
<td>9.43</td>
<td>17.47</td>
<td>11.96</td>
<td>10.69</td>
<td>9.22</td>
<td>8.21</td>
<td>11.63</td>
</tr>
<tr>
<td>Havre</td>
<td>Cloverleaf</td>
<td>18.50</td>
<td>11.53</td>
<td>19.01</td>
<td>10.89</td>
<td>10.99</td>
<td>8.73</td>
<td>8.50</td>
<td>12.66</td>
</tr>
<tr>
<td>Heron</td>
<td>Woanlo</td>
<td>33.64</td>
<td>29.86</td>
<td>42.29</td>
<td>22.81</td>
<td>24.70</td>
<td>27.76</td>
<td>33.63</td>
<td>30.38</td>
</tr>
<tr>
<td>Miles City</td>
<td>Rosebud</td>
<td>12.00</td>
<td>9.88</td>
<td>18.58</td>
<td>12.35</td>
<td>13.79</td>
<td>10.38</td>
<td>6.18</td>
<td>11.88</td>
</tr>
<tr>
<td>Outlook</td>
<td>Cartee</td>
<td>13.38</td>
<td>-</td>
<td>19.61</td>
<td>11.33</td>
<td>8.85</td>
<td>11.95</td>
<td>7.82</td>
<td>12.15</td>
</tr>
<tr>
<td>Poplar</td>
<td>Lone Warrior</td>
<td>12.00</td>
<td>8.79</td>
<td>16.82</td>
<td>11.31</td>
<td>9.35</td>
<td>11.81</td>
<td>6.79</td>
<td>10.98</td>
</tr>
<tr>
<td>Savage</td>
<td>Richland</td>
<td>11.50</td>
<td>10.82</td>
<td>17.43</td>
<td>11.05</td>
<td>9.99</td>
<td>10.44</td>
<td>6.18</td>
<td>11.06</td>
</tr>
</tbody>
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*See Table on Precipitation for selected stations in Montana, Idaho, and Utah, 1926-1931, M. L. Wilson Papers (Montana State University Archives), File SE: F-8.*
result. The prolonged absences of M. L. Wilson from Montana certainly retarded the efficiency of the venture. In the summer of 1924, shortly after the establishment of the Fairway Farms Corporation, Wilson left for Washington, D.C., to head the Division of Farm Management and Cost Production in the United States Department of Agriculture. Wilson originally intended to stay with the Department of Agriculture for only one year, but ended up staying for nearly two and did not return to Montana until May, 1926. These were crucial years for the Fairway Farms, and Wilson was far removed from the scene of action. Again in 1929, Wilson spent the four summer months in the Soviet Union. Rockefeller's first loan note came due during that trip and it went unpaid and unnoticed, thus irritating Rockefeller and casting doubt upon the entire venture.

After the election of 1932, Franklin D. Roosevelt called Wilson to Washington once again to serve as the chief of the new Wheat Section of the Agricultural Adjustment Administration. This move to Washington proved to be permanent, but Wilson retained his seat on the Board of Directors on the Fairway Farms Corporation until December 5, 1942. Thus

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28 Kirkendall, op. cit., pp. 63-64.

the man who had the greatest ability and the soundest understanding of
the project was frequently absent when most needed.

Another factor which contributed to the financial weakness of
the project sprang from the poor quality of tenants selected to operate
most of the farms. According to Harold P. Fabian, one of the original
tenants was a complete misfit and had to be removed. Another tenant,
who had formerly worked for the Federal government, resigned because he
could not live on a small budget. The pressure which tenants exerted
on the corporation for equipment and other items constituted an additional
burden. Often they wanted things that they would not have considered if
they had been on their own.

A final cause of the financial disaster lay in the very nature
of the Fairway concept. It was largely experimental and aimed at finding
a formula which would guarantee farmers a decent standard of living. The
formula proved to be exceedingly elusive and, as expected, many of the
experiments failed and brought in no money for the corporation.

The financial failure of the project negated two basic objectives

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30 Letter from Harold P. Fabian to Colonel Arthur Woods, February
26, 1930, M. L. Wilson Papers (Montana State University Archives), File
SH: F-12.

31 Letter from H. C. Taylor to M. L. Wilson, July 2, 1928, M. L.

32 Letter from H. C. Taylor to M. L. Wilson, May 26, 1927, M. L.
Wilson Papers (Montana State University Archives), File SK: F-3.

33 Letter from Harold P. Fabian to Colonel Arthur Woods, February
26, 1930, M. L. Wilson Papers (Montana State University Archives), File
SH: F-12.
which the founders of the plan hoped to accomplish. They had intended to demonstrate that a private corporation could make a profit by aiding tenants to climb the agricultural ladder to ownership. They also hoped to show that cash reserves could be accumulated by farmers in semi-arid regions during good years (which they never had) for use in poor crop years. In both, despite the best efforts of Fairway personnel, well laid plans went for naught.

It would be easy to conclude that the Fairway Farms experiment was a flash in the pan and that it did not contribute anything worthwhile to American agriculture. But that would be false. A great deal of useful knowledge resulted from the endeavor. The project had an impact on agriculture in Montana, the Northern Plains, and throughout the nation.

II. CONTRIBUTIONS MADE BY FAIRWAY

In a letter written in 1932 concerning the Fairway Farms, H. C. Taylor said:

On the whole I feel that this has been the most worthwhile and the least expensive experiment in the whole field of agriculture, just as Hoover's experiment has been the most disastrous and the most expensive in outlay and bad results.34

Indeed, $150,000 seemed insignificant relative to the problems confronting agriculture.

While many of the Rockefeller people believed that the only reliable measure of success was financial, Wilson and other Fairway personnel knew that success was two-dimensional and that it could also be measured in terms of contributions to agricultural knowledge. What they learned from the Fairway experiment could be applied to others, thus providing the means to eventual success. According to Wilson, the project yielded definite and specific results in the field of agricultural economics which had an impact far beyond the boundaries of Montana.\(^{35}\)

In a 1940 letter to John D. Rockefeller, Jr., Wilson claimed that the Jones-Bankhead Act, which was designed to assist small tenants to become owners of farms, stemmed from the Fairway project. According to Wilson:

\begin{quote}
While this act has only been operating two years it is most gratifying to note the large number of cases where families with very small means have been able, when given some educational guidance and direction in the household and on the farm, to much more than meet their yearly contract obligations under the 40 year repayment contract of this act.\(^{36}\)
\end{quote}

In Wilson's eyes, two nationally important results ensued from the Fairway experience. First, the tenant purchasing agreement under which a tenant proved himself capable and worthy of a farm had an impact beyond Montana. There were a large number of practical elements in such

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\(^{35}\)Wilson, Memorandum on the Status of Fairway, loc. cit.

a contract which could only be worked out through experience. According to Wilson, the contract which finally grew out of the Fairway Farms experiment became the basic contract used by the Farm Security Administration of the United States Department of Agriculture. Several large insurance companies also used the contract for their land dealings. Wilson said, "If an important element in our democracy is, as far as possible, to maintain on the land, owning farm families, then this experiment has contributed tremendously towards preserving this situation." 37

The second important result of the project was, according to Wilson, the development of new techniques and approaches for a better and more scientific use of the land. He claimed that many of America's agricultural problems resulted from using land for production inconsistent with the economic conditions which prevailed. 38 According to Edward J. Bell, Jr., a Montana State College colleague of Wilson's, Fairway experiments challenged the economic concept of diversification in the Great Plains. 39 Diversification simply meant the establishment of self-contained farms, which featured production of many different commodities in order to sustain farm income at acceptable levels. After running tests on several Fairway farm units, Starch proved that the most viable system of agriculture resulted from specialization rather than from diversification. 40

37 Ibid. 38 Ibid. 39 Statement by Edward J. Bell, Jr., personal interview on February 21, 1969. 40 Ibid.
Instead of engaging in the "cow, sow, hen" type of farming, a wheat farmer should put all his energies into growing wheat.  

In a letter written in 1940, Elmer Starch responded to a request by Wilson and gave a brief statement on the achievements of the Fairway experiment. According to Starch, Fairway made the first attempt systematically to study the principles of farming operations peculiar to the Great Plains. It also furnished the setting for the first attempt to determine the type of farm organization best adapted to the variable climate of the Great Plains. The work that Fairway did in this area of research preceded that done by the Farm Security Administration and definitely influenced that agency's thinking. In addition to determining the proper size and type of farming unit, it also determined the most efficient combination of land, labor, and equipment for a family farm.

As seen previously, the Fairway project challenged the concept of diversification in the Great Plains. However, a type of diversification did exist which fit the needs of semi-arid lands. The Fairway venture showed that units could be set up on the basis of production from irrigated lands being supplemented by adjacent grazing and dry-land farming.

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42 Starch to Wilson, Ibid.

43 Ibid.

44 Ibid.
This led to a larger Federal government project in the Milk River Valley near Malta which readjusted the economies of three counties and utilized this type of diversification. However, the Rural Resettlement Administration, which was in charge of the project and primarily interested in equity considerations made the land units too small and the buildings too expensive.

Starch pointed to other contributions, including the principle of flexible contracts as worked out in the tenant-purchaser agreements, information regarding the stability of farm families, and recognition of the need for a new type of community organization in semi-arid regions.

Erosion control was another important agricultural factor in the Great Plains. Various Fairway units served as centers for demonstration of effective mechanical and agronomic practices of combatting wind erosion. Rather than hording the findings of the experiments, Wilson and his colleagues put great effort into getting the results to as many farmers as possible. After making his survey of the "Triangle" area in 1922, Wilson had organized a demonstration train with the aid of the Great Northern Railway and toured the state demonstrating the techniques which

47 Starch to Wilson, loc. cit.
successful farmers used. Again in 1929, he made arrangements with the Great Northern and took a train of 15 flat cars loaded with farm equipment and commodity displays throughout the wheat growing areas of the state. At each stop of the train, he arranged meetings in which such topics as tillage and seeding methods, seed treatment, new high yield varieties of wheat, and the principles of summer fallow and moisture conservation were all discussed. The 1929 demonstration train reached an estimated 11,700 farmers and Wilson considered it a huge success.

Dr. Roy E. Huffman of Montana State University has shown that the experience which Wilson and his colleagues at Montana State College gained from the Fairway Farms had a tremendous impact upon New Deal legislation. The Lone Warrior experiment had convinced both Wilson and Starch that the cost of producing wheat could not be reduced to the level necessary to make farming profitable under the prevailing conditions. "Consequently, they turned their attention to the possibility of doing something about the price of wheat through government programs." In fact, according to Dr. Huffman, no other group in the nation exerted as much influence on Roosevelt's agricultural policy as did the Montana group.

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51 Ibid.
III. CONCLUSION

Obviously, the Fairway Farms Corporation of Montana had a tremendous impact on farming techniques and organization. But several individuals closely involved with the project measured its success in terms of business profits. Since the corporation operated in the red during most of its existence, they wrote it off as a failure. They insisted that more effort should have gone into selecting tenants of exceptional ability, and that greater care should have been exercised in choosing farm land. In this writer's opinion, had those views been made policy for the corporation, the venture would have failed to come to grips with the pressing problems of agriculture and would have contributed little to their solution. Extraordinary farmers had managed to hold on to their farms and to keep them going through the years of drought and depression. It was the average man who needed help, and the Fairway plan was conceived to help him. Though the tenant aspect of the project largely failed, it did furnish the evidence and experience needed to launch government and private programs which had the same goal in mind.

The most important results derived from the project centered around farm management techniques and land organization. According to Wilson, Fairway experiments indicated that the minimum wheat acreage tilled on a family farm with power driven machinery should not fall below 800 acres and if possible should be as high as 3000 acres. While such

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acreage figures might fluctuate due to changes in farm equipment and new techniques, they did indicate in a general way that a much greater amount of land was needed on each Montana farm to make it a viable economic unit.

The Fairway Farms Corporation, therefore, proved to be a useful experiment in agricultural readjustment. The best intellectual efforts of social scientists such as Wilson, Taylor, and Starch were combined with field work in an attempt to improve farm life in America. They did not reach all of their goals, but they did contribute ideas and concrete results which helped improve American agriculture. Considering the problems which they faced, that alone was quite an achievement.
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Starch, Elmer. "A Farm Designed for the 20th Century." Unpublished notes held by the Economics Department of Montana State University. (Mimeographed.)

INTERVIEWS


UNPUBLISHED MATERIALS


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Transcript of a taped interview with Elmer Starch by the Agricultural Economics and Economics Department at Montana State University.

PERSONAL LETTER

Roland R. Renne to the author on February 28, 1969.