

UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE

THE BUSINESS OF TAKING THE EGG AND TURNING IT INTO THE BABY  
CHICK: THE FARMERS' FEDERATION IN WESTERN NORTH CAROLINA

A SENIOR THESIS SUBMITTED TO  
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BY

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Another Greatness has made Buncombe County its abiding place. It is in the person and work of James G.K. McClure. It is the greatness which, when it comes to its full fruitage, will put happiness upon Western North Carolina like a blanket. It has to do with dollars and cents; it concerns itself with the problem of making the farms pay; it employs methods based on common sense and proved practicable. It is the materialism of showing men how to earn two dollars or five instead of one. Back of it is a loftiness of motive that thrills; in it is a consecration to service that adorns anew the ideal of usefulness; of it and all through it is a freshness of spirit that adds grandeur to optimism and courage.<sup>1</sup>

James G.K. McClure's promised "blanket" of security came to "full fruitage" as an agricultural cooperative called the Farmers' Federation. Founded in 1920 in Fairview, North Carolina, the Federation responded to a period of major transition and change small farmers were experiencing throughout the Appalachian region. The years from 1880 to 1930 marked the region as a new frontier for the coming of railroads, the buildings of towns, and the general expansion of industrial employment.<sup>2</sup> The traditional patterns of mountain life and farming were greatly altered and mountain agriculture went into serious decline. These dramatic changes resulted in very real deficiencies in education, agriculture, health care, and income in comparison with the rest of the nation.<sup>3</sup> Writers, educators, philanthropists, politicians, historians, and economists considered the Appalachian region one of the most impoverished and underdeveloped regions in the United States. The differences between Appalachia and the rest of America were increasingly viewed as a "social problem" and evaluation of the area was often accompanied and supported by stereotypes used to explain why Appalachian culture and

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<sup>1</sup> "Greatness Among Us," *Asheville Citizen*, 21 May 1922, clipping from folder 0267, North Carolina Special Collections, Pack Memorial Library, Asheville North Carolina.

<sup>2</sup> Ronald D. Eller, *Miners, Millhands, and Mountaineers: Industrialization of the Appalachian South, 1880-1930* (Knoxville: University of Tennessee Press, 1982), xix.

<sup>3</sup> Important to note that these assessments were often made by "outsiders" in comparison to the national standard which may not have been the same as an "insider's" assessment.

economy were backward and unable to adapt to the pressures of change.<sup>4</sup> Religious, educational, and agricultural organizations equipped with stereotypes and northern funding came to the region to help the mountaineers. Some organizations considered themselves “modern bearers of good tidings” bringing a new world of enlightenment, cleanliness, knowledge, and good will.<sup>5</sup> James McClure and the Farmers’ Federation took a more practical approach to preparing farmers to take full advantage of the opportunities industrialization and modernization would present to the area. McClure believed improving agricultural marketing and production as necessary for improving quality of life. His cooperative leadership style resulted in a regional movement that found its strength within the regional community. Although the nation deemed the Appalachian region a “social problem” unable to adapt to social and economic change and dependent on help from outside of the region, the Farmers’ Federation exemplified an independent, regional movement supported by the participation and organization of local leaders and farmers.

There has been significant interest in the culture and economy of southern Appalachia since the late 1800s. Horace Kephart lived in the mountains for nine years studying and writing about the history, culture, and agriculture of the area. He described the southern highlands as a “mysterious realm” in which “time has lingered.”<sup>6</sup> Kephart helped to define the life of the mountaineer as analogous to lower class English and Scottish life in Covenanter and Jacobite times.<sup>7</sup> He believed the survival of the rural

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<sup>4</sup>Henry D. Shapiro, *Appalachia on Our Mind: The Southern Mountains and Mountaineers in the American Consciousness, 1870-1920* (Chapel Hill, University of North Carolina Press, 1978), 57.

<sup>5</sup>Lucy Furman, *Sight to the Blind* (New York, Macmillan Company, 1914), 14, 21.

<sup>6</sup>Horace Kephart, *Our Southern Highlanders* (Knoxville, University of Tennessee Press, 1913), 13-18.

<sup>7</sup>*Ibid.*, 285.

mountain society was rooted in preserving the independence of the mountain farm. If the small farm as an independent entity was lost the “fine spirit of the race [would] vanish and all that is manly in the highlander [would] wither to the core.”<sup>8</sup> Although Kephart wrote from years of first hand experience in the Blue Ridge and Smoky mountains, he overemphasized the idea of Appalachia as an isolated, homogenous, subsistence culture. This simplified the complex social and economic structures that existed in the mountains as in every other part of the nation.

Henry D. Shapiro, in his history of “the idea” of Appalachia, dated the emergence of viewing the region as “inhabited by an homogeneous population possessing a uniform culture” between 1870 and 1900.<sup>9</sup> This tactic for dealing with the “strange land and peculiar people” developed into what Shapiro deemed “Appachian otherness.”<sup>10</sup> The rest of the nation viewed Appalachia as “other” or “deviant” from normal social and economic development, a consensus that signified a definite social problem.<sup>11</sup> Within this context, “home-missionaries” and other agencies easily perceived a need for “systematic benevolence.”<sup>12</sup> The purpose of this benevolent work was to “uplift individuals one by one into modern life and moral rectitude” focusing on altering the social, cultural, and economic environment of Appalachia.<sup>13</sup> Rather than being motivated by humanitarian concern, outside agencies were often guilty of acting through the established perception of Appalachian “otherness.”<sup>14</sup>

Harry Caudill’s book, *Night Comes to the Cumberlands: A Biography of a*

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<sup>8</sup>Ibid., 284.

<sup>9</sup>Shapiro, *Appalachia on Our Mind*, ix.

<sup>10</sup>Ibid., 60.

<sup>11</sup>Ibid., 57.

<sup>12</sup>Ibid., xvi.

<sup>13</sup>Ibid., 161.

<sup>14</sup>Ibid., xvi.

*Depressed Area*, was one of the first studies published discussing the social and economic conditions of the southern Appalachias as a serious national problem. Caudill believed the region's problems were "so complex and deeply rooted" that he questioned whether any national agenda could successfully initiate positive long term change.<sup>15</sup> Caudill designated Appalachia as an "island of poverty" equal to underdeveloped areas in other parts of the world.<sup>16</sup> The simple frontier lifestyle "which the mountaineer loved so well has been shattered by the intrusion of exploitive industry and the infinitely more complex social order existing in the surrounding country."<sup>17</sup> Caudill dramatically and negatively described the history of industry, specifically coal mining, in the region and concluded that it would be impossible for the people of Appalachia to rise above oppressive conditions and maintain self-sufficiency. Questioning the potential of Appalachian communities to be self supporting implied not only that conditions within the region were a national problem, but that people native to the region were as well.

Paul Salstom attempted to continue what Harry Caudill started, "piecing together the puzzle of how Appalachia became the way it is."<sup>18</sup> Considering Appalachia's economic history since European settlement, through the Depression, and into the 1940s Salstom noted Appalachia's "increasing vulnerability to capitalist development" during the second half of the nineteenth century.<sup>19</sup> He analysed Appalachia's past in terms of the economic challenges the region and the nation face today such as "uncompetitive

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<sup>15</sup>Harry M. Caudill, *Night Comes to the Cumberlands: A Biography of a Depressed Area* (Boston: Little, Brown and Company, 1962), 365.

<sup>16</sup>Ibid.

<sup>17</sup>Ibid., 371., See also Helen Lewis, *et al.*, eds., *Colonialism in Modern America: The Appalachian Case* (Boone: Appalachian Consortium Press, 1978).

<sup>18</sup>Paul Salstom, *Appalachia's Path to Dependency: Rethinking a Region's Economic History 1730-1940* (Berea: University Press of Kentucky, 1994), vii.

<sup>19</sup>Ibid.,viii.

industries, adverse trade balances, and growing deficits.”<sup>20</sup> Salstom also argued that in understanding Appalachia’s vulnerability to capitalism there must be an understanding of how “ill matched the values of most rural Appalachian people were with the industrial transformation that occurred in their midst.”<sup>21</sup> Salstom described Appalachia as a dependent region without taking note of independent, regional attempts to organize and prosper in reaction to the growing pressures of industrialization on agricultural practices of the time.

It was particularly easy to dramatize the state of rural communities that were becoming increasingly marginalized during the period of “Great Change” from the early 1900s through the 1930s.<sup>22</sup> American people were experiencing profound changes in their environment, their ways of thinking, and their moral climate. Although traditional, agricultural life existed in other parts of the nation the small, family farm was most dominant in the culture and social system of the southern Appalachians.<sup>23</sup> The coming of railroads, tourism, urban growth, and the general expansion of industrial employment greatly altered the traditional patterns of mountain life. By the end of the 1920s few residents of the region were left untouched by the industrial age.<sup>24</sup> The major shift from relatively isolated, family-based, subsistence farms to industrial wage economy was considered by some historians as the trading of “the uncertainty and hardships of making a livelihood with small farms for the uncertainty and vulnerability of seeking work in a

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<sup>20</sup>Ibid.

<sup>21</sup>Ibid.

<sup>22</sup>Samuel E. Morison, *The Oxford History of the American People* (New York: Oxford University Press, 1965), 888.

<sup>23</sup>Eller, *Miners, Millhands, and Mountaineers*, 3.

<sup>24</sup>Ronald Eller, “Industrialization and Social Change in Appalachia, 1880-1939: A Look at the Static Image,” in Helen Lewis, *et. al.*, eds., *Colonialism in Modern America: The Appalachian Case* (Boone: Appalachian Consortium Press, 1978), 38.

volatile and oppressive industry.”<sup>25</sup> However, modernization did not affect all areas with equal intensity. As Eller pointed out, “the coal miner in West Virginia experienced the impact of modernization in a manner quite different from the hillside farmer in North Carolina.”<sup>26</sup> The average Appalachian farm was a mixture of bottomland and rugged mountainside. The uneven topography of the land resulted in the division of available cropland into such small fields that efficient use of modern machinery was difficult.<sup>27</sup> Farming became specialized as the jobs of transportation, marketing, processing and supplying for the crops took many of the tasks of previous generations of farmers elsewhere.<sup>28</sup> The small farm backbone of preindustrial Appalachian economy had to be readjusted in order to adapt to the great changes that were sweeping the entire nation.

In the midst of dealing with changes in agricultural techniques, mechanization and industry small farmers were experiencing the worst agricultural depression the country had ever known. The year 1920 opened in a state of “feverish postwar agricultural prosperity” however, by December, prices of agricultural products had decreased 40 percent.<sup>29</sup> Capital investment became the key to success and debt the common cause of personal disaster.<sup>30</sup> Although financial stress and bankruptcy rates peaked during the 1920s and 1930s it was not necessarily reflected by the number of rural farms, but by the

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<sup>25</sup>Cynthia Duncan, “Persistent Poverty in Appalachia: Scarce Work and Rigid Stratification,” Cynthia Duncan, ed., *Rural Poverty in America* (New York: Auburn House, 1992), 111.

<sup>26</sup> Eller, xxv.

<sup>27</sup>Roy E. Proctor and R. Kelly White, “Agriculture: A Reassessment,” in Thomas R. Ford ed., *The Southern Appalachian Region: A Survey* (Lexington: University of Kentucky Press, 1962) 87, 101.

<sup>28</sup>Willard W. Cochrane, *The City Man’s Guide to the Farm Problem* (Minneapolis: University of Minnesota Press, 1965), 3.

<sup>29</sup>Joseph G. Knapp, *The Advance of American Cooperative Enterprise: 1920-1945* (Danville: Interstate Printers and Publishers, Inc.), 5-6.

<sup>30</sup>John Ager, *We Plow God’s Fields: The Life of James G.K. McClure* (Boone: Appalachian Consortium Press, 1991), 236.

number of acres of improved land.<sup>31</sup> Some historians claimed national economic trends had little impact on the mountain farmers since they had been experiencing a chronic depression for many years and were basically isolated from the national economy.<sup>32</sup> However, according to historian Wilma Dunaway, Appalachia was “far from being an isolated or autonomous folk society” and had been integrated into the national and international economies, even before Euro-Americans began to resettle in the mountains.<sup>33</sup> The following chart illustrates the agricultural crisis Buncombe County, which encompasses the Fairview area, faced by the 1930s.

|                                     | 1910    | 1920    | 1930                 |
|-------------------------------------|---------|---------|----------------------|
| Total number of farms.....          | 4,145   | 3,701   | 3,895                |
| Total number of acres in farms..... | 245,275 | 266,134 | 230,761              |
| Total number of cropland acres..... | 115,065 | 129,467 | 57,559 <sup>34</sup> |

Although there was a decrease of around 400 farms in the county from 1910 to 1920, there was an increase in total number of acres in farms as well as an increase in cropland acres. Note, however, that between 1920 and 1930 total number of acres in farms decreased by 35, 373 acres and total cropland acres decreased by 76,908 acres. The average number of acres in each farm remained around 59 acres between 1910 and 1930. However, the average number of cropland acres decreased from 28 acres of improved land per farm in 1910 to an average of 15 acres of improved land in 1930. Within the economic and agricultural context of a single county in Western North

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<sup>31</sup>“Are Farmer Bankruptcies a Good Indicator of Rural Financial Stress?,” *Issues in Agricultural and Rural Finance*, Agriculture Information Bulletin, no. 724-06 (December 1996).

<sup>32</sup> Ager, *We Plow God’s Fields*, 236.

<sup>33</sup> Wilma Dunaway, “Incorporation of Southern Appalachia into the Capitalist World Economy, 1700-1960,” (Ph.D. diss., University of Tennessee, 1994), 11.

<sup>34</sup>University of Virginia Geospatial and Statistical Data Center, *United States Historical Census Browser*, Online, <http://fisher.lib.virginia.edu/census/>, accessed 10/2/2003 (University of Virginia, 1998).

Carolina the decrease was dramatic. As the rural farmer struggled to gain a foothold during these changing times much of the rest of the nation concluded that Appalachian people could not support themselves and needed outside help.

Various explanations were used, particularly in the 1920s and 1930s, to legitimize the presence of “missionaries, poverty warriors, educators, and land and resource buyers.”<sup>35</sup> The local culture was considered deficient, the communities were seen as suffering from poor health, inadequate diet, and ignorance, and some believed the mountain people were fatalistic and not attempting to change their situation.<sup>36</sup> The most commonly accepted explanation was simply that a backward and primitive people could not cope in the modern world.<sup>37</sup> The founding of schools, churches, industrial facilities, urban centers, and agencies of local government made efforts to alter the social, cultural, and economic environment of Appalachia. These organizations, typically from outside the region, were not merely concerned with fulfilling obvious need, but in providing opportunities through which the mountaineers might participate in the normal patterns of American life.<sup>38</sup> Many attempts for community betterment in the mountains failed because Northerners contributing “missionary efforts” were “lacking in sympathy” toward Southerners whose knowledge and leadership were essential to the solution of Southern problems.<sup>39</sup> John C. Campbell (husband to the founder of the John C. Campbell Folk School in Brasstown, North Carolina) believed the “mountain field” would forever remain a “mission-field” unless its people were trained to manage their own institutions

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<sup>35</sup> Helen Lewis, “Introduction: The Colony of Appalachia,” in Helen Lewis, *et al.*, eds., *Colonialism in Modern America: The Appalachian Case*, 1.

<sup>36</sup>Ibid.

<sup>37</sup>Ibid.

<sup>38</sup>Shapiro, 161.

and to have enough money to maintain them.<sup>40</sup> The wave of missionary organizations entering the region to enlighten and transform Appalachian society and economy implied that mountain people did not possess the skill or motivation to improve their own conditions. However, some Appalachian communities utilized local leadership and participation in order to initiate long-term regional improvement.

In the case of Fairview, North Carolina, organization and leadership came from James G.K. McClure. Born in Chicago, a Yale graduate and former Presbyterian minister McClure first visited Fairview on his honeymoon. He and his new wife decided to move to the area permanently and bought Hickory Nut Gap Farm in 1916. Although McClure had an educated, wealthy, and religious background, his initial intention for relocating to Western North Carolina was to create a home for his family. He was not a missionary, poverty warrior, educator, or land and resource buyer in the strict sense, but a charismatic, active person who possessed leadership skills and the desire to improve his local community. Though originally a town man, wealthy enough to hire an agricultural graduate from North Carolina State to manage his farm, McClure realized the condition of mountain farming and economy.<sup>41</sup> Local farming was so inefficient that most of the food for the nearby city of Asheville was brought in by train.<sup>42</sup> Ignorance and lack of capital crippled the local farmer's ability to compete with outside farmers who bought standardized seed and livestock and practiced modern farming techniques.<sup>43</sup> McClure came into contact with the emergence of the commodity cooperative marketing

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<sup>39</sup>John C. Campbell, *The Southern Highlander and His Homeland* (New York: Russell Sage Foundation, 1921), 300, 301.

<sup>40</sup>Henry D. Shapiro, Introduction to John C. Campbell, *The Southern Highlander and His Homeland*, xxviii.

<sup>41</sup>Ager, 201.

<sup>42</sup>Ibid., 226.

<sup>43</sup>Ibid., 241.

movement of the 1920s and agreed that the individual farmer could gain certain advantages through joint participation which were not available to the farmer as a single unit.<sup>44</sup> McClure believed the cooperative philosophy could be applied successfully to mountain agriculture improving economic conditions and quality of life within his community.

In the summer of 1920, McClure met with five Fairview farmers to consider tactics for increasing farm production and improving market conditions for farm products.<sup>45</sup> The meeting resulted in the establishment of the Fairview Farmers' Federation.<sup>46</sup> McClure declared, "the Federation extends a helping hand to all: to the farmers through the people, and again, to the people through the farmers."<sup>47</sup> The founders believed cooperative-style farming would initiate the establishment of permanent agricultural industries and offer rural farmers an opportunity to not only sustain their farms, but their families, schools and churches.<sup>48</sup> Although the Farmers Federation was, in essence, founded by an outsider, the relationship between McClure and the Fairview community was not a case of what Shapiro called "systematic benevolence."<sup>49</sup> The Federation represented a cooperative relationship in which success depended on the acceptance, participation, and loyalty of many local rural and urban people.

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<sup>44</sup>Knapp, *The Advance of American Cooperative Enterprise*, 5. and Elliot G. Mears and Mather O. Tobriner, *Principles and Practices of Cooperative Marketing* (Boston: Ginn and Company, 1926), 4.

<sup>45</sup> "How the Federation Began," *Farmers Federation News* (August 1933).

<sup>46</sup>The Federation expanded so quickly the "Fairview" was almost immediately dropped; Ager, 247.

<sup>47</sup>James G.K. McClure, Jr., "Ten Years of the Farmers' Federation," *Mountain Life and Work*, (April 1931): 25.

<sup>48</sup>Ibid.

<sup>49</sup>Shapiro, xvi.

The Farmers' Federation was not the first attempt to educate and organize farmers in North Carolina. Cooperative and farmer journals such as the *Progressive Farmer* launched out of Raleigh, were being published by the end of the Civil War in response to the lack of farm support in the State Legislature and crusaded for the improvement of Southern rural schools, higher rural health standards, better farm roads, freight-rate equality for the South, and balancing crops and livestock production.<sup>50</sup> By 1873, the Grange movement had three chapters in Buncombe County.<sup>51</sup> As the Grange dwindled an organization called the Farmers Alliance took the lead holding the largest membership of any other "dirt-farmer" organization in the South.<sup>52</sup> In 1886, Leonidas LaFayette Polk, former Granger and editor of the *Progressive Farmer*, encouraged the establishment of farmers' clubs in each township in the state and founded the first in Forsyth County in 1886.<sup>53</sup> In 1887 the Farmers' Alliance swept through North Carolina. However, over time weakened due to internal dissension and the hostility or indifference of farmers who had lost their money in earlier enterprises.<sup>54</sup> It became clear the Alliance lacked capital and credit and was not solving the financial problems of North Carolina farmers.<sup>55</sup> The N.C. General Assembly began to recognize cooperatives by passing the Mutual Exchange Act of 1915, amended in 1925, to enable farmers and others to form associations for their mutual benefit.<sup>56</sup> In 1926 the Cooperative Marketing Act was approved and by its

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<sup>50</sup>Emory Cunningham, "Eighty-Nine Years of Service in the South: The Story of the Progressive Farmer Company," Newcomen Address dealing with history of the Progressive Farmer Company, delivered at the "1974 Alabama Dinner" of the Newcomen Society held Oct. 22, 1974, 4.

<sup>51</sup>Ager, 243.

<sup>52</sup>Theodore Saloutos, *Farmer Movements in the South, 1865-1933* (Lincoln: University of Nebraska Press, 1960), 69.

<sup>53</sup>Lala C. Steelman, *The North Carolina Farmers' Alliance: A Political History, 1887-1893* (Greenville: East Carolina University Publications, 1985), 10.

<sup>54</sup>Saloutos, 101.

<sup>55</sup>Ibid.

<sup>56</sup>Eugene S. Knight, *FCX at Five-O, 1934-1984: A Half Century of Service to Farm*

passage, “helping farmers to help themselves,” became national policy.<sup>57</sup> Though other cooperatives, publications, and instances of government recognition existed in North Carolina, few reached deep into the mountain region. The Farmers’ Federation was unique in serving an area where farms were small and income even smaller.

Beginning on a small scale, the new Farmers’ Federation began business the summer of 1920. A board of directors was decided upon by McClure and the farmers from the first meeting; James G.K. McClure as president (a position he held for the next thirty-six years until his death), S.J. Ashworth as Vice President, and G.L. Clay as Secretary-Treasurer and Business Agent.<sup>58</sup> McClure “cajoled the strongest men” of each of Fairview’s districts to make up the Finance Committee and appointed others to sell stock at \$50 a share.<sup>59</sup> They decided supplies would be sold at retail rates and at the end of the year, when expenses had been paid, each member would receive credit for their share of the profits.<sup>60</sup> A portion of the profits would be distributed to stockholders and a portion would go back into the development of the organization.<sup>61</sup> The cooperative plan was designed to serve its members, not to make a profit. McClure realized that in order to make the Federation a meaningful endeavor the participation of as many “hands, feet and mouths” as possible would have to be involved.<sup>62</sup> He also understood that the

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*People of the Carolinas* (Raleigh: Edwards and Broughton Company, 1984), 4.

<sup>57</sup> Gene Ingalsbe, “Cooperative Marketing Act 50<sup>th</sup> Anniversary,” *Farmer Cooperatives* (July 1976), 3.

<sup>58</sup>“How the Federation Began,” 12.

<sup>59</sup>Ager, 248., “How the Federation Began,” 12.

<sup>60</sup>Ager, 249.

<sup>61</sup>Ibid.

<sup>62</sup>Ibid., 248.

cooperative idea depended upon the leadership of locals who understood farmers' needs as well as the commitment of members to the cooperative way of doing business.<sup>63</sup>

On June 19, the directors decided to publish a quarterly in order to better distribute Federation news to its members. The *Fairview Farmers' News Sheet*, which later became the *Farmers' Federation News*, was available to the farmers of Western North Carolina for fifty cents a year.<sup>64</sup> The publication grew along with the Federation and covered a variety of topics including "community news, recipes, morale information, constipation remedies, and great quantities of hard-nosed agricultural information."<sup>65</sup> In the first publication of the *News Sheet* McClure emphasized the importance of participation and loyalty from every farmer in taking control of local production and marketing and introduced the first project that would make this goal possible.

The one and only way that the farmer can help himself is to control the price of his product. At present the farmer does not control the price of the stuff he produces, and until he does control it he will never be safe. As a step toward controlling what we produce, we plant to put up this warehouse on the Fairview siding. It can help every man in this section. It has great possibilities, but it can only do us good if we all stick to it. We have a chance now to help ourselves get ahead, so let every man in this section put his shoulder to the wheel and keep grunting.<sup>66</sup>

The warehouse was to be built beside the Fairview railroad in order to increase efficiency of distributing farming supplies and transporting agricultural goods for its members. When fundraising began every farmer in the sector was encouraged to purchase at least one share. By December, the officers reported, "Today we have four car

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<sup>63</sup> "Commercial Farmer Members and Use," *Farmer Cooperatives*, no. 81 (August 1928), 1.

<sup>64</sup> Starlin Whitaker, "Farmers Federation in Western North Carolina Salvation to Farmers," *The Charlotte Observer*, (August, 1928), clipping from verticle file 0267, North Carolina Collections, Pack Memorial Public Library, Asheville., see appendix 1, McClure Collection, 82-10-709, Special Collections, Renfro Library, Mars Hill College, Mars Hill.

<sup>65</sup> Ager, 249.

lengths of track, a good sized and well graded yard, and warehouse underway. One hundred and fifty men have subscribed for at least one share of stock, and some have taken more.”<sup>67</sup> The first year’s positive dividend report “spelled good faith amongst farmers” as well as urban investors who had doubted the cooperative’s potential.<sup>68</sup> As the Federation became an established business enterprise and the *Farmers’ Federation News* became a reliable source of agricultural information and advice for its members along the way.

One constant pressure on the survival of the Federation was lack of capital. Luckily, the period of “Great Change” marked an epoch in the history of American philanthropy and foundations. The post-Civil War industrial boom created many new millionaires in the Midwest and North who could afford to “engage in social experimentation.”<sup>69</sup> Foundations were based on the belief that social problems, such as ignorance, poverty, and crime could be solved with proper funding, and claimed the desire to be a “stimulus,” rather than a “crutch.”<sup>70</sup> In return, foundation members often requested stories “told in full dialect” about the “quaint mountaineers.”<sup>71</sup> McClure understood that fulfilling such requests strengthened his fundraising campaign. On one of his fundraising trips to New York, he took a string band with him in order to give the

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<sup>66</sup>James G.K. McClure, “Help Yourself,” *Fairview Farmers’ News Sheet* (July 1920), quoted in John Ager, *We Plow God’s Fields: The Life of James G.K. McClure* (Boone: Appalachian Consortium Press, 1991), 249.

<sup>67</sup> “How the Federation Began,” 12.

<sup>68</sup> *Ibid.*

<sup>69</sup>Judith Sealander, *Private Wealth and Public Life: Foundation Philanthropy and the Reshaping of American Social Policy from the Progressive Era to the New Deal* (Baltimore: The Johns Hopkins University Press, 1997), 15, 10.

<sup>70</sup>*Ibid.*, 15.

<sup>71</sup>*Ibid.*, 40.

city philanthropists a taste of mountain entertainment.<sup>72</sup> The Federation's existence depended heavily on foundation funds from Asheville or out-of-state philanthropists interested in giving a helping hand to rural people. McClure had a knack for fundraising and was well aware that foundation leaders felt the small farm was essential to American culture and economic health.<sup>73</sup> On one trip to New York in the early years of the Federation, he collected \$100,000 from financiers and investors interested in assisting in the cooperative project.<sup>74</sup> Dr. E. W. Grove, of Asheville, had an interest in the possibility of organized marketing and offered to invest \$5,000 in the Federation if other investors and farmers would invest \$15,000.<sup>75</sup> Dr. Grove stated, "I think it is a movement which will benefit the county more than anything that has been presented to my attention."<sup>76</sup> Within three weeks investors in Asheville had purchased \$16,900 worth of stock and the next year Dr. Grove's offer was met in three days.<sup>77</sup> Over the years, Grove was convinced of the benefits the Federation provided for the farmers of Western North Carolina and left \$25,000 to the cooperative in his will.<sup>78</sup> McClure also befriended Mrs. George Vanderbilt who became one of the Federation's principle local supporters. Mrs. Vanderbilt bought stock and encouraged her Biltmore Dairy to join the cooperative.<sup>79</sup> Support also came from outside the region. McClure's sister, Harriet McClure Stuart, married Douglas Stuart, the executive director for the Quaker Oats Company. Through this connection the Federation received Quaker Oats poultry feed at a reasonable rate and

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<sup>72</sup>Elspeth Clarke, notes from interview of Elspeth and James Clarke, Oral Histories-Voices of Asheville, 22 February 1995, Southern Highlands Research Collection, Ramsey Library, University of North Carolina at Asheville, Asheville.

<sup>73</sup>Sealander, *Private Wealth and Public Life*, 36.

<sup>74</sup>Whitaker, "Farmers Federation in Western North Carolina."

<sup>75</sup>"How the Federation Began," 13.

<sup>76</sup>Ibid.

<sup>77</sup>Ibid.

<sup>78</sup>Whitaker, "Farmers Federation in Western North Carolina."

enjoyed the sponsored visits of a variety of farming experts.<sup>80</sup> McClure understood successful fund raising involved convincing investors that the Federation dedicated itself to improving the local economy as well as intellectual and spiritual development.

The Federation addressed mountain farming conditions before introducing tactics for increasing production and supplying a wider market. There was a scarcity of cash in rural areas partly due to the lack of reliable cash crops in the mountains in 1920. Therefore, farm stability was highly vulnerable to fluctuating product values and consumer demands. Farmers in the South and Midwest growing large volumes of wheat, oranges, cotton or tobacco were more able to establish cooperative organizations on a single commodity.<sup>81</sup> Although a substantial local market was available both in Fairview and in nearby Asheville, Appalachian farmers did not produce a particular commodity in a volume substantial enough to supply the market. McClure believed “the gap between the supplying of the local market and the accumulating of a sufficiently large volume to ship in car lots was the most difficult hurdle to jump.”<sup>82</sup> Also, farmers were typically unfamiliar with current prices and would go to town to sell their products on the same day as their neighbors causing a “glut of the local market”<sup>83</sup> McClure’s goal was to “bring cash to the mountain farm by integrating the region’s farming resources into the national agricultural system through the introduction of modern agricultural methods and a strong marketing effort.”<sup>84</sup>

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<sup>79</sup>Ager, 259.

<sup>80</sup>Ibid.

<sup>81</sup>McClure, “Ten Years of the Farmers’ Federation,” *Mountain Life and Work*, 24.

<sup>82</sup>Ibid., 23.

<sup>83</sup>Ibid.

<sup>84</sup>Ager, 238.

The cooperative model was a practical and approachable solution to mountain farming conditions, particularly in the 1920s and 1930s. Combining volumes of farm products reduced distribution costs and sharing common facilities such as warehouses and trucks increased volume of products for market and lowered transportation costs. Having warehouses meant inventories were better controlled and cost less to distribute.<sup>85</sup> In order for farmers to secure control of their production, it was necessary to have cooperative processing, packaging, and manufacturing of farm products into finished products.<sup>86</sup> This involved “taking the egg and turning it into the baby chick; taking the vegetable and turning it into canned goods.”<sup>87</sup> In July of 1927, the Federation opened the Western North Carolina Cannery in Hendersonville.<sup>88</sup> The cannery purchased peaches, beans, apples, tomatoes and berries at cash prices enabling farmers to dispose of surplus produce they had been unable to sell in the local market during the peak growing season.<sup>89</sup> It also provided seasonal work for many men and women of Henderson County, which helped to supplement their farming incomes. The mission of the cooperative made sense to the people of Western North Carolina and membership and capital grew.

The Federation provided a variety of services that made this growth possible. The volume of business through the first warehouse in Fairview totaled approximately \$50,000.<sup>90</sup> Other rural sections quickly demanded warehouses and by 1928 eight warehouses operating in Buncombe, Rutherford, Henderson and Polk counties distributed

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<sup>85</sup>Eldon E. Brooks, “Combining of Volumes Can Reduce Distribution Costs,” *Farmer Cooperatives* (February 1977): 17-18.

<sup>86</sup> McClure, “Ten Years of the Farmers’ Federation,” 24.

<sup>87</sup>*Ibid.*

<sup>88</sup>Whitaker, “Farmers Federation in Western North Carolina.”

<sup>89</sup>see appendix 2, McClure Collection, 82-10-300.

<sup>90</sup>Zeb Green, “The Farmers Federation,” *Mountain Life and Work* (January 1928), 30.

feeds, seeds, and fertilizers to farmers. Several projects were designed to address large-scale production for the regional year-round market. Farmers and their wives were encouraged to “set a few more old hens.”<sup>91</sup> Federation cars and trucks came to people’s homes, purchased the family’s surplus poultry, and transported it to the Federation poultry dressing plant.<sup>92</sup> Initially, there was not sufficient poultry to fill a car. Some wealthy “friends of the people,” either from Asheville or the North, were willing to absorb the loss in operating the cars until people realized the market was stable and began to increase their production.<sup>93</sup> By 1930 the Federation paid the producers in the region a little over \$480,000 for poultry and eggs sold throughout Western North Carolina.<sup>94</sup> The board of directors believed the tremendous increase in production came about because they had gained the trust of farmers by “providing a market on which the people can depend.”<sup>95</sup>

During the 1920s and 30s the Federation became a wide ranging, complex, agricultural organization that prided itself not only in addressing agricultural needs, but academic and spiritual needs as well. Although McClure hesitated to attach a single religious message to the workings of the Federation, Christianity was an important part of his own values and he saw immediately that it was for many people of Western North Carolina. During the Depression McClure decided to introduce an agricultural plan that would help farmers to support their local church. The creation of a Religious Department made the Federation unique among American cooperatives.<sup>96</sup> The Department, led by

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<sup>91</sup> McClure, “Ten Years of the Farmers’ Federation,” 24.

<sup>92</sup> see appendix 3, McClure Collection, 82-10-727.

<sup>93</sup> Ibid.

<sup>94</sup> Ibid.

<sup>95</sup> Ibid.

<sup>96</sup> Ager, 350.

McClure's brother-in-law, Dumont Clarke, focused primarily on a project named the Lord's Acre Movement. The movement followed the Bible method of tithing with agricultural products. Co-op members agreed to set aside and plant one acre "for the Lord" and proceeds from the sale of the crop went to the member's church.<sup>97</sup> The plan was not meant to take the place of weekly cash gifts, but to provide contributions which would not have otherwise been possible and to enable people to give supplementary aid for special causes.<sup>98</sup> The project began with the participation of six churches of three denominations in two counties in Western North Carolina. By 1937, there were over 300 churches of ten denominations, in nineteen counties participating.<sup>99</sup> The movement eventually spread beyond the borders of the South into the rest of the United States and even to other parts of the world thanks to the adoption of the plan by many missionary groups.<sup>100</sup> The program helped to sustain the religious life of many mountain communities and eventually attracted widespread interest and captured considerable mention in the state and national press.

According to John Ager, the Farmers' Federation, as a cooperative agricultural movement, shifted the region's economy in positive ways and for the first time in many years, farmers "had money in their pockets and a legitimate pride in their production."<sup>101</sup> The Federation experienced tremendous growth in the 20s and 30s. By 1937, more than

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<sup>97</sup>see appendix 4, 5, 6, McClure Collection, 82-10-466, 82-10-458, 82-10-475, 82-10-518.

<sup>98</sup>"The Country Church at Work with the Lord's Acre Plan," Oral History-Voices of Asheville, #M1.

<sup>99</sup>Ibid.

<sup>100</sup>"Farmers Make the Lord Partner," Asheville *Citizen-Times*, 16 February 1941, Oral History-VOA (Asheville, N.C.: Ramsey Library Special Collections, 1995).

<sup>101</sup>Ager, v.

3,500 farmers owned stock in the Federation.<sup>102</sup> The cooperative was responsible for 17 warehouses marketing daily in 11 counties, 2 hatcheries distributing pure bred chicks, 5 sweet potato curing houses, 7 feed mills, a cannery that employed 152 people, and a training school to encourage young men to carry the cooperative movement forward.<sup>103</sup> Despite major financial stresses through the years the Federation established departments dealing with everything from seeds, poultry, and fertilizer to handicrafts, farm implements, hospital insurance and a hatching egg service.<sup>104</sup> It originated the Lord's Acre program and the *Farmers' Federation News* informed around 22,000 readers throughout Western North Carolina.

However, by the late 1950s it was apparent the Federation was struggling.

The plight of the Federation was that of an organization with a sort of friendly, economic Frankenstein on its hands. In 1920, when James G.K. McClure—minister, educator, promoter and businessman—viewed Western North Carolina he saw quagmire roads, rundown farms, scrawny cattle, lame horses, broken plows, barefoot children...[the farmer] was poverty stricken, but McClure turned that into an asset, winning the pity and the purse of influential financiers.<sup>105</sup>

James McClure Clarke, Dumont Clarke's son and McClure's son-in-law, became president after McClure's death and reported to shareholders that "for some time there has been apparent a rapid trend toward bigness in agriculture. It takes a great deal of operating capital to finance business like this, and, to meet the competition of this growing agricultural big business."<sup>106</sup> The workings of the Federation covered many

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<sup>102</sup>“A New Chance for the Mountain People,” a promotional pamphlet for the Federation's Educational and Development Fund, 1937, verticle file 0267, North Carolina Collections, Pack Memorial Public Library, Asheville.

<sup>103</sup>Ibid.

<sup>104</sup>Doug Reed, “Era of ‘The Federation’ Is Grinding to a Close” Asheville *Citizen*, 20 February 1959.

<sup>105</sup>Reed, “Era of ‘The Federation’ Is Grinding to a Close.”

<sup>106</sup>James McClure Clarke, “Important Message to All Federation Stockholders,” *Farmers Federation News*, February 1959.

aspects of everyday life, from the field to the church. However, changing trends in economy and agriculture continued to weigh on the region's farmers and the Federation was unable to survive the rapid changes the region was experiencing by the 1960s. Although stockholders proudly refused the offer of FCX, a larger North Carolina cooperative, to absorb the Federation into its business, the Farmers Federation was unable to join in with the agricultural "big business" of the time and in 1963 officially closed its doors. As Theodore Saloutos pointed out, "It is not accurate to record these early efforts as cooperative failures, for they were simply experiments which demonstrated that successful cooperative undertakings must be grounded on something more substantial than economic need."<sup>107</sup>

Though most research reflected the general view of Appalachia as poverty stricken, dependent on and influenced heavily by both capitalist and industrial pressures, there were examples of communities joining together and changing their local and regional economies in positive ways. The Federation exemplified a cooperative movement initiated and sustained by people native to the Appalachian mountains. James McClure acted as a mediator between troubled Appalachian farmers and wealthy investors whose funds helped to make the regional movement possible. The Farmers' Federation represented an independent, regional attempt to take control of local farming and quality of life.

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<sup>107</sup>Saloutos, *Farmer Movements in the South*, 101.

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