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The development of the peanut industry in Nansemond County

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THE DEVELOPMENT OF THE PEANUT INDUSTRY
IN NANSEMOND COUNTY

History Seminar
Dr. R. C. McDanel

By E. Parker Brown

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Contrary to popular belief only a small percentage of the world supply of peanuts is raised in the United States. The greater portion of them are produced in Spain and China and shipped to this country to be used in manufacturing.¹

It has become the generally accepted belief that peanuts had their origin in the South American country of Brazil. The weather conditions there are very suitable for their growth. Arcosta mentioned them in his work in 1598. He called them Mani which name has still been retained by the Spanish. There is however some doubt of their origin due to the fact that peanuts were found in old tombs in Arcon, Peru.

Parkinson in his Theatrum Botanicum in 1640 mentioned "Archus Americanus". He also advanced the theory that they were carried into Europe from South America through Portugal. Along with the South American claim of originality we find also one of the Chinese who believe their country to be the original source of this present day commodity.²

The peanut was also introduced into Africa where it became a staple food product. However it was chiefly used here to feed the Negro slaves.³

1. Wilbur E. MacClenny, local historian.
2. The Peanut, Planter's files.
3. Ibid

Colonial times marked the beginning of peanut growth in Virginia. However it has only been within the last thirty years that they have been of any importance for home use.⁴ Thomas Jefferson in his "Notes on Virginia" in 1783 mentioned the fact that peanuts were grown in Virginia. In 1880 Reverend J.A.Riddick, who was born near Suffolk, used these words: "within the memory of the present generation peanuts have been chiefly cultivated in gardens and given out at Christmas time like popcorn. Technically speaking it is not a nut, but a pea, maturing under ground".⁵

Dr. Matthew Harris, who was a native of Milners Town in Nansomond County, was the first man in Eastern Virginia to cultivate peanuts on a commercial basis. According to tradition he had imported a variety which had an excellent flavor.⁶ His first commercial endeavor was in 1844 when he took the peas raised on his farm on Coppahonk Swamp, three miles from Waverly, and carried a cart load of cleaned ones to Jerusalem. The name of this town has now been changed to Courtland. The day he chose was a court day and therefore his customers were court attendants, horse traders and the citizens

4. Peanuts, Planter's files.

5. Wilbur E. MacClenny, History of the Peanut, p. 5.

6. Ibid, p. 6.

7
 who attended court.

The Christian Sun for the year 1869, stated:

.....and yet few could see the advantages of the crop. Gradually his neighbors took hold of the crop and thus it has spread until it is now (1869) the leading crop in Sussex and all the adjacent counties. But the people have been 25 years in finding out what they ought to have discovered in one or two years.⁸

Earliest market quotations were found in the Public Ledger in the year of 1857 when prices ranged from 60¢ to 90¢ per bushel. A few years later they had moved up to from \$1.05 to \$1.30 per bushel. Along about this same time the soldiers of the Federal Armies tasted peanuts for the first time. They seemed well satisfied with their flavor, and after the Civil War many of them moved to the South to cultivate this crop.⁹

During this period Norfolk, Virginia, was the largest peanut market. From October 15 to November 20, 1868 there were received at Norfolk 52,926 bags of three bushels each. The value attached to these imports into Norfolk was \$370,482.00 with an average price of \$7.00 per bag.¹⁰

Due to the increasing growth of peanuts Dr. William B. Wellons of Suffolk, editor of The Christian Sun, ran an account of how peanuts should be cultivated. This was for the farmers of Nansemond and the surrounding

7. Ibid, p. 7.

8. Ibid.

9. Ibid, p. 8.

10. Ibid, p. 9.

counties where this new crop was chiefly cultivated.¹¹

The earliest cultivation was very crude. The peas were planted by hand and when they broke through the ground they were hoed to loosen the soil and remove the grass from around them. The blooms were then put into the ground by hand and at maturity dug with a hoefork or dirt remover. Somewhat later the peanut doter was used in planting. This consists of a round log eighteen inches long; on each side were pegs which made holes two inches deep and from eight to twelve inches apart in the soft ground. The holes were then covered by the¹² foot.

This rough method of cultivation has given way to a highly developed, scientific method of farming. It is now a recognized fact that soil and climatic conditions play an important part in peanut production. Peanuts grow best in light colored, sandy loam soil, since the peas can easily be planted and cultivated. In addition peanuts grown on light soil are better suited for marketing. The soil should also be well drained and fertile¹³ for best results. There must be a period of at least five months in which there is no frost because of the

11. Ibid.

12. Ibid., p. 13.

13. Emory R. Hodgson, Ten Lessons on Peanut Production, p. 6.

danger to the peanut crop. High altitudes are also
 14
 unfavorable due to the cold nights.

Large, smooth and well cured seed from the previous
 years supply should be selected for planting. If these
 seed are picked out at harvest time they should be well
 cared for during the winter months. Good seed will
 15
 germinate ninety-five out of one hundred.

After the seed have been selected, the next problem
 is the plowing of the field. A winter growth should not
 be allowed to stand too long because it will use all the
 moisture in the soil. If there is much trash and stalk
 on the land it should be plowed and sufficient time
 16
 allowed for it to rot. Then just before planting time
 the land should be harrowed several times in order to
 break up the soil and destroy small plants and weeds
 17
 which would be much harder to kill later on.

Peanuts should be planted early enough to obtain
 their full growth before time for frost. As a general
 rule they should be in the ground before May 15th.
 However in a good season peanuts planted in June will
 18
 mature fully before frost.

14. Ibid, p. 7.

15. Ibid, p. 9.

16. Ibid, p. 10.

17. Ibid, p. 11.

Now begins the real job of planting the seed. Some growers mark off the rows with an implement much like the corn marker, while others open a furrow, sow the fertilizer, if any is used, and cover this with a slight ridge. A one horse planter follows this operation. Ordinairly peanuts should be planted on the level except where there is danger of water standing. In case the land is low the peanuts should be planted on slightly raised ridges.¹⁹ The distance to be planted is determined by the width of the rows and the fertility of the soil. Rows in Virginia Runners are usuallly about thirty-six inches apart and the hills in the rows about sixteen inches apart; the Virginia Bunch rows may be planted thirty inches apart and from ten to twelve inches apart in the rows. Spanish type peanuts may be planted even closer than the Virginia Bunch. One should keep in mind the fact that peanuts will grow much better when planted at a depth of from one and three-fourths to two inches deep.²⁰

"Peanuts work well in any rotation in which corn does. The following rotations are recommended:

19. Ibid, p. 14.

20. Ibid, p. 15.

Rotation No. 1.

1st year--corn, seeded to cover crop of clover and rye.
 2d year--peanuts, seeded to winter oats.
 3d year--winter oats, seeded to winter rye.

Rotation No. 2.

1st year--potatoes, seeded to crimson clover.
 2d year--corn, seeded to crimson clover.
 3d year--peanuts.

Rotation No. 3.

1st year--corn, seeded to crimson clover and rye.
 2d year--peanuts, seeded to winter oats.
 3d year--winter oats, seeded to red clover.
 4th year--red clover.

Rotation No. 4.

1st year--corn, seeded to crimson clover and rye.
 2d year--peanuts, seeded to winter oats.
 3d year--winter oats and soy beans, seeded to rye.
 4th year--rye, or back in corn." 21

Cultivation should begin a few days after planting.

By starting early the grass and weeds will be killed while they are young and tender. No definite number of times for cultivation can be given. This should be done as soon as the soil is reasonably dry after a rainfall, in order to break the crust formed and to let moisture get to the roots. In the dry season there should not be a continued cultivation because the draught will keep

grass from growing and cultivation would allow the little moisture left in the soil to escape. There is a prevalent idea that the blooms should be covered with dirt. This conception is quite erroneous because the pegs will grow down into the soil of their own accord in due time.²²

When all this has been done, there is not a great deal to do until the time for harvest approaches. This is determined by the danger of frost or when a large number of the pods are mature. The greatest damage from frost is not done to the peanuts but to the vines which are used very widely as feed for the stock. The vines will begin to look yellow when they are full grown. In localities where there is little danger of frost immature peas should never be dug because they will shrivel and thus decrease their weight considerably.²³

The turn plow is used to dig the greater portion of peanuts. Men follow the plow shaking the dirt from the vines and leaving them in piles. A better method is by using the machine potatoe digger which shakes the dirt off as well as loosening the vines. By the latter method much more acreage can be covered. Special

22. Ibid, p. 16.

23. Ibid, pp. 17-18.

machines are on the market which also drop the vines in
²⁴
 bunches to be stacked. However most of them are piled
 by hand. Sunlight harms the quality of the peanuts
 and hay if allowed to remain exposed for too long a
 period. Four hours is usually taken as the limit. Also
 over night exposure to the dew will discolor the pods.
 Hence the best procedure is to dig the peanuts in the
²⁵
 morning and stack them the same day.

After a sufficient time has been allowed for curing,
 which is determined by weather conditions, the peanuts
 are ready to be picked from the vines. In good weather
 conditions they will usually cure in about three weeks.
 If the peas are still damp after being picked they should
 be spread in the sun and allowed to dry. On the other
 hand if they are thoroughly dry they may be bagged and
²⁶
 shipped or stored for later sale.

Along with the cultivation of peanuts there has been
 a development of farm implements and peanut pickers. The
 first improvement along this line was the scraper plow
 and the cultivator for use on the growing crop. On
 June 23, 1868, P. L. Colville of Wilmington, North
 Carolina made the first machine to clean, fan and brush

24. Ibid, p. 18.

25. Ibid, p. 19.

26. Ibid, pp. 20-21.

peas from the vines. This machine would pick from 150 to 400 bushels a day. In 1869 the second picker appeared in the State Fair at Richmond, Virginia. The Norfolk Virginian for November 5, 1869 ran the following statement:

At the State Fair now in progress in Richmond, the present picker was invented by the Reverend W. A. Crocker, of Norfolk, Virginia, and is pronounced by North Carolinians and Southside Virginians to be the most useful implement on exhibition. It will do the work of one hundred hands in getting out the goobers. 27

To Ben Hicks, Southampton Negro, goes the credit for the first peanut picker. Until this time (1899) the peas had been removed from the vines by hand or by beating them over barrels. The same principle was used then as today. First his machine was cranked by hand, later mule power was substituted and finally the steam engine was employed. Unfortunately Hick's invention went the way of many others. His patent was thrown out of court because of an incorrect drawing. 28

The machine that really revolutionized peanut picking was manufactured by Benthall in 1904. This machine has since been improved several times. Now it is considered to be the best on of its kind of the market. 29

27. MacClenny, op. cit., p. 14.

28. Suffolk News Herald, Nov. 19, 1935.

29. MacClenny, op. cit., ;. 15.

Suffolk's greatest industry had its inception in 1893. The first plant was located at the intersection of Saratoga Street and the Norfolk and Western Railroad and was operated by the Farmer's Alliance. This plant was burned shortly thereafter and was never rebuilt. The next move was by John B. Pinner and John King, who leased a cotten gin on the present site of the Suffolk Feed and Fuel Company and incorporated the company under the name of The Suffolk Peanut Company in 1898. Following this lead the Bain Peanut, Lummis and Company and ³⁰ Columbia Peanut Company were quickly incorporated.

In 1909 John King withdrew from the Suffolk Peanut Company and established the John King Peanut Company. Several other firms among whom were: Standard Peanut Company, Commercial Peanut Company, Milton T. Elliot and Company and Farmer's Peanut Mills started in the cleaning and selling business, but they were soon forced to cease operations. Planters came to Suffolk in 1912. A cleaning and shelling plant was opened on the corner of Hall Avenue and Colloden Street. They soon added salted ³¹ peanuts and confections to their production. Among the pioneers we find: L. F. Bain of Wakefield, Virginia,

30. News Herald, Nov. 18, 1936.

31. Ibid.

P. D. Gwaltney of Smithfield, Virginia, J. D. Pretlow from Southampton County, John King a native of Windsor, Virginia, and K. B. Elliot and B. H. Vellines of the city of Norfolk. All of these men had a prominent place in the early development of the industry, and we owe the success of peanut production to their pioneering in this new commodity.³²

Thomas B. Rowland of Norfolk was one of the early leaders who helped popularize goobers. In the Civil War he had been a blockade runner for the Confederacy. After the War he started out to convince the world that peanuts were nutritious and that they contained much food value. He went to New York where he started his campaign, since he knew that the whole United States would follow New York City's lead. We are told that he literally wished the peanut habit on the city. Soon afterwards there was a demand for this new food product.³³

Peanuts have only had a commercial value of any importance since about 1900. Mr. Amedeo Obici however began business about five years before this. He had operated a small business in Wilkes-Barre, Pennsylvania, which was started in the late 90's. In this small and

32. Ibid.

33. Ibid.

unimposing business he earned a reputation for his good work. Soon he realized that he must make some experiments with his product. As a result of his investigations and experiments he was able to bring out a more distinct taste, which was highly favorable with the people of that section.

Peanuts were being demanded now so he needed more capital to operate a larger business. M. Peruzzi became his partner and in 1907 after one years operation the company was incorporated. His old partner became his secretary and sales manager. The original capital of the Planters Peanut Company, as it was then named, was \$50,000.00 of which only \$24,000.00 was paid in. However he was able to purchase some badly needed machinery and equipment.

For the first few years he was hardly able to make ends meet. However in 1910 the tide began to turn, in which year he realized a profit of ten per cent. Profits were now used only to increase production. Chocolate was added to peanuts and the company's name was changed to Planters Nut and Chocolate Company.

Due to the growth of business it became necessary

34. Suffolk News-Herald, July 25, 1931.

to look for a new site for a plant. Suffolk was Obici's choice because there was space for unlimited expansion, abundance of labor, favorable shipping facilities, and because Suffolk was situated in the heart of the peanut producing area.³⁵

He purchased a plant for cleaning and shelling in 1912 and the following year the first building of what was to become a world famous enterprise was built and operations were started. At this time Suffolk was a small lumber town of around 5,000 people. Since that time Suffolk has declined as an important lumber town and has become known as a peanut market.

From this humble beginning Planters Nut and Chocolate Company has grown until now it is the largest company in the world for manufacturing peanut products. Along with this rapid growth of Planters has been the growth of Suffolk both in size and commercial importance. Today it is known as the peanut capital of the world.³⁶

Sales increased from \$400,000.00 in 1913 to \$10,000,000.00 in 1930. The record of Planters for that period was largely the peanut industry.³⁷ Its modern

35. The Commonwealth, Vol. II, No. 11, Nov. 1935, p. 12.

36. News-Herald, July 25, 1931.

37. Ibid.

sunlight factory; plant for manufacturing peanut butter, candy, salted peanuts and other products cover about twenty acres floor space. Among these are numbered a machine shop, printing plant, cold storage plant, box factory, paper bag and box factory and a tin can factory. 38

Plants have been established in Canada and in San Francisco in addition to those already mentioned. In Suffolk alone there are forty warehouses with a capacity of one million bags of unshelled peas in dry storage, and railroad sidings for four hundred train cars, ³⁹ and a capacity 200,000 bags of shelled peas in cold storage. ⁴⁰

The original investment has jumped from \$500,000.00 to \$5,000,000.00 with an annual business of \$8,000,000.00. Its eight hundred operators are found mostly in Suffolk, but the sales force of one hundred and thirty men are found all over the country. The main plant in Suffolk around which all this business revolves is an eight story building of steel and concrete construction. In order to operate successfully an efficient group of men have to be employed as company officials. This personnel is composed of the following: Amedeo Obici, president,

38. Ibid.

39. B-M-T Advertiser, May 1934, p. 12.

40. G. A. Nimmo, Planter's Shipping Dept.

Mario Perruzi, vice president and treasurer, F. A. English, secretary, W. B. Schaeffer and Edwin B. Morgan compose⁴¹ the rest of the board of directors.

Now the details of cleaning peanuts are injected into the picture. The peas are transferred by trucks from the warehouses to the factory. Here they are first dumped into hoppers and graded according to color and size. Each one goes into a different hopper. After this operation they are sent to the top floor of the plant, which as a general rule is the fifth floor, because only five floors are necessary for the number of machines the peas are to be run through. On the downward treak the goobers first enter the stemming machines that removes all the remaining stems left by the peanut pickers, with the stems being drawn away by suction fans. The suction fans also lift out the light nuts and allows the heavy ones to continue on their downward course to cylindrical drums which tumbles the peas by revolving and thus polishes them. Another process of fanning is passed through to remove the powder used in the polishing. They are separated now by sizes and sprinkled on a revolving belt over a long table in a room called the picking room. Beside these tables sit skilled workers

41. The Commonwealth, Vol. II, No. 11, Nov. 1935, p. 12.

who remove the bad and unshapely peas and the trash not caught by the machines. This last feature is the only one in the whole process that can be done more skillfully by hand than by machine.⁴²

Two decades ago peanuts were mostly sold in shells by street vendors. Soon automobiles required more room on the streets so the vendors were forced to leave. Due to this condition salted peanuts were placed in the stores to supply the steadily increasing demands. During the World War the five cent candy bar swept the country. A great many of these bars contained peanuts in one form or another.⁴³

In the meantime several new companies had started operations. Among these were: Pond Brothers, Producers, Old Dominion Peanut Corporation, Old Reliable, American Peanut Corporation and Parker Peanut Company. In 1935 the business of these and the older plants amounted to about \$20,000,000.00, with approximately three thousand people employed in the industry. Thus Suffolk with its good location, five highways, and six railroads had become the hub of the industry.⁴⁴

42. Peanuts, p. 2.

43. News-Herald, Nov. 18, 1936.

44. Ibid.

A serious blow was struck the peanut industry when the Suffolk Peanut Company's main plant burned in 1931. Mr. John B. Pinner, president, who estimated the loss at \$200,000.00 said, the plant would be rebuilt as soon as possible. The calamity to the largest single cleaning plant in the industry put two hundred and fifty people out of work. This five story, brick plant eighty by one hundred and twenty feet was built in 1906 at a cost of \$125,000.00. At the time it burned its daily capacity was three thousand bags.⁴⁵

Turning to a more pleasant side we find Pond Brothers announcing October 15, 1934 that they would increase their capacity by seventy-five per cent. The new work was to be done in slack season and would give employment to sixty more people.⁴⁶ Following Pond Brothers' lead the Old Reliable and Old Dominion Companies announced they would build new warehouses of corrugated iron, with capacity between fifteen and twenty thousand bags.⁴⁷

The greatest industrial improvement of the year was the instillation of a \$40,000.00 central steam heating unit by Planters Nut and Chocolate Company.⁴⁸ Another

45. Ibid, Sept. 24, 1931.

46. Ibid, Oct. 15, 1934.

47. Ibid, Oct. 16, 1934.

48. Ibid, Oct. 18, 1934

big advance was made by Planters in February 1937 when a sign was placed at Broadway and Times Square in New York. On the sign is a bag as large as a forty-two passenger bus, from which peanuts are continually flowing. Alternating copies at the bottom of the sign read "Mr. Peanut Greet's You," and "A Bag A Day For More Pep." This enormous electric sign is the greatest single piece of advertising Planters has ever undertaken.

Although Suffolk is the center of the peanut industry no discussion would be complete without Professor George Washington Carver. This colored man who was born in slavery and whose education facilities were very limited has found more uses for peanut than any other person. He was discovered by Booker T. Washington and carried to Tuskegee Institute, where he has devoted his life to the chemistry of agriculture. So interested was Dr. Carver in his work at Tuskegee that he refused an offer to work with Thomas A. Edison. In addition to this he was made a Fellow of the Royal Society of Great Britain for his outstanding scientific work and won the Spingarn medal in 1922 for the most distinguished service by an American Negro.

49. The Commonwealth, Vol. IV, No. 2, Feb. 1937, p. 36.

50. Walter Hoff Seeley, "Carver of Tuskegee," Success, Aug. 1923, reprint.

Born on the Missouri slave farm of Moses Carver, whose name he and his mother bore, he was taken away by raiders in the latter part of the Civil War. When the searching party sent by the master rescued him his mother had disappeared never to be heard from again. Carver's first educational opportunity, other than a speller, came when he was ten years of age. It only required a year for him to absorb all the knowledge the teacher could give. Fort Scott, Kansas became his next home where he worked as a domestic servant for nine years, and attended school at the same time. With a great sacrifice he was able to finish high school in Minneapolis, Kansas.⁵¹

Desiring to further his education Carver was forced to manage a laundry for three years before he had enough money to take care of expenses in the Iowa State College. After he had received his Bachelor's and Master's degrees he was placed in charge of a greenhouse, the bacteriological laboratory and the department of systematic botany. Here it was that Booker T. Washington found him in the early 90's. Dr. Carver has done a great deal to make Tuskegee the famous Institute it is today.⁵²

51. Ibid.

52. Ibid.

Today there are over one hundred and fifty uses
 53
 for the lowly ground pea. Some of the most important
 uses are:

- "Extra Large - whole salting, chocolate dipping.
- #1 Virginia - best grade butter, high grade bars, chocolate coating.
- #2 Virginia - medium grade butter, and all medium grade confectionery.
- #3 for oil - soap stock, lubricating oil(3 in 1) for delicate machines
 crude oil, heavy grease for heavy machinery.
 glycerine, all purposes, including making nitro glycerine and other explosives, filler for linoleum and oil cloth.
 refined oil, salad oil,
 oil for packing various fish, sardines, etc.
 highest quality and priced facial soaps
 cosmetics and for purposes best olive oil is used
 cooking oil
 hydrogenated oil, cooking fats like Fluffo, Snowdrift, etc.
 Oleo Margarine, Spred-it butter, substitutes, etc. peanut milk.
- Shells - filler for explosives, wall board, fertilizer, polisher for metals,
- Skins - tannic acid, inks, stains, paints, wood preservers

in shell - Jumbos, Fancies, Extras - Eaten principally roasted in shell, some salted in shell, sold by vendors, retail fruit and condy makers, parks, outdoor sport meets, picnics, circus, etc. mostly street sales

NOTE - Pulp left after expelling clean virgin oil from shelled nuts, ground in flour for diabetics, made in bread, pastry, etc.
Pulp left after expelling oil from off grades, rich in proteins, fats, used for cattle and hog feed, very valuable." 54

During the latter years of the growth of the peanut industry there have been attempts on the part of the peanut growers to organize for the purpose of receiving better prices for their produce. On August 26, 1926 the Peanut Growers Association received 15,000 bags of peanuts and ran the total to 75,000, which was half⁵⁵ enough for the Association to operate successfully. While in 1930 twenty-five of the leading farmers, bankers, etc. met in Suffolk to try to organize County units for marketing peanuts. This conference was called by W. A. Gwaltney of Surry.⁵⁶

On December 4th of the same year a group of Nansemond County growers met in Suffolk with A. J. Jolly presiding. In addition to their main purpose of forming units they

54. Uses, Planter's Files.

55. News-Herald, Aug. 26, 1926.

56. Ibid, Nov. 26, 1930.

named a committee to attend the meeting held the next day for the growers of the peanut belt. ⁵⁷

Numerous times conferences have been held with Federal Agents ⁵⁸ and Chamber of Commerce groups, ⁵⁹ but no definite, workable plan has ever been put into operation. One of the best attempts was made in 1932 when the Virginia Cooperative Peanut Association organized and applied for a charter. ⁶⁰ Mr. Haverty of Surry County was chosen temporary head of directors of the Cooperative Association. ⁶¹

Within the last few years a great deal of legislation affecting the peanut growers and manufacturers has been passed through Congress. First we shall discuss the farmers situation. On October 16, 1934 Mr. Edward F. Gillette, Nansemond County agent, announced to the farmers that for their 1935 planting they would have three options. They could either plant the average acreage of 1933-34, ninety per cent of 1933 or ninety per cent of 1934. ⁶²

Then on May 1, 1935 Mr. Gillette told the farmers

- 57. Ibid, Dec 4, 1930.
- 58. Ibid, Aug. 13, 1931.
- 59. Ibid, Sept. 1, 1931.
- 60. Ibid, Aug. 16, 1932.
- 61. Ibid, Aug. 22, 1932.
- 62. Ibid, Oct. 16, 1934.

that the 1170 growers in Nansemond County who signed the production control would receive \$77,000.00. The amount to the individual farmer would range from \$2.60 to \$860.00 and would be based on production of 1934. He stated that \$65.00 was about the average amount each farmer would receive. Before payments are made however, said Mr. Gillette, compliance with the production contracts must be proved, and then payments would be made by a single check instead of installments as was done on the cotton contracts.

63

On the 27th of the next month peanut growers of eleven counties met in Suffolk to discuss the AAA. This meeting at which Mr. W. H. Daughtry of V. P. I. presided, was the only one of this nature that had been held in Virginia for 1935. At this meeting Mr. Daughtry said:

The idea of the meeting is to discuss the problems of the growers, and get their suggestions, so that a complete picture of the peanut work may be obtained.

This plan will enable us to work out a program which will fit the need of all, or at least come as close to that as possible.

In meetings held elsewhere, particularly in North Carolina, the sentiment has been wholehearted in favor of continuation of the government's participation in the work.⁶⁴

63. Ibid, May 1, 1935.

64. Ibid, July 27, 1935.

On October 4, 1933 the peanut cleaners and shellers of the peanut belt received letters from George N. Peek, administrator of AAA, requesting them to increase prices to the farmers.⁶⁵ This was followed in December by an agreement on the part of the millers to sign a marketing contract. A minimum price of three cents on Virginia type peanuts was agreeable on the condition that the code of fair competition was first signed and promulgated. The government had to also agree to license all millers who refused to sign the marketing agreement.⁶⁶

In 1935 the majority of the industry was willing to stay under the NRA, Mr. R. F. Bain, vice president, of the American Peanut Company said: "It would be unwise to disturb the wage and hour schedule in any way."⁶⁷ Mr. Obici also stated:

I am glad we are going back to constitutional rights, but I am sorry the benefits derived from NRA, such as increased pay, reduced working days and wlimination of child labor, are threatened with a setback.

My own opinion is that most all industrialists acknowledge that conditions in 1933 had reached a point where change was necessary. This is especially true of the South where both wages and hours of labor had reached a state almost unbearable. Insofar as the decision may alter these improved conditions, it will be bad.

65. Ibid, Oct. 4, 1933.

66. Ibid, Dec. 23, 1933.

67. Ibid, May 29, 1935.

Industrial competition is so keen that whatever our unit does naturally effects the remainder of the industry. As for my company, no change is contemplated. Cooperation is needed from all firms in the same industry to keep conditions from reverting back to unwholesome levels.⁶⁸

Colonel J. B. Pinner, president of the Suffolk Peanut Company said: "The Suffolk Peanut Company always has favored a fair wage and working day and has opposed child labor. We shall continue that policy."⁶⁹

Later in the same year the companies declared that the processing taxes paid under protest were regarded as unconstitutional. The Virginia peanut industry had already paid two million and was still paying. Due to the recent scraping of NRA the number of protests had rapidly increased. Mr. H. D. Cunningham, Internal Revenue Deputy Collector for the peanut section said: "There has been no change in the AAA and collection of the processing tax on peanuts will continue until a definite decision is handed down."⁷⁰

Obici stated at this time that his company's action was taken for their own interest. He declared:

Interruption of the 3A program, may result

68. Ibid, May 29, 1935.

69. Ibid.

70. Ibid, June 12, 1935.

in the return to the deplorable conditions which existed prior to the enactment of the AAA when a slight surplus or an imaginary surplus resulted in the entire crop of peanuts selling at starvation prices.

Our action in seeking to restrain the further collection of the processing tax on peanuts has been taken very reluctantly, but developments of the past few days have convinced us that our interest could not be protected otherwise. Numerous buyers of peanuts have written us, taking the position that we should be held accountable for any claims which they might make in the event that the tax is declared unconstitutional.

Under the circumstances, it was necessary that we be put on the same basis as other members of the industry. However we consider it unfortunate that any member of the industry found it necessary to resist payment of the tax. Our payments have been made promptly when due with the exception of the amounts due for the months of May and June.

We can not see how any claim can be made on a tax which has already been paid and passed on the consumer and from which benefit payments have been made to farmers.

The processing tax on peanuts is for the purpose of carrying out a program which is intended to improve the condition of the grower in this commodity, and incidentally improve general conditions by increasing purchasing power of the farmer. There seems little doubt that much has been accomplished by the Agricultural Administration, and the farmer has certainly enjoyed a better income through the efforts of the administration, and business generally has been benefited thereby.

It is hoped that some means will be found to avert any backward step, as there is nothing to be gained by either the farmer, manufacturer, or consumer, by reverting to the pre-New Deal conditions.

It is confidently expected that all concerned will meet the situation with intelligence and fairmindedness and by willingness to assure

the farmer a right to live in accordance with American standards.⁷¹

Thus we see that within the last forty years the peanut industry has grown to where it is recognized today as one of the major industries of the country. Along with this growth has been that of Suffolk which now is known as the peanut capital of the world.

71. Ibid, July 20, 1935.

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