

## Kebijakan presiden Franklin Delano Roosevelt mengatasi kemiskinan pedesaan melalui agricultural adjustment act 1933-1936: studi kasus Iowa

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### Abstrak

The great depression in the late 1920s has forced down agricultural sector's income. Domestic market for agricultural product declined in addition to the fact that surplus production has existed since the First World War as demand for agricultural products from the European reduced. The real problem was the surplus of agricultural sector production that has forced the price down.

This thesis will explain the facts, data and analysis to prove that fiscal policy through Agricultural Adjustment Act which targeted the farmers -- that include farmers tenant farmers share droppers, the group of potential producers who were in the bottom of the income pyramid -- was a right choice. Moreover, huge support and participation of the farming society contributed to the success of the program. The reduction of the surplus was significant. The price of agricultural production increased, which then, increased optimism to agricultural sector,

Market mechanism of Adam Smith and budget policy of John Maynard Keynes

Were exercised in analyzing the New Deal in agricultural sector, the Triple A, in addition to capitalism concept

In Iowa, Corn-Hog Program which was part of reduction program, "Triple A, has encouraged farmers to sacrifice the opportunity to produce more corn and hog. The land to be cultivated was reduced. The hogs were killed or its production was reduced. The farmers rewarded sum amount of money in check for their action, not full of the compensation. The rest of the compensation kept by the government was functioned as instrument to reduce moral hazard -the tendency to produce more in order to gain enough income to cover the cost or to get profit. The behavior of farming has changed, farmers did better planning. And agricultural products were more diversified

Critics to this Triple A, such as the program was more benefited the larger farmers -- which was not happened in Iowa whose composition of land owner farmers and tenant farmers or sharecroppers were relatively equal -- or to produce scarcity when hunger and suffering widespread -in a condition that some area in the South experienced dust bowl, that caused some family faced financial problem and had not enough purchasing power -- seemed to be unproportional.

When the Supreme Court declared that Triple A was unconstitutional, because Congress had no constitutional right to impose a system for regulation of agricultural production, which was the authority of the states, the program had increased agricultural sector's income and the contribution of this sector to the national income.