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An Economic History of Ellis County, Kansas

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Abstract: Like many American rural communities in the second decade of the twenty-first century, Ellis County faces tough decisions regarding economic development, population growth, and sustainable strategies. This paper examines the history of the region since the early twentieth century, tracing the evolution of various industries—from oil to farming—and the different ways the community responded to the area and nation's economic shifts. This "big picture" view of Ellis County operates as a starting point for strategizing paths forward for area residents.

An Economic History of Ellis County, Kansas

Ellis County sits just northwest of the geographic center of Kansas, with Interstate-70 slicing through the county as the major thoroughfare tying together Colorado, Kansas, and Missouri. Founded as a county on February 26, 1867, the area initially served as an outpost for American westward expansion—anchored by Fort Hays—while becoming a primary destination for Volga German settlers in the 1870s and 1880s. The primary cities of Ellis County include Hays (the largest at about 20,000 residents), Ellis (2000), and Victoria (1200). In 2019, Ellis County's population was 28,775, with a poverty rate of 15.5%, a median household income of $52,883, a median property value of $169,100, an employed population of 16,115—with the median age being 32.5 (median age for Kansas = 36).[1] As of 2019, there were 13,326 housing units; the owner-occupied housing unit rate was 61.2%; the median selected monthly owner costs with a mortgage was $1,371; and the median gross rent was $711.[2] Employment numbers from 2019 are as follows:

Total employer establishments, 2019	1,098
Total employment, 2019	12,517
Total annual payroll, 2019 ($1,000)	465,036[3]

Economically, Ellis County has followed a similar trajectory as other rural Great Plains-Midwest counties over the last 70 years. At the same time, however, Ellis County does possess a strong oil industry, a vibrant regional medical facility, and three post-K-12 education institutions: Hays Academy of Hair Design, North Central Kansas Technical College, and the only university in Western Kansas, Fort Hays State University. Agriculture and the energy industry are the primary economic drivers of Ellis County, including around 750 farms and an oil industry that is

[1] Statistics from: https://datausa.io/profile/geo/ellis-county-ks/.
[2] Statistics from: https://www.census.gov/quickfacts/fact/table/elliscountykansas/PST045219.
[3] Statistics from: https://www.census.gov/quickfacts/fact/table/elliscountykansas/PST045219.

one of the highest oil-producers in the state. Alongside energy production and agriculture, a diverse array of private and public entities does business and provide services in Ellis County, including some of the largest employers in the county:

City of Hays
Dillons (owned by The Kroger Company, the nation's largest supermarket conglomerate)
Vyve Broadband, formerly Eagle Communications (owned by investment company, Mega Broadband Investments LLC)
EnerSys (headquartered in Reading, Pennsylvania)
HaysMed
Hays School District, USD 489
Hess Services
Midwest Energy
Fort Hays State University
Nex-Tech
Wheelchairs of Kansas
Wal-Mart (headquartered in Bentonville, AR)
Developmental Services of Northwest Kansas

In addition, small businesses continue to play a role in the local economy, including interaction with local youth sports groups as well as providing employment:

Joe Bob Outfitters
Intell Well Consulting LLC
Fischer Pipe Testing
Elite Pipe Testing
Golden - Q
Arthurs Mexican Restaurant
Vernies Hamburger House
M & D of Hays, Inc. - Excavating Contractor
Callahan Tax & Accounting, LLC
LCI - Corporate - Farm equipment supplier
Karate Fitness School
Sun Yi's Academy - Tae Kwon DO
Styles Dance Centre
Becky's School of Dance
Jackie Creamer's Dance Studio

At the dawn of the 2020s, Ellis County faces an array of challenges related to economics and population growth. With farms consolidating and technology replacing workers, the county is faced with an aging and declining population. Over the last few decades, a small national trend emerged pointing to a possible rejuvenation of Ellis County. As John Cromartie and Dennis Vilorio suggest:

> The decline in U.S. rural population, which began in 2010, has reversed for the first time this decade. In 2016-17, the rural population increased by 0.1 percent, adding 33,000 people. This small overall increase continues an upturn in rural population since 2011-12, which stems from increasing rates of net migration from urban (metro) areas. Since 2011, fewer people have been moving out of rural areas and more people have been moving in.[4]

This paper—a collaborative student-faculty project from the Fort Hays State University History Department—situates Ellis County within a regional and national context. As an economic history, this paper traces ways Ellis County has exemplified many of the trends facing the rural Midwest since the late-1800s: from the growing costs of farming and the consolidation of family farms into larger—often corporate—units, to population declines and the arrival of low-cost chain stores. The authors chart both the victories and missteps of the county, describing the various ways the county responded to regional and national changes.

The Last 70 Years: The Rural Midwest Since World War II

Ellis County more or less mirrored the national trend of Midwestern rural communities as they entered an economic boom after World War II. With the end of the war and a surge of spending via the Cold War Keynesian economy came an unleashing of unprecedented national economic development. Businesses expanded rapidly—from movie theaters to baseball teams to service clubs. With this growth, however, came retraction toward the end of the 1950s as suburbanization and economic development in the West and South pulled people away from the

[4] John Cromartie and Dennis Vilorio, "Rural Population Trends," *Amber Waves*, February 15, 2019. https://www.ers.usda.gov/amber-waves/2019/february/rural-population-trends/.

rural Midwest to opportunities in the Sun Belt. In addition, consolidation and economic concentration shadowed postwar growth through the 1960s: from retail to the construction of shopping malls, “the collapse of local newspapers,” and the industrialization of agriculture.[5] Accordingly, this postwar era represented another shift in U.S. economics—while the Market Revolution of the early 1800s brought the instability of market prices into previously isolated rural areas, the industrial era brought big business (for example, railroads) into the lives of people living in the Midwest and Great Plains. Thus, postwar economic growth brought both economic expansion as well as a set of forces which undermined the small business environment characterizing the early-to-mid-twentieth century small town. In addition, rural youth continued to leave the area for opportunities in urban areas and the Sun Belt, where postwar economic growth continued to flourish.

Nonetheless, for many the 1950s symbolize the height of prosperity for small communities. Postwar farm production grew alongside bustling Main Streets in various towns and cities in the Midwest. In this climate, communities “were willing to tax themselves to support schools,” though there still remained a lingering sense of losing people to urban locations.[6] Markets were locally competitive, including a positive relationship between residents and industrial corporations. In addition, local banking played an important role in postwar community development, providing investment to thriving Main Streets via their “willingness to invest locally” as well as taking leadership in civic ventures such as public libraries and carnivals.[7] A major element of the high standard of living in the postwar years—up through the 1970s—included cheap energy—a Federal policy related to the Cold War. Combined with the

[5] Flora and Flora, “Midwestern Rural Communities in the Post-WWII Era to 2000,” in *The Rural Midwest Since World War II*, 103.

[6] Flora and Flora, “Midwestern Rural Communities in the Post-WWII Era to 2000,” 104.

[7] Flora and Flora, “Midwestern Rural Communities in the Post-WWII Era to 2000,” 107.

Federal government's development of infrastructure—particularly the interstate and highway systems—a new opportunity arose: "people could spend a long, leisurely weekend driving to a distant recreation site more economically than they could spend a comparable weekend in a large city."[8] In short, infrastructure eased the isolation of rural areas. The reliance upon cheap energy in the rural Midwest, however, would come to haunt the area: for many, by the 1980s the rising cost of energy was fatal.[9]

Agriculture, of course, was the primary economic driver of rural Midwestern communities. Historically, U.S. public policy has been oriented toward agricultural areas.[10] Cattle arrived in the Midwest in the 1830s, with the beef industry quickly moving West across the Mississippi River—through Native American displacement—after the Civil War.[11] Indeed, the biggest factor for the agricultural growth across the Midwest has been the Federal government, beginning with the establishment of the U.S. Department of Agriculture, the Homestead Act, the Morrill Land Grant College Act, and the Railroad Act in 1862. These government initiatives helped to open "up additional rural areas to settlement and created institutions to solve problems of agriculture and rural life."[12] Other acts followed: the Hatch Act of 1887 (which created state land-grant colleges for agricultural research), the Smith-Lever Act of 1914 (which created the Cooperative Extension Service, another knowledge outlet for farmers), "the Purnell Act of 1925 (which funded social science research), and the Resettlement Administration of 1933 (which became the Farm Security Administration and later the Farmers

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[8] John M. Wardwell, "The Reversal of Nonmetropolitan Migration Loss," in *Rural Society in the U.S.: Issues for the 1980s* (Boulder: Westview Press, 1982), 24.

[9] Frank A. Clemente and Richard S. Krannich, "Energy," in *Rural Society in the U.S.: Issues for the 1980s* (Boulder: Westview Press, 1982), 34.

[10] Ronald C. Powers and Edward O. Moe, "The Policy Context for Rural-Oriented Research," in *Rural Society in the U.S.: Issues for the 1980s* (Boulder: Westview Press, 1982), 10.

[11] Kristin L. Hoganson, *The Heratland: An American History* (New York: Penguin Press, 2019), 36.

[12] Powers and Moe, "The Policy Context for Rural-Oriented Research," 11.

Home Administration) all provided institutional mechanisms for assisting in the further development of rural areas."[13]

At the end of the nineteenth century, and continuing up through the twentieth, the era of industrialization pressed many small business owners and small farmers across the Midwest became suspicious of big business, especially its ability to both elbow out smaller competitors while gaining political favors from state and federal officials. Moreover, alarm grew over the growing concentration of economic power of large, expanding corporations and railroad companies and "economic concentration in the industrial sector."[14] This confrontation brought about the era of populism, with Kansas becoming an important center of agitation. Indeed, industrial expansion brought far-off market prices into the lives of Great Plains farmers, exacerbating the age-old problem of unstable prices, which led to the organization of "cooperative commodity marketing."[15] The cooperative effort sought to gain "control over the market to reduce output and raise prices, whether it be through government-granted monopolies by means of marketing quotas, state-planned production, the private organization of cooperative marketing, farmers collectively bargaining for contracts with agricultural processors, or other means of relieving the 'inequality in bargaining power that exists in farm product markets.'"[16] At the same time, farmers challenged big businesses' monopoly or oligopoly policies in "sectors of the economy closely linked to farming"—from exporting and transportation to meatpacking and food processing.[17]

[13] Powers and Moe, "The Policy Context for Rural-Oriented Research," 11.

[14] Jon Lauck, *American Agriculture and the Problem of Monopoly: The Political Economy of Grain-Belt Farming, 1953-1980* (Lincoln: University of Nebraska Press, 2000), 3. See also Mansel G. Blackford, *A History of Small Business in America*, 2nd ed. (Chapel Hill: University of North Carolina Press, 2003).

[15] Lauck, *American Agriculture and the Problem of Monopoly*, 3.

[16] Lauck, *American Agriculture and the Problem of Monopoly*, 4.

[17] Lauck, *American Agriculture and the Problem of Monopoly*, 4.

Trends toward concentration continued into the twentieth century, as Supreme Court decisions ultimately supported "the development of big business," including allowing them to "engage in many cooperative activities that previously had been forbidden."[18] This included larger companies engaging in price fixing and production agreements.[19] The cooperatives of small business and small farmers could hardly match the power of companies drawing capital from Wall Street: between 1925 and 1931, "5,846 mergers occurred."[20] Small business faced another obstacle after the 1920s as well: the rise of chain stores increasingly edged out "smaller 'mom-and-pop' stores in the grocery and drug trades," despite Congressional legislation attempting to save the "mom-and-pop" businesses.[21] Blackford notes this momentum toward concentration:

> In 1900, only twenty-one chains existed in the grocery trade. By 1920, the number had risen to 180, and by 1929 to 807….By 1931, the five largest chains alone—A&P, Kroger, American Stores, Safeway, and First National Stores—made up 29 percent of America's grocery sales, up from just 6 percent ten years before.[22]

Dealing in scale, chains offered prices lower than what independent stores could offer (around 3 percent to 11 percent).[23] Chains also operated through the state-of-the-art accounting systems and advertising—removing the middleman from the transaction between customer and store. Consequently, the primary way of surviving as a small business after the 1920s was to provide "a specialty product or service for a niche market" chains and large-scale business did not offer.[24]

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18 Blackford, *A History of Small Business in America*, 95.

19 M. Browning Carrott, "The Supreme Court and American Trade Associations, 1921-1925," *The Business History Review* 44, no. 3 (1970): 321-322.

20 Blackford, *A History of Small Business in America*, 95.

21 Blackford, *A History of Small Business in America*, 97.

22 Blackford, *A History of Small Business in America*, 108-9.

23 Blackford, *A History of Small Business in America*, 109.

24 Blackford, *A History of Small Business in America*, 115.

With the onset of the Great Depression in 1929, many of the ideas of late-nineteenth-century Populists found life in the 1930s New Deal, including government intervention. Government programs oriented "commodity farmers of the Midwest to face toward Washington rather than their own state capitals."[25] The Farm Bill—first passed in 1933 as the Agricultural Adjustment Act—aimed to stabilize the falling crop prices which began in the 1920s. The initial 1933 Farm Bill sought to boost prices "by paying farmers to limit production."[26] Alongside the price supports, technological upgrades through the "Rural Electrification Administration" brought electricity to rural areas.[27]

Government intervention in the form of infrastructure development proved critical in reversing the fortunes of farmers. As Bonnett notes, "State investments in transportation systems during the past century have been essential to rural development, and continue to be. The state-federal Interstate highway system of the twentieth century, like the nineteenth-century railroads, facilitated the flow of rural commodities to urban markets, improved mobility for rural workers and firms, and linked rural economies to regional and national markets."[28] Indeed, the Interstate highway system allowed the meat industry to leave urban areas and enter rural spaces, where their products were produced. The federal government also helped to ensure mail service to rural areas.[29] While much of the Midwest embraced an anti-federal government ideology after the 1970s, federal intervention continues to be vital in "sustaining much of the rural Midwest since 1945"—from commodity programs to subsidies, loans, and purchase programs to "federal

[25] Flora and Flora, "Midwestern Rural Communities in the Post-WWII Era to 2000," 105.

[26] Michael X. Heiligenstein, "A Brief History of the Farm Bill," *Saturday Evening Post*, April 17, 2014: https://www.saturdayeveningpost.com/2014/04/a-brief-history-of-the-farm-bill/.

[27] Tom Bonnett, "Looking Forward by Looking Back: State Approaches to Rural Development," in *The American Midwest: Managing Change in Rural Transition*, Norman Walzer, ed., (Armonk: M.E. Sharpe, 2003), 285.

[28] Bonnett, "Looking Forward by Looking Back," 267.

[29] Bonnett, "Looking Forward by Looking Back," 285.

disaster relief and crop insurance programs" to river infrastructure to the maintenance of the Interstate highway system to the rise of the internet.[30]

Government spending during World War II helped stimulate farm mechanization while simultaneously encouraging the trend toward concentration, with many "creameries, canneries, and small meat lockers…closed across the rural Midwest"—in short, many "of the enterprises in rural midwestern communities became redundant or obsolete."[31] With new technology came new costs, which smaller producers found harder to pay versus larger producers. Concentration through mergers increased pace from 1950 to 1965, as a small number of large industries controlled "80 percent of value-added food products."[32] Moreover, the expansion of corporate farms continued to grow, "causing one U.S. senator to predict rural America's 'headlong descent into a state of corporate feudalism.'"[33]

There is some irony in the relationship between government and the traditional American admiration for small business and small farmers in U.S. history. The various policies enacted by the federal government—ranging from the anti-monopoly Sherman Act of 1890 to the Robinson-Patman Act of 1936 (to "shield small retailers from the competition of larger firms")—had "been largely ineffective"; in most cases, these policies "have often directly or indirectly furthered the development of big businesses in the United States."[34] At the same time, with the rise of the Cold War after World War II, Americans reembraced the idea of small business as "bastions of individualism and democracy against the threats of totalitarianism and communism."[35] This, of course, led to a further disconnect between the interests of small business and small farmers—

[30] Anderson, "Rural and Farm Policy and the Midwest since 1945," 152.
[31] Flora and Flora, "Midwestern Rural Communities in the Post-WWII Era to 2000," 105.
[32] Lauck, *American Agriculture and the Problem of Monopoly,* 5-6.
[33] Lauck, *American Agriculture and the Problem of Monopoly*, 6.
[34] Blackford, *A History of Small Business in America*, 4-5.
[35] Blackford, *A History of Small Business in America*, 131.

and, hence, rural communities—and larger, capital-concentrated urban spaces across the U.S.: despite their admiration for small business, consumers predictably gravitated toward the lower prices of chain stores and large businesses—myth, as is often the case, is not as powerful as an actual market providing inexpensive goods.

Nonetheless, farms—whether large or small—continued to receive different forms of aid from the Federal government, including attempts to address the ever-present "tendency of American agriculture to 'overproduce,' resulting in low commodity prices and serious economic problems for farmers and rural communities. The remedies included supply controls, import limits, export stimulation, price supports, and food purchase and diversion."[36] A possible solution to overproduction included exports abroad, which led to the Agricultural Trade Development Act of 1954 (Public Law 480).[37] Through the Act, the U.S. could sell its agricultural surplus to nations ($700 million) "for foreign currency" and then turn around and give the currency back for that nation's economic development. As Historian Jon Lauck notes:

> The program became largely a 'free gift' to needy countries that would otherwise have to spend their foreign exchange for food or 'do without.' At the same time, American farmers partially avoided the competitive prices of foreign trade and the need to find foreign exchange, and as a result, exports grew from $3 billion in 1953 to $5 billion in 1960. By the late 1950s one-third of American economic aid took the form of these local currency sales, and 70 percent of wheat exports would be handled by the program.[38]

Whether intended or not, these programs—alongside the overall growing scale of national and global trade—resulted in the further concentration of "a relatively small number of

[36] Jerry D. Stockdale, "Who Will Speak for Agriculture?," in *Rural Society in the U.S.: Issues for the 1980s* (Boulder: Westview Press, 1982), 318.
[37] Lauck, *American Agriculture and the Problem of Monopoly*, 70.
[38] Lauck, *American Agriculture and the Problem of Monopoly*, 70.

highly productive farms."[39] While 20 agricultural export companies operated in the 1920s, only six remained in the 1970s: "exporting 96 percent of wheat, 95 percent of corn, 90 percent of oats, and 80 percent of sorghum, a fact highlighted publicly during the Russian grain sales."[40] In terms of earning power for farms, by 1977, "approximately 1.9 million farms, or 69 percent of the total, received only 11 percent of the cash receipts to farming."[41] For many farmers, income increasingly needed to come from "nonfarm sources"[42]

The growth in the postwar years presented challenges for some rural communities, with many areas experiencing "serious problems coping with growth, while other rural areas continue[d] to decline."[43] Concentration and the ongoing decline of family farms would ultimately define the slow transition of the rural Midwest through the twentieth and early twenty-first century, where, too often, the "best years" appeared to be in the 1950s and 1960s. Despite President Nixon's rhetorical support for the sanctity of the family farm (echoing the popular embrace of the postwar small business idealism), his Secretary of Agriculture, Earl Butz, warned farmers in the early 1970s: "get big or get out."[44]

Confusion and contradiction defined the last third of the twentieth century for American farmers. Farm organizations such as the National Farmers Union grew concerned over Nixon's

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[39] Stockdale, "Who Will Speak for Agriculture?," 321-22. Stockdale adds: "In 1977, 162,000 farms with sales of $100,000 or more (6 percent of all farms) produced slightly more than half of all cash receipts from farming; the 18.9 percent of farmers with sales of $40,000 or more produced nearly four-fifths (78.2 percent) of all cash receipts. Approximately four-hundred cattle feedlots, averaging over 30,000 head, now feed over half of the cattle fed in the United States. In 1974, 'slightly more than 5,000 farms, each with 20,000 birds // or more, accounted for nearly 70 percent of U.S. egg production.'"

[40] Lauck, *American Agriculture and the Problem of Monopoly*, 76.

[41] Stockdale, "Who Will Speak for Agriculture?," 322.

[42] Stockdale, "Who Will Speak for Agriculture?," 322.

[43] Powers and Moe, "The Policy Context for Rural-Oriented Research," 12.

[44] Lauck, *American Agriculture and the Problem of Monopoly*, 15. Richard Nixon tentatively supported "anticonglomerate merger suits against ITT in a meeting with the Council of Economic Advisors: 'This is a tremendously potent political problem which doesn't mean we don't tackle it. Does it mean that Mom and Pop stores are on the way out—and supermarkets are all we have? There is a sociological problem here. We may be helping consumers, but we don't help the character of our people. This is an old fashioned attitude—I know—but I would rather deal with an entrepreneur than a pipsqueak manager of a big store.'"

antitrust position—which could target the National Farmers Union—while simultaneously criticizing the increasing market shares related to the expansion of corporate farming (and concentration). The National Farmers Union also feared the demise of the New Deal-era Farm Bills. Though anxious of losing federal support, many Midwest conservatives began embracing a new anti-New Deal welfare state ideology gaining ground in the 1960s during the height of the prosperous New Deal Welfare state. Led by economists Milton Friedman and Friedrich von Hayek, this anti-Welfare state ideology fell under the name, neoliberalism—a return to the 1920s conservative economics often referred to as laissez-faire "classical liberalism." Neoliberal ideas of a non-governmental role in economics (the removal of politics from economics) included a hands-off policy toward the concentration of business: the government should not be in the business of breaking up trusts, as this action ostensibly interfered with the free market.[45] Reversing course from the late-nineteenth century Populist sentiment, neoliberal economic theory suggested that Business concentration and monopoly or oligopoly practices were natural economic tendencies, despite whatever damage they might do to small business or farmers. For farmers, however, the balance between government social safety nets and free markets were hardly an academic debate. The President of South Dakota Farmers Union noted the situation of the era (and the future):

> You can drive anywhere in the rural areas and see the results of our failure to weigh social consequences in determining our economic objectives: the weathered, abandoned farmhouse, a curtain flapping through a broken window; the soaped-up plate glass of the store front with the 'closed' sign taped to the door; the weeds standing tall around the vacant service station, and the growing ratio of older people on our main streets in areas like South Dakota.[46]

[45] Lauck, *American Agriculture and the Problem of Monopoly*, 15-16.
[46] Lauck, *American Agriculture and the Problem of Monopoly*, 16.

During congressional hearings before the Subcommittee on Monopoly of the Senate Small Business Committee, May 20, 1968 (Washington DC: GPO, 1968), these concerns were brought to the fore. The debates underlined the twin views of American capitalism's relationship to agriculture. For antimonopoly views, there was a vision of the market economy composed of "many, scattered, small-scale producers, a system perverted by the coming of big business in the late nineteenth century."[47] On the other hand, corporate farming and concentration offered a degree of control for unstable commodity prices, but these trends placed further pressure on the life of small rural communities.

This push-back against corporate farming and concentration underscored the latent sentiment connected to the Populist era. As Lauck suggests, the "opponents of corporate farming feared that 'agriculture [would] become—like steel, autos, and chemicals—an industry dominated by giant conglomerate corporations such as Tenneco.'"[48] While the mid-1960s confidence in business leaders—according to polls—was about 55 percent, during the period of the corporate farming debate the "percentage plummeted to 15 percent" by 1975.[49] In addition, by the 1960s, the Republican Party began to actively move against the Federal intervention of the Depression-postwar years, which included advocating the rollback of farm programs and encouraging larger farms (as Secretary of Agriculture, Earl Butz, noted above); moreover, many conservatives served on the boards of agribusiness—and generally opposed anticorporate farming bills (which Democrats supported).[50]

Small farmers were caught in this ideological tug-of-war between differing economic philosophies. Criticism toward corporate farming and concentrated landownership included the

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[47] Lauck, *American Agriculture and the Problem of Monopoly*, 22.
[48] Lauck, *American Agriculture and the Problem of Monopoly*, 22.
[49] Lauck, *American Agriculture and the Problem of Monopoly*, 23.
[50] Lauck, *American Agriculture and the Problem of Monopoly*, 24.

undermining of the idea of "republicanism and the civic tradition."[51] Republicanism in this sense refers to the traditional American values of inalienable individual rights and liberty, the idea that the authority behind laws resides in the sovereignty of the people, the rejection of inherited forms of political power, and the expectation that citizens virtuously embrace civic duties in their community. By the 1970s, as Lauck asserts: "The populist antagonism for concentrated economic power and agrarian proclivity for dispersed and decentralized ownership were still powerful in the grain belt and evident in the laws passed in the 1970s."[52] Times were still changing, however, whether one supported corporate farming or not. In a situation of increasing concentration, the small farmer, small business owner had a difficult time competing. As stated above, services and the development of specialized products increasingly became the only viable route for small business success as larger companies took over retailing.[53]

The 1970s initially offered a ray of hope for agriculture. Low interest rates created "cheap money," providing capital for the purchase of farms and opening the door for younger farmers to enter the business. The delicate balance to this optimism, however, rested upon stable commodity prices and reliably cheap fuel. The export boom between 1971-1975 provided some stability, at least as long as diplomacy kept pace with production. The law of supply and demand also contributed to prices as well. Lauck notes: "The smaller supply of food in the early 1970s, not only in the Soviet Union and the United States (after the large grain sales) but throughout the world, substantially increased the value and power of the productive capacity of American agriculture."[54] A few diplomatic stumbling blocks tested this new stability, including President

[51] Lauck, *American Agriculture and the Problem of Monopoly*, 31.
[52] Lauck, *American Agriculture and the Problem of Monopoly*, 36.
[53] See Mansel G. Blackford, *A History of Small Business in America*, 2nd ed. (Chapel Hill: University of North Carolina Press, 2003), 152.
[54] Lauck, *American Agriculture and the Problem of Monopoly*, 77.

Ford's imposition of grain embargoes to protest of the Soviet Union's meddling in developing nations in 1974 and 1975; despite his campaign pledge not to embargo food, President Carter implemented a similar embargo after the Soviet Union's invasion of Afghanistan.[55] Although President Reagan lifted the grain embargo after his inauguration, this new glimmer of hope quickly spiraled into the 1980s farm crisis as prices collapsed alongside land values. Small farmers, along with the small businesses catering to communities of small farmers, were hit the worst.

Farmers who took out loans in the 1970s faced a sudden tightening of credit (the Federal Reserve raised interest rates to rein in inflation), a dramatic decline in land and commodity values, and a surge in the value of dollar once interest rates went up (which made exports more expensive). After decades of cheap and available energy, rising energy prices exacerbated the costs of maintaining a farm, further encouraging the trend toward greater concentration of agriculture. Clemente and Krannich note:

> Modern commercialized agriculture requires substantial energy resources for the operation of mechanized equipment such as tractors, milking machines, and heating and cooling equipment. Production of pesticides and fertilizers also requires extensive energy use. The historic trend toward larger farms and corporate agriculture has resulted in increasingly energy-intensive farming practices. Modern agriculture, like other capital-intensive industries, is highly vulnerable to potential energy shortages and cost increases.[56]

After decades of growing pressure, a perfect storm smashed into family farms in the 1980s: the ever-increasing concentration of land and capital across the twentieth century, rising energy costs in the 1970s (after decades of cheap energy), and the increasingly more technology-intensive—and, thus, capital intensive—nature of modern farming. It is no accident popular culture in the

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55 Lauck, *American Agriculture and the Problem of Monopoly*, 78.
56 Clemente and Krannich, "Energy," 38.

1980s turned to nostalgic memories of the 1950s and 1960s, as the decade turned sour for so many in rural communities.

The Reagan era's embrace of neoliberal ideas and supply-side economics, an intensifying global economy (including increased agricultural competition from Latin America), and the rise of a service-information economy (rather than a production economy) produced a cascade of economic adjustment across the rural Midwest. Bankrupt farmers produced bankrupt banks, while community ties between small farmers and the local small businesses selling goods and services continued to wither: often, "new landowners and management companies did not use local goods and services, putting many small towns in peril."[57] Committed to the neoliberal, non-government interventionist ideology, President Reagan's initial response to the farming crisis was to advocate for a free market, government hands-off approach. However, by 1985, he reversed course as farmers—traditionally Republican—railed against the GOP's insistence on no government support. In reaction to rural agitation, Reagan expanded government intervention into agriculture via The Food Security Act of 1985 (or the 1985 U.S. Farm Bill), which included price supports for lower commodity prices, conservation initiatives, payments for the removal of cropland from production, and various loans and payments for stored grain. Also included was the federal government's purchasing of milk alongside the new Soviet grain purchase agreement, offering "farmers a $1.5 billion plan for interest-free and government-backed credits to foreign governments for U.S. grain purchases."[58] This expansion of government intervention into agriculture included Reagan's tripling of the price supports for American farmers from the previous year.[59]

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[57] Flora and Flora, "Midwestern Rural Communities in the Post-WWII Era to 2000," 106.

[58] J.L. Anderson, "Rural and Farm Policy and the Midwest since 1945," in *The Rural Midwest Since World War II*, 132.

[59] Anderson, "Rural and Farm Policy and the Midwest since 1945," 132.

The shock of the 1980s farm crisis continued to ripple across the Midwest, however. Rural small-town America retracted dramatically, as downtown stores went out of business and were boarded up. Although the 1980 Farm Crisis merely exacerbated an issue decades in the making, the dramatic decline of the family farm represented an important symbolic shift in American culture stretching back to the colonial era. As Stockdale notes, “The family farm is often seen as one of the last vestiges of independence and family entrepreneurship in America. In this view, family farming involves a variety of noneconomic values having to do with freedom, independence, and a way of life. Family-type farmers have been willing to accept below-average returns on investment in order to maintain these values.”[60] While the Reagan administration was slow to respond to the crisis, many in rural communities were divided over state and federal bailouts or letting farms go bankrupt. The late nineteenth-century family farm Populist solidarity across the Midwest dissolved in the modern era of corporate farming.

By the 1990s, the vast changes sweeping through agriculture and the rural Midwest settled into normalcy. Just as concentration hit most industries—from automobile industry to airlines to entertainment and restaurant conglomerates—farming and farm-related industries quickly fell in line: by the end of the 1990s “five firms conducted over 80 percent of beef packing and that six forms conducted 75 percent of pork packing. Also, the four largest grain buyers controlled nearly 40 percent of the elevator facilities.”[61] Concentration led to greater market power and greater profits at the expense of smaller competitors. The result, however, included the widening gaps between farm and retail prices: “From 1984 to 1998 consumer food

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[60] Stockdale, “Who Will Speak for Agriculture?,” 323. Stockdales continues: “At one extreme, family-type farming is seen as an important bulwark of democracy. At the other extreme, it is viewed as false consciousness: family farmers are seen as a propertied semiproletariat who are forced by the exigencies of the larger economic system to exploit themselves and their families by working long hours for low returns. In this view, the family farm is little more than a myth used to legitimize programs that actually serve the interests of the largest commercial farms and agribusiness firms.”

[61] Lauck, *American Agriculture and the Problem of Monopoly*, 177.

prices increased 3 percent while the prices paid to farmers for the products plunged 36 percent. The impact of the price disparity is reinforced by reports of record profits among agribusiness firms at the same time that agricultural producers are suffering through a severe economic depression."[62] Earl Butz's early 1970s warning—"get big or get out"—was no idle threat.

Deregulation in the 1990s aided some farmers through the Federal Agriculture Improvement and Reform Act, a process slowly ending government-sanctioned markets. With less government came fewer safety nets, though bipartisan government intervention never truly disappeared. While farmers now had more freedom to plant what they wanted—they were able to quickly change commodities as market prices shifted—by the late 1990s some of the historical uncertainties of the market returned to haunt American farmers. Anderson notes:

> Commodity prices were at record highs in the mid-1990s when Freedom to Farm became law, but a price collapse in the late 1990s inspired emergency measures that pumped ever-larger sums into the countryside starting in 1998. In 1999 hog prices were at the lowest level since the 1930s, prompting hog industry representatives to ask for help. Missouri farmer Blake Hurst supported Freedom to Farm in 1996 but six years later was still participating in federal commodity programs, conceding that as long as he qualified for them he would continue to cash the checks. Even as midwestern farmers disagreed about the role of the federal government in agriculture, they were major beneficiaries of federal commodity payments. Midwestern states frequently ranked among the top ten states receiving government payments from 1995 to 2010. During those years, Iowa ranked number one; Illinois, Nebraska, Minnesota, and Kansas were third, fourth, fifth, and sixth, respectively….Furthermore, federal farm credit, crop insurance, and disaster relief all provided major props to the rural Midwest. New Deal production and commodity programs proved to be remarkably enduring.[63]

Other forms of government intervention included ethanol subsidies, which—like other federal programs—targeted surplus grain. With the Energy Tax Act of 1978, various incentives aimed toward blending ethanol with gasoline pressed tax exemptions from 40 cents per gallon in

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[62] Lauck, *American Agriculture and the Problem of Monopoly*, 177.
[63] Anderson, "Rural and Farm Policy and the Midwest since 1945," 134.

1978 to 60 cents per gallon by the mid-1980s.[64] Ethanol was given a further boost through the Clean Air Act amendments in 1990, leading to federal money flowing "to research and development of biofuels, ranging from $50 billion to $100 billion per year from 1978 to 1998."[65] Free trade agreements, moreover, removed some of the trade barriers protecting American agriculture from foreign competition—the 1990s saw a greater influx of "foreign producers" entering domestic markets.[66] By the twenty-first century, American farmers operated in a truly global marketplace.

Existing as a small hub in Western Kansas, the experience of Ellis County in the twentieth century exemplified the array of challenging facing rural America, ranging from the negotiation of debt to the unstable weather of the Great Plains to the fortuitous discovery of oil in the region, which seemed to damped some of the negative economic swings of the century.

Ellis County Since World War I

An array of challenges swept through Ellis County after World War I, including both good harvests and crop failures, railcar shortages as well as problems with insects. This period also witnessed farm modernization, while the influence of Populism led to the creation of organizations and programs aimed toward helping farmers.[67] An early local program to help farmers included the Experiment Station, which focused on beef cattle nutrition research as well as Dry Land Agriculture or agriculture production without irrigation. In 1920, the Farm Bureau began with about four hundred and thirty-five members. Draught plagued Great Plains farmers

[64] Anderson, "Rural and Farm Policy and the Midwest since 1945," 138.
[65] Anderson, "Rural and Farm Policy and the Midwest since 1945," 138-9.
[66] Norman Walzer, ed., *The American Midwest: Managing Change in Rural Transition* (Armonk: M.E. Sharpe, 2003), xiii.
[67] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial* (Hays, Kan.: The Ellis County Star, 1967), 41.

across the twenties, a phenomenon known as the Dust Bowl, a situation spanning Texas to Nebraska. By 1926, several water restrictions were put in place. In Hays, the water supply was so depleted it affected the fighting of fires. Many northern Hays residents found it difficult to get any water. In 1927, the city of Hays—with a population of 4,455—installed two new water wells.

While most rural communities in the Midwest were farming-dependent, Ellis County enjoyed the substantial presence of petroleum. Oil was first discovered on William Schutts farm on November 15, 1928, setting in motion the oil industry in Ellis County and contributing to the economic fortunes of the area.[68] The famous Bemis Pool produced oil until 1967.[69] With the stock market crash of October 1929, and farms still reeling from the market turmoil and Dust Bowl of the 1920s, oil provided a needed balm to ease economic instability. For example, local farmer, Joseph A. Weber, used his oil royalty to pay off a judgement of taxes and interest.[70] For many area farmers, royalties from oil helped them keep their farms.

Another important industry for the county and town of Hays included the two hospitals founded by different Christian denominations. These hospitals would eventually develop into two major regional medical centers. Originally founded in 1909, St. Anthony’s was the Catholic hospital operated by the Sisters of St. Agnes. From its small beginnings in a local house, St. Anthony’s eventually moved into its first official building in 1919; various additions, including a new wing in 1931, soon followed.[71] A second hospital arrived in the 1920s. With the first proposals of the hospital beginning in the fall of 1923, the Hays Protestant Hospital would

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[68] Katherine Cobo, “From Fields Of Golden Grain To Black Liquid Gold: The Economic Contribution Of The Oil Industry To Ellis County, Kansas” (2012). *Master's Theses,* Fort Hays State University, 1.

[69] *At Home in Ellis County, Kansas, 1867-1992,* 143.

[70] “'Black' Gold Comes to Rescue of Ellis County Farmer As Oil Royalty Clears Debts,” *Ellis County News,* September 16, 1937.

[71] *At Home in Ellis County, Kansas, 1867-1992,* 237.

officially open its doors on May 11, 1925 (Dr. Blake became the first Chief of Staff).[72] Originally established in the Old Methodist Church building, the Hays Protestant Hospital would later become the Hadley Medical Center. Approved by the Hays Board of Hospitals and Homes, the hospital would become a part of a larger group of five hospitals in Salina, Goodland, the old Dr. Lathrop private hospital in Norton, Belleville, and Hays.[73] Up until 1930, the hospital hosted a school of nursing. Hays Protestant Hospital eventually earned a membership in the American Protestant Hospital Association, including accreditation from the American College of Surgeons.[74] With the discovery of oil on the Hadley farm in the 1930s, the hospital's future became secure.

Infrastructure development has always been vital for Ellis County, from old Native American paths to the Oregon Trail to the railroad system. In the twentieth century, the Main Street of America—U.S. Highway 40—found life as one of the first U.S. Highways tying together Utah with New Jersey.[75] Housing infrastructure expanded as well in the 1920s. Facing a housing shortage, the Hays Chamber of Commerce started the "Own Your Own Home" campaign, creating a committee to implement growth plans and improvements to the city. By 1924, the city had built fifty new houses.[76]

Religious institutions grew alongside housing. From the early founding of Hays there were several churches. St. Joseph's Catholic Church held the largest congregation with over seven thousand members. Beginning as a stone church in 1876, by 1904 the congregation had outgrown the old building. Thus, a new building was constructed in its current location on 13th

[72] *At Home in Ellis County, Kansas, 1867-1992*, 237.

[73] "New $100,000 Hospital For Hays: Financial Campaign to Be Launched in Fall of 1923," *The Hays Free Press*, December 28, 1922.

[74] *At Home in Ellis County, Kansas, 1867-1992*, 240.

[75] *At Home in Ellis County, Kansas, 1867-1992*, 32.

[76] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial*, 41.

and Ash St. The Trinity Lutheran Church was organized in November of 1878, although its first building was struck with lighting and destroyed, resulting in a new church built on the corner of 13th and Fort St. (holding a congregation of about 290 members). Organized in 1883, the First Baptist church constructed its first stone church in 1887—leading to further expansion in 1927.[77] The Church of the Nazarene was organized by 1933, completing its first building in 1935. Finally, the Hays Christian Church was organized by 1947, with a congregation largely made up of bible college graduates, ordained ministers, and missionaries working on degrees at Fort Hays State College.[78]

Despite the national hardships of the Great Depression, the 1930s was still a time of growth for Ellis County and the city of Hays. To help combat the water shortage, the area received federal aid from President Roosevelt's New Deal administration, including programs such as the Civil Works Administration, the Civilian Conservation Corps, and the Works Progress Administration.[79] Outreach meetings were held in several towns across Kansas, including one in Hays by the U.S. Secretary of Agriculture, Arthur M. Hydel, and U.S. Federal Farm Board Chairman, Alexander H. Legge. In discussing wheat, farmers were encouraged to limit their crop acreage. Nonetheless, drought still affected the area in 1933 and 1934, leading to Ellis County being designated a drought relief district. While there was a lower wheat harvest in 1935, the value of farm products increased from $7,266,000,000 in 1934 to $8,110,000,000 in

[77] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial*, 33.

[78] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial*, 33-34.

[79] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial*, 42.

1935 (with corn the most profitable crop in both years, despite a price drop per bushel of 81.6 to 57.7 cents).[80] Farmers would not see an increase in the wheat harvest until 1938.[81]

Due to the sudden federal demand for goods and services, the arrival of World War II ended much of the economic misery of the Great Depression. One important change to Ellis County was the Walker Army Airfield, constructed about 3 miles northeast of Victoria in 1942. The airfield brought an additional 1,500-2,000 people to the area—causing a housing shortage (in many cases, Hays residents began renting out rooms in their homes). More activity brought more infrastructure, including construction of a modern grade school, several buildings at Fort Hays State College, and several more churches—and with the influx of soldiers came weekly dances at the Gala Gardens and the expansion of the USO center in Hays.[82] The additional population led Hays to be considered a "war boom town," stimulating many local businesses. Other infrastructure developments included several improvements to the airport, a new courthouse, and the start of a city auditorium (which was halted by the termination of the WPA in 1943).[83]

Despite the increase in population during WWII, much of the area's labor entered the armed forces, leaving farmers with a shortage of workers in 1943. The German Prisoners of War program sought to remedy this situation. Abe Schneider, of the Governor's Labor Commission, suggested using the German prisoners, but the closest town housing them was Concordia. Superintendent L.C. Aicher agreed to use the Fort Hays Experiment Station as a labor camp. In

[80] "1935 Farm Income Shows Large Gain," *Ellis County News*, October 19, 1935.

[81] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial*, 43.

[82] *At Home in Ellis County, Kansas, 1867-1992*, 47.

[83] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial*, 45.

some cases, prisoners helped out local businesses. The camp officially closed in November of 1945.[84]

Productivity in the oil fields grew rapidly during WWII. Bemis No. 1—the most well-known oil well—produced twenty-five barrels an hour in 1935. In addition, more commercial production companies entered the area, including Margay Oil company, Pryor and Lockhart and Bradley Brothers, Ted Kohrs, Hartman and Blair, and the Wolf-Creek Oil Company from Wichita.[85] With oil priced at a dollar per barrel, "the income from oil in Ellis County exceeded thirty-two thousand dollars per day at the time."[86] The county held about 640 oil wells at the close of the 1940's.[87] Oil money, as noted above, proved vital in helping to maintain and upgrade the local infrastructure. Royalties from the Hadley farm funded the Hays Protestant Hospital's first expansion in 1942, leading to a name change: the Hadley Memorial Hospital. With Mark Hadley's passing in 1949, a board of trustees directed the trust maintaining hospital.[88]

Although the 1950s emerged as a time of optimism and unfolding prosperity, the decade did not start well for Ellis County: the flood of 1951 killed six people and caused 3 million dollars' worth in damage.[89] Nonetheless, construction and expansion characterized the decade: Fort Hays State College opened a museum in 1955, the KAYS-TV station went on the air in 1958, and presidential candidate, John F. Kennedy, visited Hays during his election campaign in 1959.[90] For construction, 1959 was the biggest year, with a total of about $2,726,595 in estimated building, only to be surpassed in 1962 and 1964 (with an addition of 480 building

[84] *At Home in Ellis County, Kansas, 1867-1992,* 22.

[85] "Drilling Activity On Increase Here: Report Progress On A Number Of Tests Drilling in Ellis and Rooks County," *Ellis County News*, March 5, 1936.

[86] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial,* 84.

[87] *At Home in Ellis County, Kansas, 1867-1992,* 145.

[88] *At Home in Ellis County, Kansas, 1867-1992,* 240.

[89] *At Home in Ellis County, Kansas, 1867-1992,* 47.

[90] *At Home in Ellis County, Kansas, 1867-1992,* 48.

permits).[91] A new site for the airport was drawn up in 1958, including mail service plans for Northwest Kansas.[92]

Construction and construction included several more churches as well. By 1954, St. Joseph's congregation outgrown the church, leading to a station church, St. Mary's—which included a convent. The Church of The Nazarene also built a new church building in 1957 on the corner of 7th and Allen. By the fall of 1950, the Messiah Lutheran Church was founded, resulting in a church constructed on 20th and Main in 1953 (an education wing was added in 1960). Others included: the Church of Jesus Christ of the Latter-Day Saints (founded in 1954), with church built 1962; the First Southern Baptist Church (founded in 1955), with church built in 1963; the First Assembly of God Church (founded in 1956); the Church of Christ (founded in 1957), with church built in 1961; and, finally, the Jehovah's Witnesses founded and built a church in 1959.[93]

With the completion of farm modernization by the mid-1950s, leading to the August 1954 Hays Wheat Festival, the largest wheat show held in the state.[94] Production and prices in a global economy, however, continued to plague farmers. Lauck suggests that "Global crop production…reached near-record levels in 1953, coupled with the falling demand for food after the end of the war," putting "tremendous downward pressure on prices for the farmers' products, [and] creating the 'farm problem' that would greet President Eisenhower and his successors."[95] The wheat harvest of 1957 was not great, but Ellis County recovered the following year as prices

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[91] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial*, 56.

[92] *At Home in Ellis County, Kansas, 1867-1992*, 33.

[93] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial, 33*-34.

[94] *At Home in Ellis County, Kansas, 1867-1992*, 47.

[95] Jon Lauck, "American Agriculture and the Problem of Monopoly: the Political Economy of Grain Belt Farming, 1953-1980, 3.

rose. With the economy recovering, liveliness returned to Main Street while sales of machinery grew in Ellis County as demand returned to the region.[96] The estimated profit from the harvest was to be nearly $6 million dollars.

Despite the slowing of oil production at the end of the 1950s, Ellis County was still one of the top producing counties in Kansas. Since the 1930s and 1940s, Ellis County was in the top five counties in oil service, production, number of wells drilled, number of wildcat discoveries, number of wildcats drilled, pool extensions, oil taxes, and total footage drilled. By the 1960s, there were over 170 oil companies in the county involved in the petroleum business.[97]

The hospitals in Hays also expanded across the 1950s and 1960s. Hadley Memorial Hospital brought back the nurse training program, and by 1959 had opened the first comprehensive rehabilitation facility in Kansas and the first in the U.S. in a rural area.[98] St. Anthony expanded, adding a wing in 1952 as well as a power plant, a new kitchen, cafeteria, cancer clinic, and a nursing school.[99] By the early 1960s, Hays became the primary medical center for Northwest Kansas, with the Kansas State Board of Health designating Hays as an "Area Center for Medical Services" for the twenty-one counties in Northwest Kansas. Many specialists were attracted to the area, including Internal Medicine, General Surgery, Orthopedic Surgery, Ophthalmology, Radiology, Physical Medicine and Rehabilitation, Otorhinolaryngology, Anesthesiology, Obstetrics, and Gynecology. The facilities benefited physicians practicing in the surrounding areas, as they used the hospitals for their resources and formed clinics like the Kansas Crippled Children's Commission and the Hays Speech Correction

[96] "The Old King Returns," *Hays Daily News*, July 01, 1958, Pg. 2, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-jul-01-1958-p-2/

[97] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial*, 85.

[98] *At Home in Ellis County, Kansas, 1867-1992,* 240.

[99] "50 Years of Progress By St. Anthony," *Hays Daily News*, January 20, 1959, p. 1.

Clinic.[100] In 1964, Hadley opened the High Plains Mental Health Clinic.[101] The hospital held 130 beds at this time, with a rehabilitation center (one of two within the state at this time).[102] The hospital would go through another name change to Hadley Regional Medical Center in 1968.[103] Finally, in 1964, St. Anthony made additions such as a new residence home for the hospital's sisters while operating rooms and the maternity ward were modernized.[104]

Economic opportunities in Ellis County continued to expand throughout the 1960s, especially with the opening of Travenol factory in 1967, providing employment to about 750 people in the area. Part of the industry's decision to move to Hays was influenced by the state's right-to-work law.[105] The addition of this industry (they specialized in medical components) reinforced the title Hays gained as a medical center for Northwest Kansas. New businesses and industries arrived with the new construction, including "a population surge, progressive leaders and civic programs, and advances in the areas of education, medicine, agriculture, oil, and transportation."[106] The airport continued its expansion with more land purchased in 1966 for runway extension while in 1968 the Federal Aviation Administration installed a vortex facility.[107] A 90% increase in population from 1946 led to 13,763 residents by 1967, rising to 15,396 in 1970—including about 100 new businesses opening, and 75 businesses expanding in the three years prior to 1967.[108] Additions and expansions included: construction of the new

[100] "Hays Is Medical Center For Northwest Kansas Countries," *Hays Daily News*, February 16, 1964, p. 12.

[101] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial*, 46.

[102] "Hadley Hospital Staff Numbers Close to 200," *Hays Daily News*, February 16, 1964.

[103] *At Home in Ellis County, Kansas, 1867-1992*, 240.

[104] "St. Anthony Hospital Was Established in 1904," *Hays Daily News*, February 16, 16AD, p. 12.

[105] "Travenol Here Since 1967," *Hays Daily News*, July 5, 1976, sec. 6, p. 11.

[106] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial*, 56.

[107] *At Home in Ellis County, Kansas, 1867-1992*, 33.

[108] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial*, 56.

Roosevelt Elementary School in 1966; a two-room addition to Wilson Elementary School; and the expansion of the Southwestern Bell Telephone building. Meanwhile, the old Lamer Hotel was remodeled for the new First National Bank. A second shopping area—the Centennial Shopping Center—was built in 1960, including a bowling alley and a restaurant. The city of Hays also saw the updating of the water system and sewage improvements in 1965. The unification of the Hays and Schoenchen school districts also occurred in 1965.[109] Church expansion followed the increase in population as well, with the St. Joseph's parish purchasing the old Trinity Lutheran Church building in 1964 (becoming the Sacred Heart Chapel). New churches included the First Christian Church, Disciples of Christ, the Immanuel Baptist Church, and the Faith Evangelical Lutheran Church.[110] Overall, Ellis County achieved a record high population growth with nearly 22,000 residents in the county, while unemployment was at a low point during 1967.[111] The increasing population was a boon to the economy as more consumers and businesses meant more cash flowing through a healthy economy.

Infrastructure development, again, proved critical for the economic well-being of Ellis County in the postwar years. For the city of Hays, the completion of Interstate 70 tying Hays to Ogallah and Hays to Russell was completed between 1965 and 1966.[112] The Ellis County Civil Defense Unit—a characteristic of the Cold War atomic age—was a second development in 1961. A total of 39 fallout shelters were constructed, with a capacity to hold about 14,285 people. A national warning telephone system was installed at the Hays Police Department in 1965,

[109] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial*, 57-58.

[110] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial*, 34.

[111] "Ellis County Population Tops 22,000," *Hays Daily News*, September 15, 1967, Pg. 6, Hays, Kansas, US,
https://newspaperarchive.com/hays-daily-news-sep-15-1967-p-6/

[112] *At Home in Ellis County, Kansas, 1867-1992*, 34.

establishing a connecting to the North American Air Defense Command headquarters located in Colorado Springs. Dr. John Edmund pointed out that Hays was a prime location in the event of a nuclear attack: “Hays is in effect the capital of Western Kansas. The state government will move here from Topeka in any situation where Topeka must be evacuated.”[113]

The 1960s also saw the greatest number of farmers in the county’s history. The 1870 census of Ellis County listed 72 farmers; in the 1960s there were 1,500 farmers (the number dropped to 800 farmers in 1991).[114] Science and technology now defined modern agriculture, leading to an increase in the use of fertilizers, chemicals, and a net energy feeding method in dairying.[115] The continuation of federal farm subsidies aimed to stabilize agriculture, including the 1964 Wheat Program, which stated that about one-half of the wheat grown would be guaranteed a seventy cent per bushel per acre price while the other half would receive twenty-five cents per bushel. In Ellis County, about 90% of the county’s farmers signed up to participate in this program. When looking at the state, about six out of every ten farmers chose to participate in this program.[116]

Cooperatives faced some challenges in the 1960s, particularly after the January 1962 fire destroyed the Hays Feed Mill and Office. Replaced in August 1962, it later closed due to transportation costs. During the 1940s, the passing of the Copper-Volstead Act had changed cooperatives to a membership organization, which included Hays and Toulan. In 1957, the Plainville Oil Cooperative, including Plainville and Yocemento, merged with the Hays cooperative, leading to even more cooperatives merging with the one in Hays. In 1966, the Hays

[113] Maureen Winter, in *Indians to Industry: A History of Hays and Ellis County Prepared for the Celebration of the 1967 Centennial*, 59.
[114] *At Home in Ellis County, Kansas, 1867-1992*, 138.
[115] *At Home in Ellis County, Kansas, 1867-1992*, 140.
[116] “Nearly All Of Ellis County Farmers Signed Up For '64 Wheat Program,” *Hays Daily News*, May 20, 1964.

and Zurich cooperatives merged, changing from a tax exempt to a non-tax-exempt cooperative in 1973. In 1982, the Natoma Cooperative and Hays Cooperative consolidated.[117] This trend towards consolidation and mergers reflected the larger national economy: corporations were merging into conglomerates. An article in an August 1967 edition of the *Hays Daily News* discussed this trend, particularly how farmland had decreased dramatically. At the same time, farming equipment and other costs of farming became increasingly expensive, which encouraged the ongoing trend toward land consolidation. The article explained that the state should entice young farmers through benefits such as favorable options for purchasing land and machinery.[118]

Consolidation and merger trends also pointed toward the expansion of regional and national chain stores—and the decline of local small business. Prior to the Interstate cutting through Hays, Elisha Beck notes (in her history of the downtown Chestnut Street District) that necessities were purchased locally through the various shops owned by area entrepreneurs.[119] Geography helped to shape the fortunes of small business against the backdrop of the various individual histories of the Chestnut Street District, but the arrival of the Interstate would change these dynamics. Beginning in the 1960s and through the 1970s—especially after the completion of I-70 (1970)—businesses started leaving the older buildings downtown in order to relocate in the newer areas developing on Vine Street—near I-70.[120] While downtown declined, the Vine Street corridor expanded. As Richard E. Wood writes:

> When, thanks to the automobile and highway construction, people living in small towns within a 50-mile radius of Hays, Kansas, could get to Hays in less than thirty minutes, things changed dramatically, and for the better, at least for Hays. It became a hub city for its region, and it is growing.

[117] *At Home in Ellis County, Kansas, 1867-1992*, 135

[118] "A Serious Threat," *Hays Daily News*, August 20, 1967, Pg. 2, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-aug-20-1967-p-2/

[119] Elisha Beck, "History of Select Businesses in the Historic Chestnut Street District of Downtown Hays, Kansas" (2008). *Master's Theses*. Fort Hays State University, 5.

[120] Beck, "History of Select Businesses in the Historic Chestnut Street District of Downtown Hays, Kansas," 6.

> Hays hosts the Wal-Marts and Marriotts and the car dealerships of the world—while the towns that were bypassed by the interstates are left with the Duckwalls, True Values, aging mom-and-pop motels, and small groceries. If they're lucky. If they're not lucky, they lose their hardware store, their variety store, their grocery, and their motel, along with the gas station and school and post office.[121]

The 1970s opened with the 1972 opening of the multi-million-dollar mall and, in 1973, Hays hosted its first Oktoberfest, coinciding with Fort Hays State College's homecoming (in 1977, Fort Hays State College became Fort Hays State University). In 1972, the movie *Paper Moon* was filmed in Hays, leading to many of the residents working as extras in the movie (the premiere of the film was in Hays a year later).[122] After a Bond was passed in 1976, the new building for Hays High School was completed in 1980.[123]

By 1972, the population of Ellis County was, on average, younger than it was ten years before, reflecting the baby boom trend across the United States. Along with the younger age, family life was changing in the United States as a whole. Families were becoming smaller as child-rearing became increasingly expensive (the introduction of birth control pills in 1960s also helped women control their reproductive capacities). The change in family size altered the dynamics of the family farm as well. In previous eras, families were quite large, and the children often helped run the farms. As families downsized, so too did the amount of available labor for rural family farms—a problem remedied if one could operate at a larger scale and with more capital.[124]

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[121] Richard E. Wood, *Survival of Rural America: Small Victories and Bitter Harvests* (Lawrence: University Press of Kansas, 2008), 28.

[122] *At Home in Ellis County, Kansas, 1867-1992*, 48-49.

[123] *At Home in Ellis County, Kansas, 1867-1992*, 49

[124] "County Population Getting Younger," *Hays Daily News*, February 25, 1972, Pg. 1, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-feb-25-1972-p-1/

While the 1960s might have seen the largest number of farmers in Ellis County's history, a national trend saw farms increasingly disappearing across the 1960s. Despite a 17% drop, field crops increased to $58 million dollars—including a 35% increase in livestock and poultry. Agricultural concentration and the rise of corporate farming pointed to a future as the small farm lifestyle slowly disappeared: "Farmers who argue that price will bring more farmers back to the soil overlook the fact higher prices will encourage corporations and large landowners to buy more land."[125] Politics would erupt again during this era, including the campaign arguments of Democrat Bill Jellison and Republican Keith Sebelius in 1970. Jellison's campaign accused Republican candidate, Keith Sebelius, of letting down many local farmers by folding under pressure from the Nixon Administration.

An article from a March 1972 issue of the *Hays Daily News* highlights the anxieties of the shifting status of the family farm. In discussing the new Health, Physical Education Complex at Fort Hays State, including a thorough outline of the costs and indirect and direct benefits the complex will have on the local economy, the paper highlighted how the project would result in over two million dollars circulating through the local economy—at a time when farming was experiencing difficulties.[126] Multiple articles from this time indicated how beneficial and economically essential the college was becoming for Ellis County as farming faltered.[127]

Agricultural anxiousness shadowed the county into the 1970s. Concerns over wheat prices and poor crops due to disease arose in 1974. Senator Bob Dole requested a review of the estimated wheat crop for the year by government officials as he believed the estimation was

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[125] "The Shrinking Farm Story," September 24, 1971.

[126] Bob Lowen, "HPER Complex Big Boom To Local Economy," *Hays Daily News*, March 22, 1972, Pg. 10, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-mar-22-1972-p-10/

[127] "Ellis County Population," *Hays Daily News*, June 23, 1972, Pg. 1, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-jun-23-1972-p-1/

overly optimistic and hurt wheat producers across the state, especially those in western and southwestern Kansas. The amount of wheat estimated resulted in lower wheat prices, placing further pressure on farmers already struggling with financial hardship. As the farmers struggled, so too did Ellis County—the decline in the economy led to a decline in the population.[128] Concerns over rising fuel prices and the rising costs for farming continued to characterize 1974 as the global oil crisis hit Western Kansas. The *Hays Daily News* underlined how the increased competition and rising costs and lower prices quickly made family farming a nonviable career across the United States.[129]

More positive news arrived in 1975. Population growth reversed course from the previous year, leading to population growth in Ellis County. Debates arose over zoning in Hays, including decisions to rezone certain areas from agriculture to industrial land. The effort aimed to entice more industrial businesses to the area for job creation and promoting economic growth.[130] Finally, two years after the dire news of 1974 the harvest of 1976 outpaced expectations, leading to many cooperatives and granaries unable to keep up with output. By late summer, a line had formed outside the Yocemento Co-op.[131]

Growth continued to affect healthcare across the 1970s as well, including St. Anthony's relocation to land purchased along Canterbury Road (the building was completed and opened on May 27, 1972).[132] The new building was located at what was then the edge of the town.[133] Hadley also continued to expand as well, including remodeling and the addition of a new wing.

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[128] Associated Press, "40% of Wheat Crop is Heading," *Hays Daily News*, May 14, 1974, Pg. 1, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-may-14-1974-p-1/

[129] Associated Press, "Udall Says Age of Abundance is Turning Into Age of Scarcity," *Hays Daily News*, November 13, 1974, Pg. 1, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-nov-13-1974-p-1/

[130] Loren Stanton, "Zoning Change Still Unresolved," *Hays Daily News*, May 20, 1975, Pg. 1, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-may-20-1975-p-1/

[131] Scott Seirer, "Harvest Lines Form," *Hays Daily News*, June 30, 1976.

[132] *At Home in Ellis County, Kansas, 1867-1992*, 237.

[133] "Hospital Interior Progresses," *Hays Daily News*, December 12, 1971.

Other additions included a public relations department and the hospital's own computer system for records and reports. By the mid-1970s, the hospital reported having 3,534 admissions and 8,571 outpatients, along with a total employment of three hundred and seventeen people.[134] The Federal government also designated the hospital as a key rural referral center for Western Kansas.[135] For its 50th anniversary in 1975, Hadley added a new diagnostic and treatment wing and a program in education, with Lloyd Preston as the full-time Director of Education.[136] An increased relationship between the hospital and Fort Hays Kansas State College Nurse Education Program and the Central Kansas Vo-Tech School Department of Practical Nursing fostered these new developments.

Oil experienced another boom in Ellis County after the 1960s slump. Much of this boom found life from the global oil crisis spurred by OPEC (Organization of the Petroleum Exporting Countries) between 1973-74: the result included a price increase in crude oil from $4.25 to $10. With this increase in price—and the continued high demand—exploration expanded: "Much of the oil is known to geologists and the oil companies. It is oil that was costly to produce under the oil price and under past methods. The new price means that oil, the location of which is already known, can be tapped profitable at the new price."[137] This price increase would eventually falter in the 1980s, however, although Ellis County would continue to be a leading producer in the state with approximately four million barrels a year.[138] The price decline in the 1980s pressed some people to leave the county. One family was that of Tim Kohlrus, who lived in Ellis but relocated to Phoenix, AZ. Tim had worked as a driller for Damac Drilling for eleven years.

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134 "Hadley Dedicates New Medical Wing," *Ellis County Star*, 1974.
135 *At Home in Ellis County, Kansas, 1867-1992*, 240.
136 "Hadley Grows From Small Start To Big Regional Medical Center," *Ellis County Star*, June 5, 1975.
137 "New Oil Boom Is Getting Under Way In This Area," *Ellis County Star*, February 2, 1974.
138 *At Home in Ellis County, Kansas, 1867-1992*, 145.

However, when oil prices dropped in 1986, he was laid off from the job and—due to low availability of jobs in the area—had to move to find a job. Up to twenty-five families moved to the Phoenix area.[139] Oil continued to devalue by $69 million dollars in five years. Between 1987 and 1988, the price of oil dropped from $16.98 to $15.98. The number of barrels produced dropped accordingly: 6,185,019 in 1984; 5,454,509 in 1985; and 4,428,450 in 1986. With these drops in oil revenue for the area came more pressure on real estate and personal property taxes to pay a higher percentage of the county's expenditures.[140]

The county took another economic hit with the closure of Travenol in 1985. By 1984, the company employed 1,400 people. Globalization and the national trend of corporate outsourcing pressed Travenol to relocate: "The Travenol workers were quite well paid by Western Kansas standards, and the competition forced wages up for many other employers in this area."[141] Although many of its employees and the community were shocked by its closure, many turned to Senator Bob Dole for answers. Sen. Dole called for meetings with the people of Hays and officials from Baxter Travenol Laboratories in response to the outcry. "We're also checking out whether or not some of this material might be made in Puerto Rico, they have a plant there and there are big tax breaks there in that little island and that's a matter of interest to me from the standpoint of domestic jobs obviously." But included with the tax breaks, Baxter Travenol Laboratories were able to pay their employees in Puerto Rico less than the Kansas employees.[142] In the search for an industry to replace Travenol, the Ellis County Economic Development Corp.

[139] Bruce Bair, "Families Find Work in Arizona," *Hays Daily News*, July 26, 1987.
[140] Mary Clarkin, "Lower Oil Prices Drop County's Oil Valuation Again This Year," *Hays Daily News*, January 14, 1988.
[141] "Our Opinion.... They Lit A Fire Under Us," *Ellis County Star*, November 22, 1984.
[142] Mike Corn, "Dole on Travenol: Looking at Puerto Rico, Tax Breaks," *Hays Daily News*, December 4, 1984.

(founded in 1983) found the Exide Corporation, a manufacturer in car batteries. The company opened in Hays in 1988.[143]

Although Hadley Medical Center continued to be the primary regional medical center, the hospital endured several setbacks across the 1980's. The main issue concerned the decision to sell the Wesley Medical Center in Wichita: both Hadley and Wesley were part of the Kansas West Conference of the United Methodist Church and members of the Health Frontiers Inc. In the wake of the sale of Wesley in 1984 to a for-profit chain of hospitals (the concentration of healthcare services operated in a similar fashion as agriculture), questions arose for Hadley and the thirty-five other hospitals in this group who shared purchasing arrangements, collection services, and other programs. The problems for Hadley compounded after having signed a $120 million-dollar, three-year deal with Baxter Travenol Laboratories for supplies, only to the have the factory shutdown a year later.[144] By the end of the 1980s, both Hadley Medical Center and St. Anthony experienced strained resources and debt, aggravated by an economy facing low wheat and oil prices and unemployment. The two hospitals merged in 1991, becoming Hays Medical Center.

By the late 1980s and 1990s, the trends of the previous decades and the maturing of the post-1970s global economy came down hard on rural America. In the neoliberal service economy, capital moved either to urban or suburban locations rather than isolated pockets like Ellis County. As the Reagan Administration's tax policies entered the 1990s, moreover, extravagant wealth projected through popular media and eventually the internet underscored the escalated wealth inequality permeating the United States in general. A caution and pessimism

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143 *At Home in Ellis County, Kansas, 1867-1992*, 49.
144 Jon Barnes, "How Sale Will Affect Hadley Remains to Be Seen," *Hays Daily News*, December 16, 1984.

hovered across rural America, exasperated by a biting recession in 1990 after the previous decade's farming crisis, leading to an even greater distrust in the federal government. The *Hays Daily News* highlighted several issues concerning rural Kansas and the local population during this time, including the fallout from the savings and loan crisis of the 1980s and 1990s—brought on by the deregulation of banking practices in the late-1970s and 1980s (the regulations were enacted in the wake of the Great Depression). The switch from a production economy—factories and farms—to a service economy strained those unable to tap into the wealth creation of the financial sector in the U.S. economy. Many companies downsized or left Western Kansas as they could no longer offer merchandise or particular services. Credit card debts were also on the mind of the local area as debates over credit card companies and interest rates continued in Washington. The circulation of capital seemed to be drying up in the era of Reaganomics.

Faced with a globalized economy encouraging further concentration—including the growing market share and expansion of large chain stores such as Walmart—local business became a point of concern. Vital for small communities, local business creates personal connections to local economics, organically tying the community together rather than existing as investment opportunities based off cheap labor or low taxes. The *Hays Daily News* underlined how local companies built from the ground up in rural communities were crucial for economic stability. An interview with the owner of a company from Osborne, Kansas, relayed the positives and negatives of running a manufacturing business in rural America. A skilled labor force was critical for success, though a business needed to be patient and not expect new help in a day as the local population was significantly smaller than urban areas. A significant negative was the lack of community support structures to help manufacturers grow and function efficiently—something larger, capital-intensive businesses could lobby for at the state or federal level.[145]

Economic changes brought about infrastructure change as well. In the decades after the 1960s, the steady rise of empty buildings led to the demolition of historic structures throughout the downtown area of Hays. Despite local pleas, the Southwestern Bell Telephone Company demolished the Ryan Block (built in the 1880s) to make room for a half-block sized new building. The 1980s and 1990s continued the trend toward vacant storefronts against the backdrop of relocation outside the downtown area, the local farming crisis, and the rising tide of chain stores arriving in Hays. The Hays Strategic Planning Steering Committee formed in the early 1990s to address the issue of the economic decline downtown. Many downtown buildings were purchased by the Liberty Group L.L.C., with the intent on the rehabilitation of the buildings.[146] Liberty Group founder, Charles G. Comeau, announced his intentions in forming the L.L.C., noting: "Hays has all the components necessary to bring about the successful renaissance of its downtown corridor and we are deeply committed as developers to bring our vision to reality."[147] Another group formed at the dawn of the twenty-first century. The Downtown Hays Development Corporation organized in 2000 out of a similar concern for the plight of downtown. Between these two groups, an effort was made to restore older buildings and encourage new businesses to relocate to what was now labeled the "Chestnut Street District."[148] For many, the swift economic changes of the postwar years up through the 1980s

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[145] Doug Weller, "Osborne Industries Head Sees a Bright Future," *Hays Daily News*, November 24, 1991, Pg. 22, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-nov-24-1991-p-22

[146] Beck, "History of Select Businesses in the Historic Chestnut Street District of Downtown Hays, Kansas," 8.

[147] Beck, "History of Select Businesses in the Historic Chestnut Street District of Downtown Hays, Kansas," 9.

[148] Beck, "History of Select Businesses in the Historic Chestnut Street District of Downtown Hays, Kansas," 9.

brought the realization that deliberate planning was needed to address the needs of Ellis County as the twentieth century came to a close.

The 1990s and the Twenty-First Century

The economic recovery from the 1990 recession (the recession lasted from July 1990 to March 1991) was hardly balanced, resulting in what was referred to as a "jobless recovery." In short, jobs lost to the recession never reappeared—except perhaps overseas. There were also significant issues between state and federal governments as international grain prices entered a downturn. Fueled by lingering Cold War concerns, leading agriculture officials in the Bush administration were opposed to creating more trade benefits with India due to their connection with Cuba. The decision to oppose grain trade severely hindered local farmers across America since it hurt prices and prevented farmers from paying off debts and loans from the turbulent 1980s (the 1980s Farm Crisis).[149] Exemplifying other rural areas of the nation, while the recession officially ended, Western Kansas continued to face an economic downturn and high unemployment. Infrastructure suffered accordingly: a push for repairing a local school roof struggled to come to fruition.[150] Some positive news appeared mid-decade when the federal government decided to continue funding university research and technological development, a benefit for Fort Hays State University.[151]

Rural America faced many pressing problems across the 1990s as smaller, family farm operation continued to be squeezed by corporation farming and unstable global prices. By June

[149]Associated Press, "Madigan Under Fire Over Wheat," *Hays Daily News*, March 03, 1992, Pg. 6, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-mar-03-1992-p-6/

[150] "Editor's Opinion," *Hays Daily News*, October 21, 1992, Pg. 4, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-oct-21-1992-p-4/

[151] Nation Associated Press, "Congress Debates the Future Of American Research," *Hays Daily News*, October 18, 1995, Pg. 19, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-oct-18-1995-p-19/

of 1996, the local farming community in Ellis County struggled with crop production as well as mental health issues. Moreover, drought significantly hindered crop productions. Unfavorable weather put many local farmers, already struggling financially, further into debt. High feed prices and low beef prices further placed a strain on cattle farmers.[152] The disconnect between rural America and urban America in the 1990s was underlined by the *Hays Daily News*, who noted in August 1996 that the national economy had grown significantly by comparison to the previous two years, while unbalanced recovery negatively affected Ellis County as citizens struggled against local prices and costs.[153]

The trend toward concentration and corporate farming continued to create debate in Ellis County across the 1990s. In July of 1997, the *Hays Daily News* addressed the concern of commercial farming. The articles primarily focused on commercial dairy and hog farms: was commercial farming a benefit to rural communities? The commissioners of Lane County voted down an attempt to rid the area of the commercial operations, believing the area relied on commercial farming for its economy. The commissioners believed that the large-scale farms were integral to the area's success but did not consider the effect commercial farming had on population growth.[154] The paradox facing rural American community's such as Ellis County appeared clear: while locally-owned small business played a crucial role in long-term stability, national corporations—like Travenol or Walmart—or service institutions such as Fort Hays State University or Hays Medical Center—remained vital for large-scale employment and growth. Investment capital looked for sure bets, not investments in community growth.

[152] Mike Corn, "What Do the Experts See in this Topsy-turvy Year of Framing," *Hays Daily News*, June 02, 1996, Pg. 11, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-jun-02-1996-p-11/

[153] Associated Press, "Economy Grows More Swiftly Than It Has In Two Years," *Hays Daily News*, August 29, 1996, Pg. 6, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-aug-29-1996-p-6/

[154] Karen Rohrbacher, "Adding Regulations Could Affect Already Existing Operations," *Hays Daily News*, July 30, 1997, Pg. 3, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-jul-30-1997-p-3/

In February of 1998, *Hays Daily News* discussed changes in farming practices aimed toward achieving financial stability. No-till farming became an increasing part of the Midwest farming operation. While not all operations converted to no-till, farmers tried to implement the technique where they could cut down on machinery, water, and fuel costs. Kansas was also at a point of transition for the type of wheat used by farmers in the area. Farmers began to transition from red to white wheat as it seemed to sell more readily and for a higher profit. The article emphasized improvements in farming techniques as the local agriculturalist began to try and adapt to the difficult circumstances.[155]

Rail infrastructure faced challenges as well. In December 1997, the *Hays Daily News* discussed concerns over the railroads and the struggles of Union Pacific. The railroad company had gone through a recent merger, with the size increase resulting in a lowering quality of service while increasing service prices. This shift was concerning, as grain was still a significant part of the local economy and a lack of train cars for transportation severely hampered the local financial situation.[156] By July of 1998, the Union Pacific railroad, the largest railroad company in the nation, addressed its terrible backlog and inefficiency that left mountains of grain and other products across the country unused due to a lack of transport. While the railroad had hired over 1000 new employees and had seemingly solved immediate issues, most of the country was less than convinced. There was a call for further federal government intervention as the Union Pacific's problems stemmed from a lack of competition—concentration and mergers eliminated a need to address customer concerns, which, too often remained unaddressed as there was no

[155] Traci Carl, "No-till Farming, a Modern Idea," *Hays Daily News*, February 22, 1998, Pg. 25, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-feb-22-1998-p-25/

[156] Rusell Gold, "Union Pacific Tried to Untangle the Snarl that Left Grain Piled High," *Hays Daily News*, December 03, 1997, Pg. 18, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-dec-03-1997-p-18/

alternative. The backup along the rails hurt grain and farming operations in rural regions, such as Ellis County, since farmers could not get their products to buyers and nonlocal markets.[157]

Marking the rapid decline of family farms, the *Hays Daily News* discussed the rising age of farmers and the increasing wave of technology and innovation gradually replacing manual labor. The newspaper included interviews from other rural parts of the country to highlight the concerns of farming. The average age of farmers gradually increased from the 1970s to the 1990s, while the amount of labor demanded by farming gradually decreased. Locals were concerned about the economy as farms shut down, as well as the apparent absence of a younger generation who might revive the practice. Consumer prices increased as well in the decade. Optimism appeared in 1999, however, as more local stores were opening in Hays. Younger entrepreneurs capitalized on creating a direct market, so customers did not have to order from a catalog.[158] Although in decline in late 1990s, the price of oil increased in the early 2000s (a product of post-9/11 fears of an oil crisis), leading to more production in Ellis County. Small-scale oil production was, once again, seen as a small business opportunity.

Despite an uptick in oil production, Ellis County continued to face an array of challenges in the early 2000s. Compounding the matter was the dismal financial situation of the state and the strain it placed on many significant industries in Kansas, including farming and aviation. An article in the *Hays Daily News* quoted a local dairy farmer's insight into the changing climate of family farming, including how difficult it proved to be to convince the family to continue farming.[159] By 2006, rural Kansas faced an ever-decreasing population. *Hays Daily News* listed

[157] Joe Ruff, "Union Pacific Responds to Safety Concerns Filed by Employees," *Hays Daily News*, July 16, 1998, Pg. 8, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-jul-16-1998-p-8/

[158] Associated Press, "Economic Crisis, Aging Population Create Peril," *Hays Daily News*, May 16, 1999, Pg. 18, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-may-16-1999-p-18/

[159] Associated Press, "Dairy: Family, Farm Continue to Change," *Hays Daily News*, April 01, 2002, Pg. 3, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-apr-01-2002-p-3/

statistics for northwestern Kansas counties, highlighting how most counties faced a decreasing population—including Ellis County, despite the area being the leading economic center of northwest Kansas. Hays held several vendors smaller counties did not possess, allowing it to draw in business from the surrounding region (in a way, acting as a regional hub the way larger cities operated in relationship to smaller cities like Hays). While Ellis County's economy was strong in comparison to surrounding counties, the population was aging, and the younger generations did not seem to see a future in the area.[160] A jarring statistic in 2008 underlined the demographic dilemma facing Ellis County: its population had only increased by 3,000 over 40 years. While it was an increase, it is minimal by comparison to the rest of the country.[161] For economic growth to occur, growth in population needed to occur.

Northwest Kansas has lacked in overall growth and productivity in relation to other parts of the state, followed only by the Southeast region. Between 1969 and 2003, the Northwest region has seen production grow by 93%, employment by 50%, and productivity by 43%. While seemingly adequate, this growth pales in comparison to Kansas's overall numbers of 173%, 97%, and 76% respectively, which are comparable to overall rates across the Great Plains states and United States.[162] Along with a relative lack in productivity, the population decline in Ellis County contributed to a net loss of 2,724 taxpayers between 1985 and 2004.[163] Some of this loss can be attributed to Fort Hays State University. While an influx of students moved into Ellis County for school each year, a considerable amount leave after graduating. Once completing

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[160] Mike Corn, "Population: Only Few Counties See Increase," *Hays Daily News*, March 16, 2006, Pg. 6, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-mar-16-2006-p-6/

[161] Jason Dinges, "Cost Versus Need," *Hays Daily News*, April 09, 2008, Pg. 4, Hays, Kansas, US, https://newspaperarchive.com/hays-daily-news-apr-09-2008-p-4/

[162] Arthur P. Hall and Peter F. Orazem, *A Brief Economic History of Kansas, 1969-2003: An Executive Summary for a Series of Reports*, 2005, 4-5.

[163] Arthur P. Hall, *The County-to-County Migration Patterns of Kansas Taxpayers, 1985-2004,* October 2006, 9.

their education, former students often seek out more urban location, such as Kansas City, where job opportunities and higher salaries are more abundant. This is apparent across Kansas in counties where the average age of the population continues to rise. While some younger people do stay in rural or less urban communities, they often lack higher education, earn less, and contribute toward growing trends of impoverishment as they lack the networks to obtain higher paying jobs or venture outside of their hometown. School consolidation in rural counties compounds the problem: younger students in consolidated primary or secondary schools tended to possess a general lack of enthusiasm and motivation for higher education.[164]

Another important component of the equation between population and productivity includes the role of capital circulation—a vital element for local investment in small communities. Compared with the postwar years, the deregulation and consolidation of finance and banking in the 1980s and 1990s led to a decline in local banking based off community relationships. On the other hand, the 1990s also saw the rise of "new financial instruments" available to "rural communities in the Midwest, including limited partnerships and venture capital—both nearly nonexistent in 1980."[165] In addition, investment came in the form of non-resource-based industries, such as meatpacking—leading to an influx of low skilled and low wage employment. Different communities experienced various forms of internal and external investment—from big business setting up a large plant in the area to local entrepreneurs setting up their own manufacturing ventures. Additional risk accompanied external investment, as a lack of connection to the local community removed any loyalty to the area: "the firms could threaten to leave if they did not receive tax abatements and other favors from the local government."[166] In

[164] Matthew M. Brooks, *Countering Depopulation in Kansas: Understanding Perceptions of Rural Life and the Effectiveness of the Rural Opportunity Zone Program*, master's thesis, Iowa State University(2017)

[165] Flora and Flora, "Midwestern Rural Communities in the Post-WWII Era to 2000," 107.

[166] Flora and Flora, "Midwestern Rural Communities in the Post-WWII Era to 2000," 108.

other words, external capital investment often negotiated local subsidies in return for manufacturing jobs, or they would threaten to move their operations to countries with cheap labor. Travenol epitomized this reality when it closed in 1985 and the company moved the plant to Puerto Rico.

Although attractive, low-skill, low-wage employers sometimes "made it difficult for rural communities to attract high-tech and computer-age jobs in the succeeding decade. The most educated rural sons and daughters found it difficult to return to their home communities because there were few jobs that were commensurate with their education."[167] In the 1990s, high-tech meant the bustling, fast-paced life of urban centers—not the slower-paced lifestyle of rural towns. The twenty-first century would offer some correction to this equation, as high-speed internet provided a communications infrastructure transcending the barriers of space between urban and rural locations. Time will tell if rural communities can become high-tech hubs.

Though hardly perfect, a large part of the economic success of the postwar years up through the 1970s revolved around the Federal and state policies emerging from the New Deal reforms, World War II, and the political consensus of an activist government in the 1950s and 1960s. The economic outcome of this brief experiment included the lowest level of economic inequality the nation's recorded history, and the creation of a significant middle-class build on strong wages for skilled labor and an economy fed by college-educated students enjoying the benefits of the G.I. Bill. Despite some shortcomings, the fond memories of the "1950s" standard of living came from the logic of the Keynesian Welfare state. The dismantling of this system by the conservatives and neoliberal economists (led by Milton Friedman and Alan Greenspan) began in the 1970s, becoming a bipartisan consensus (replacing the postwar Keynesian

[167] Flora and Flora, "Midwestern Rural Communities in the Post-WWII Era to 2000," 108.

consensus) by the 1990s—including the policies of Democratic Presidents Carter, Clinton, and Obama. A critical element of what came to be known as Reaganomics—the GOP version of the neoliberal consensus—included deregulation of finance and the lowering of taxes on the wealthy and corporate community. The Reagan revolution, indeed, was a dramatic change for the U.S. economy. The tax structure defining the postwar consensus included a 91% tax for the wealthiest across the 1950s, lowered to 70% by President Kennedy.[168] Reaganomic's "supply-side" logic of lowering taxes on the wealthy suggested that the extra capital no longer taxed would simply "trickle down" to the middle and working-class Americans, rather than be redistributed through the postwar Keynesian system. According to the economic data in the 40 years since the promise of "trickle down," success for the bottom 90% never arrived. For rural America, trickle-down economics removed many of the safety nets that previously stabilized small-town U.S.A.

Since the 1980s, trickle-down economics combined with the postwar trend of capital concentration, leading to the greatest expansion of wealth inequality (or wealth concentration) in the nation's history.[169] Infrastructure—from education to transportation—has suffered the most from this shift. During the early and mid-1990s, the U.S. economy pulled out of the early 1990s recession and expanded dramatically—though many areas were left behind. Between 1994 and 2001, the Kansas state government enacted significant tax cuts, encouraged by the economy's success and driven by the ideology of supply-side economics. However, the state government legislated *permanent* policies based on *fluctuating* economic conditions, while justifying the tax policy on an optimistic belief in an economic system that proved to be the antithesis of the wide dispersal of economic growth enjoyed between the 1940s and 1970s (what economic historians

[168] Claudia Goldin and Robert A. Margo, "The Great Compression: The Wage Structure in the United States at Mid-Century," *The Quarterly Journal of Economics* 107, no. 1 (1992): 1-34.

[169] Kevin Phillips, *The Politics of Rich and Poor: Wealth and the American Electorate in the Reagan Aftermath* (New York: HarperPerennial, 1990).

call, "the great compression").[170] As most economists anticipated, economic growth regressed nationwide after states implemented these policies, with state tax revenue throughout the U.S. dropping by almost $40 billion throughout the 1990s and the early years of the 2000s.[171] Between 2001 and 2002 alone, state tax collection in Kansas decreased by 7.8%. To counter this, several states, including Kansas, passed legislation in 2002 to increase tax levels and, in turn, tax revenue. Through increases on sales, business, gasoline, cigarette, and inheritance taxes, this legislation aimed for a net tax increase of more than three percent. Despite these adjustments, issues remained. Most of the revenue created from the tax increase came from sales taxes which were still predicated on economic activity and falling disproportionately fall on working and middle-class consumers—the very bulk of purchasing power. As Kansan economy continued to wane, sales taxes continued to increase to make up for inadequacies and failed state programs.[172] Although the wealthier segments of society enjoyed the benefits of a low tax environment brought on by supply-side economic policies—and enjoyed the deregulatory policies leading to (lower taxed) capital concentration and the outsourcing of jobs—those unable to capitalize on the fast-changing high technology finance-driven service economy defining post-1970s prosperity bore most of the tax burden's weight. The future was in computer software and biotech, the insurance industry, and the boom in internet companies, not in small farms and businesses in towns with less than 25,000 people.

The policies of Kansas Governor Brownback epitomized the ideological paradox of supply-side theory. Brownback's 2012-13 tax cuts promised massive economic growth, with the

[170] Goldin and Margo, "The Great Compression."

[171] Nicholas Johnson, Jennifer Schiess, and Joseph Llobrera, "The State Tax Cuts of the 1990s, The Current Revenue Crisis, and Implications for State Services," Center on Budget and Policy Priorities, November 18, 2002, https://www.cbpp.org/sites/default/files/archive/11-14-02sfp.htm

[172] Nicholas Johnson, "States Revenues Have Fallen Dramatically: Tax Increases So Far Have Failed to Fill the Gap, Center on Budget and Policy Priorities," November 25, 2003, https://www.cbpp.org/sites/default/files/archive/10-22-03sfp.htm

governor labeling the radical slashing of taxes as “a real live experiment,” explaining: “Our new pro-growth tax policy…will be like a shot of adrenaline into the heart of the Kansas economy.”[173] Rather than an explosion of growth, however, the Kansas economy dramatically declined, falling behind Nebraska for job growth. Indeed, “Kansas’ 4.2 percent private-sector job growth from December 2012 (the month before the tax cuts took effect) to May 2017 (the month before they were repealed) was lower than all of its neighbors except Oklahoma and less than half of the 9.4 percent job growth in the United States.”[174] Although state spending collapsed in the face of a shortage of revenue, the lack of tax revenue drove the deficit up towards $280 million as the tax cuts could not pay for themselves. Spending cuts rippled through the state, placing Kansas “well below national averages in a wide range of public services from K-12 education to housing to police and fire protection.”[175] A reversal of these policies in 2017—with many Republicans voting against Brownback’s veto—led to a budget surplus in 2019, while services slowly regained their funding.

The lesson of Brownback’s experiment suggests that relying on economic theories without a track record of success is bad economics—especially at the state and national level. At the county level, governance is at the mercy of state and federal policies, and, thus, demands a practical approach based off local needs. What do people see missing from their area? How feasible—at the county level—are the solutions to these needs? How do we make the best use of public resources to ensure adequate infrastructure? Can the county do more to attract outside

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[173] https://thehill.com/opinion/finance/418768-kansas-voters-render-final-verdict-on-failed-tax-cut-experiment.

[174] https://www.cbpp.org/research/state-budget-and-tax/kansas-provides-compelling-evidence-of-failure-of-supply-side-tax.

[175] https://www.forbes.com/sites/beltway/2017/06/07/the-great-kansas-tax-cut-experiment-crashes-and-burns/?sh=349f15b95508.

grants or funding to upgrade existing infrastructure? How does Ellis County balance the need for revenue with taxes disproportionately weighted upon the working and middle-classes?

Conclusion – To Imagine What Can Be

Ellis County exemplifies the crisis of American rural communities in the twenty-first century. As economic data suggests, the era of the post-1970s favored urban spaces where capital could circulate through a diverse set of profit-making ventures—from high-tech to biotech to insurance and finance companies. The defining feature, of course, was information-revolution of the last 70 years. As *The Economist* pointed out in 2017, data and information—*not oil*—is now the most valuable commodity on the planet.[176] As the economic history of Ellis County has shown, the area consistently struggled through the irregularities of market fluctuations related to agriculture and the oil industry—including times of government intervention aimed toward padding the busts and booms. This intervention, however, played havoc on the county's long-term ability to anticipate the shifting market storms of globalization.

Despite a less-than optimistic outlook for the rural Midwest, the trend of escalating costs associated with living in urban centers has pressed young families to reassess their quality of life and standards of living. Herein lies the contemporary dynamics facing Ellis County: can the area negotiate these various momentums, from the ongoing concentration of farming and capital to the opportunities afforded by the outmigration of urban spaces? How does Ellis County build on its successes—including its strong sense of identity—while addressing the area's weaknesses in the face of an unforgiving twenty-first century globalized economy? As the information age

[176] "The world's most valuable resource is no longer oil, but data," *The Economist*, May 6th 2017. https://www.economist.com/leaders/2017/05/06/the-worlds-most-valuable-resource-is-no-longer-oil-but-data.

increasingly dominants the world, can small communities such as Ellis County prosper under these vastly changed economic circumstances?