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The Farm Debt Crisis of the 1980s: A Review Essay

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The Farm Debt Crisis of the 1980s, by Neil E. Harl. Henry A. Wallace Series on Agricultural History and Rural Studies. Ames: Iowa State University Press, 1990. xv, 305 pp. Illustrations, tables, notes, index. \$24.95 cloth.

The Fall of the Farm Credit Empire, by Ben Sunbury. Ames: Iowa State University Press, 1990. xvi, 264 pp. Illustrations, notes, index. \$27.95 cloth.

Farming Is in Our Blood: Farm Families in Economic Crisis, by Paul C. Rosenblatt. Ames: Iowa State University Press, 1990. ix, 187 pp. Appendix, notes, index. \$22.95 cloth.

THE THREE BOOKS under review deal with aspects of the economic problems faced by farm borrowers and their lenders in the 1980s. That was one of those times, common in the twentieth century, when farmers suffered a bust after an inflationary boom. Agriculture experienced several economic ups and downs after World War I, but one of the most devastating periods for many farmers was in the mid-1980s.

As a result of world-wide demand, the prices of American farm commodities began rising sharply in late 1972 and continued unusually high for the next four years. Wheat that had averaged \$1.76 per bushel in 1972 brought \$3.95 in 1973. Corn sold for an average price of \$2.55 in 1973 and \$3.02 in 1974, compared to only a little over \$1 per bushel in the early 1970s. Such good prices made farmers ecstatic. It seemed as though the earlier surpluses that had so depressed farm commodity

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prices were gone forever. Indeed, government officials, farm papers, and other voices of agriculture indicated either explicitly or implicitly that a new day had dawned for American farmers. Secretary of Agriculture Earl Butz urged farmers to plant from fencerow to fencerow to meet the growing foreign and domestic needs. That seemed like a good idea during the middle 1970s as prices continued strong.

Many farmers bought more land at high prices, purchased large and expensive machinery to take care of larger acreages, and spent more on their living standards. They had no difficulty obtaining credit from local banks and the Farm Credit System. The Federal Land Banks and Production Credit Associations and the Farmers Home Administration were all ready to extend loans.

Land prices rose rapidly under the influence of strong commodity prices and competition among farmers to buy additional acreage. As farmers' land increased in value, they had more security for additional credit. With easily available credit, and believing that land values would continue to climb, many farmers in the Midwest paid two, three, even four thousand dollars per acre for farmland. Interest rates were high, often as much as 12 or 15 percent. So long as commodity prices remained high and land values advanced—that is, as long as inflationary conditions prevailed—most of the borrowers could meet their debt payments. But if commodity prices dropped and land prices fell substantially, both borrowers and lenders would be in serious financial trouble. That is what occurred in the early 1980s at a time when total farm debt reached about \$200 billion. By the mid-1980s many farmers owed more than they were worth and went broke. Some banks with large portfolios of farm loans were forced to close their doors. This is the background against which all three of the books under review are set.

NEIL E. HARL'S *The Farm Debt Crisis of the 1980s* is mostly a personal account of Harl's efforts to alert the country to the approaching farm credit disaster, and his work in trying to solve that vexing problem. Harl, a leading farm economist and agricultural tax expert at Iowa State University, was among the first to warn that a crisis was in the making, both for farmers and

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their lenders. He provides an excellent inside view of how the farm debt crisis unfolded in 1984 and 1985, and of the measures designed to alleviate the crisis.

In the first two chapters, Harl explains how the crisis came about. He is especially critical of the government's encouragement of inflation in the 1960s and 1970s, and of the Federal Reserve Board's abrupt decision in 1979 to reduce inflation, tighten credit, and raise real interest rates. Furthermore, he explains that a stronger dollar weakened export demand, and farm commodity and land prices dropped sharply; between 1981 and 1986 the value of Iowa farmland declined an average of \$1,360 per acre. These conditions reduced the value of farm assets and lowered farm income to the point where many farmers did not have enough income to pay their debts. Even some of the most efficient farmers failed, according to Harl.

By early 1984 Harl had concluded that the farm debt problem was so serious that some remedial action should be taken before the crisis became even worse. He discussed the matter in academic seminars, talked to the press, visited with bankers, and appeared before congressional committees. He argued that farm debt would have to be restructured, and proposed writing down some of the principal, extending the time for payment, and having the federal government guarantee part of the loan.

Although the farm credit problem seemed headed toward disaster in 1984, the Farm Credit System and officials in the United States Department of Agriculture were slow to admit that a real crisis existed. Harl relates numerous interesting meetings with Farm Credit officials as he tried to point out the need for action to save both borrowers and lenders. But until 1985, despite huge losses, the Farm Credit System indicated that it could work out the problem without federal help. By 1985, however, Harl's views prevailed. The federal government moved toward what became a kind of bailout for the Farm Credit System. Harl discusses briefly the amendments to the Farm Credit Act passed in 1985, 1986, and 1987. He also tells about state efforts to help out, including moratoria against foreclosures. Finally, he lists twelve lessons that should be learned from the farm credit crisis.

The Farm Debt Crisis provides a good overall view of the farm debt problem in the 1980s, and shows the successes and

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failures of an academic from a major land grant university who recognized the problems early and who tried to find practical answers. The book is rather hard reading. It contains many long quotations, has some duplication, and would be improved with some reorganization. Yet it is basic to understanding the farm crisis.

BEN SUNBURY'S *The Fall of the Farm Credit Empire* also deals with the agricultural credit crisis of the 1980s. Like Harl, Sunbury writes from personal observation and experience. He served as an assistant to three governors of the Farm Credit Administration, the supervisory agency of the Farm Credit System. After providing some background on the system, which originated in 1916, Sunbury concentrates on the years 1985 to 1987, when the system was in greatest danger.

Lending agencies that made up the Farm Credit System, such as the Federal Land Banks and the Production Credit Associations, had outstanding loans of some \$82 billion by 1983. As both Sunbury and Harl point out, so long as farm prices remained strong and land prices advanced, this huge debt was manageable. But lower commodity prices and dropping land values placed the system in jeopardy. By 1985 and 1986 the Farm Credit System was hemorrhaging from bad loans. During those two years, the system lost about \$5 billion and had billions more in what bankers call nonperforming loans.

Writing from his inside perspective, Sunbury traces events as they developed from 1985 to 1987. He agrees with Harl that system officials were slow to realize the seriousness of the problem. Sunbury shows how system spokesmen resisted the idea of federal aid, or some kind of bailout, until it became clear that the Farm Credit System could not endure without government assistance. He discusses the laws of 1985, 1986, and 1987, which were designed to restructure and provide additional capital for the system. The Farm Credit System emerged from this period with less independence and more effective federal supervision.

Sunbury also writes about personalities and politics within the system. He ascribes part of the system's difficulties to poor leadership, especially in the Farm Credit Administration. He

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shows how bureaucracy developed within the system and how efforts were made to protect jobs at the expense of efficiency. But he concludes that, despite its problems in the 1980s, the cooperative Farm Credit System will continue and in all likelihood meet the challenges ahead.

The Harl and Sunbury books complement one another admirably. They cover much of the same ground, but emphasize different aspects of the farm credit crisis. Both authors agree that the main sources of farm credit difficulties in the 1980s were excessive debt, high interest rates, and low farm commodity prices.

PAUL C. ROSENBLATT'S *Farming Is in Our Blood: Farm Families in Economic Crisis* is an entirely different sort of book. Rosenblatt concentrates on the human stresses and strains experienced by farm families during the mid-1980s. It is one thing to write about a credit crisis in general, and about the agencies providing loans, but what about borrowers who became mired in debt and lost their farms? That is Rosenblatt's concern. A University of Minnesota professor in the Department of Family Social Science and Psychology, Rosenblatt arranged to interview twenty-four farm couples in 1986 who were, or had been, struggling with credit problems.

In the interviews farmers attributed much of their credit problem to lenders. They believed that bankers and government lending agencies had encouraged them to borrow more money than was wise or necessary. Although farmers were critical of lenders, they also blamed some of their misfortune on bad family decisions, such as borrowing heavily to set up a son in farming. The interviews also showed that in many cases farmers placed too much faith in their bankers, and displayed a lack of careful study and scrutiny when obtaining loans.

The stress associated with economic difficulties created a heavy strain on some family relationships. Rosenblatt includes an entire chapter, mostly quotations from husbands and wives, on family problems during financial crisis. Loss of the family farm was a major catastrophe. It not only ended a way of life for the family, it meant the loss of a home. Once farmers realized that they were in a financial crunch, they did everything they could to save the farm. They took off-farm employment, cut

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expenses, and did the best they could to protect their assets. But in follow-up interviews in 1987, Rosenblatt found that only fourteen of the twenty-four families were still farming full- or part-time, and only seven of the fourteen appeared to be financially secure. The credit crisis had taken a severe toll.

The Rosenblatt study provides important insights into the human problems and reactions associated with financial stress on the farm. The extensive quotations from those farmers interviewed give readers a feel for conditions that statistics and economic analysis cannot possibly provide. It is clear from this book that farming really is in farmers' blood.

THE THREE VOLUMES under review combine to paint a vivid picture of the debt problems facing farmers in the 1980s. Iowa State University Press is to be congratulated for publishing these studies. Historians, economists, and sociologists will find the books valuable, but they should also be read by farmers. Farmers could learn a great deal about how to guard against disasters associated with future boom and bust periods, which, according to Harl, will surely be repeated in the future. People may not learn much from history, but they could!

PUBLIC LAW 96-72-- SEPT. 29, 1979 (Page 1)

PUBLIC LAW 96-72—SEPT. 29, 1979		93 STAT. 503
Public Law 96-72 96th Congress		
An Act		
To provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the ability to engage in commerce.		Sept. 29, 1979 [S. 737]
<i>Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,</i>		
SHORT TITLE		
SECTION 1. This Act may be cited as the "Export Administration Act of 1979".		Export Administration Act of 1979. 50 USC app. 2401 note.
FINDINGS		
SEC. 2. The Congress makes the following findings:		50 USC app. 2401.
(1) The ability of United States citizens to engage in international commerce is a fundamental concern of United States policy.		
(2) Exports contribute significantly to the economic well-being of the United States and the stability of the world economy by increasing employment and production in the United States, and by strengthening the trade balance and the value of the United States dollar, thereby reducing inflation. The restriction of exports from the United States can have serious adverse effects on the balance of payments and on domestic employment, particularly when restrictions applied by the United States are more extensive than those imposed by other countries.		
(3) It is important for the national interest of the United States that both the private sector and the Federal Government place a high priority on exports, which would strengthen the Nation's economy.		
(4) The availability of certain materials at home and abroad varies so that the quantity and composition of United States exports and their distribution among importing countries may affect the welfare of the domestic economy and may have an important bearing upon fulfillment of the foreign policy of the United States.		
(5) Exports of goods or technology without regard to whether they make a significant contribution to the military potential of individual countries or combinations of countries may adversely affect the national security of the United States.		
(6) Uncertainty of export control policy can curtail the efforts of American business to the detriment of the overall attempt to improve the trade balance of the United States.		
(7) Unreasonable restrictions on access to world supplies can cause worldwide political and economic instability, interfere with free international trade, and retard the growth and development of nations.		
(8) It is important that the administration of export controls imposed for national security purposes give special emphasis to the need to control exports of technology (and goods which		
AUTHENTICATED U.S. GOVERNMENT		

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contribute significantly to the transfer of such technology) which could make a significant contribution to the military potential of any country or combination of countries which would be detrimental to the national security of the United States.

(9) Minimization of restrictions on exports of agricultural commodities and products is of critical importance to the maintenance of a sound agricultural sector, to achievement of a positive balance of payments, to reducing the level of Federal expenditures for agricultural support programs, and to United States cooperation in efforts to eliminate malnutrition and world hunger.

DECLARATION OF POLICY

50 USC app.
2402.

SEC. 3. The Congress makes the following declarations:

(1) It is the policy of the United States to minimize uncertainties in export control policy and to encourage trade with all countries with which the United States has diplomatic or trading relations, except those countries with which such trade has been determined by the President to be against the national interest.

(2) It is the policy of the United States to use export controls only after full consideration of the impact on the economy of the United States and only to the extent necessary—

(A) to restrict the export of goods and technology which would make a significant contribution to the military potential of any other country or combination of countries which would prove detrimental to the national security of the United States;

(B) to restrict the export of goods and technology where necessary to further significantly the foreign policy of the United States or to fulfill its declared international obligations; and

(C) to restrict the export of goods where necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of foreign demand.

(3) It is the policy of the United States (A) to apply any necessary controls to the maximum extent possible in cooperation with all nations, and (B) to encourage observance of a uniform export control policy by all nations with which the United States has defense treaty commitments.

(4) It is the policy of the United States to use its economic resources and trade potential to further the sound growth and stability of its economy as well as to further its national security and foreign policy objectives.

(5) It is the policy of the United States—

(A) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person;

(B) to encourage and, in specified cases, require United States persons engaged in the export of goods or technology or other information to refuse to take actions, including furnishing information or entering into or implementing agreements, which have the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against a country friendly to the United States or against any United States person; and

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(C) to foster international cooperation and the development of international rules and institutions to assure reasonable access to world supplies.

(6) It is the policy of the United States that the desirability of subjecting, or continuing to subject, particular goods or technology or other information to United States export controls should be subjected to review by and consultation with representatives of appropriate United States Government agencies and private industry.

(7) It is the policy of the United States to use export controls, including license fees, to secure the removal by foreign countries of restrictions on access to supplies where such restrictions have or may have a serious domestic inflationary impact, have caused or may cause a serious domestic shortage, or have been imposed for purposes of influencing the foreign policy of the United States. In effecting this policy, the President shall make every reasonable effort to secure the removal or reduction of such restrictions, policies, or actions through international cooperation and agreement before resorting to the imposition of controls on exports from the United States. No action taken in fulfillment of the policy set forth in this paragraph shall apply to the export of medicine or medical supplies.

(8) It is the policy of the United States to use export controls to encourage other countries to take immediate steps to prevent the use of their territories or resources to aid, encourage, or give sanctuary to those persons involved in directing, supporting, or participating in acts of international terrorism. To achieve this objective, the President shall make every reasonable effort to secure the removal or reduction of such assistance to international terrorists through international cooperation and agreement before resorting to the imposition of export controls.

(9) It is the policy of the United States to cooperate with other countries with which the United States has defense treaty commitments in restricting the export of goods and technology which would make a significant contribution to the military potential of any country or combination of countries which would prove detrimental to the security of the United States and of those countries with which the United States has defense treaty commitments.

(10) It is the policy of the United States that export trade by United States citizens be given a high priority and not be controlled except when such controls (A) are necessary to further fundamental national security, foreign policy, or short supply objectives, (B) will clearly further such objectives, and (C) are administered consistent with basic standards of due process.

(11) It is the policy of the United States to minimize restrictions on the export of agricultural commodities and products.

GENERAL PROVISIONS

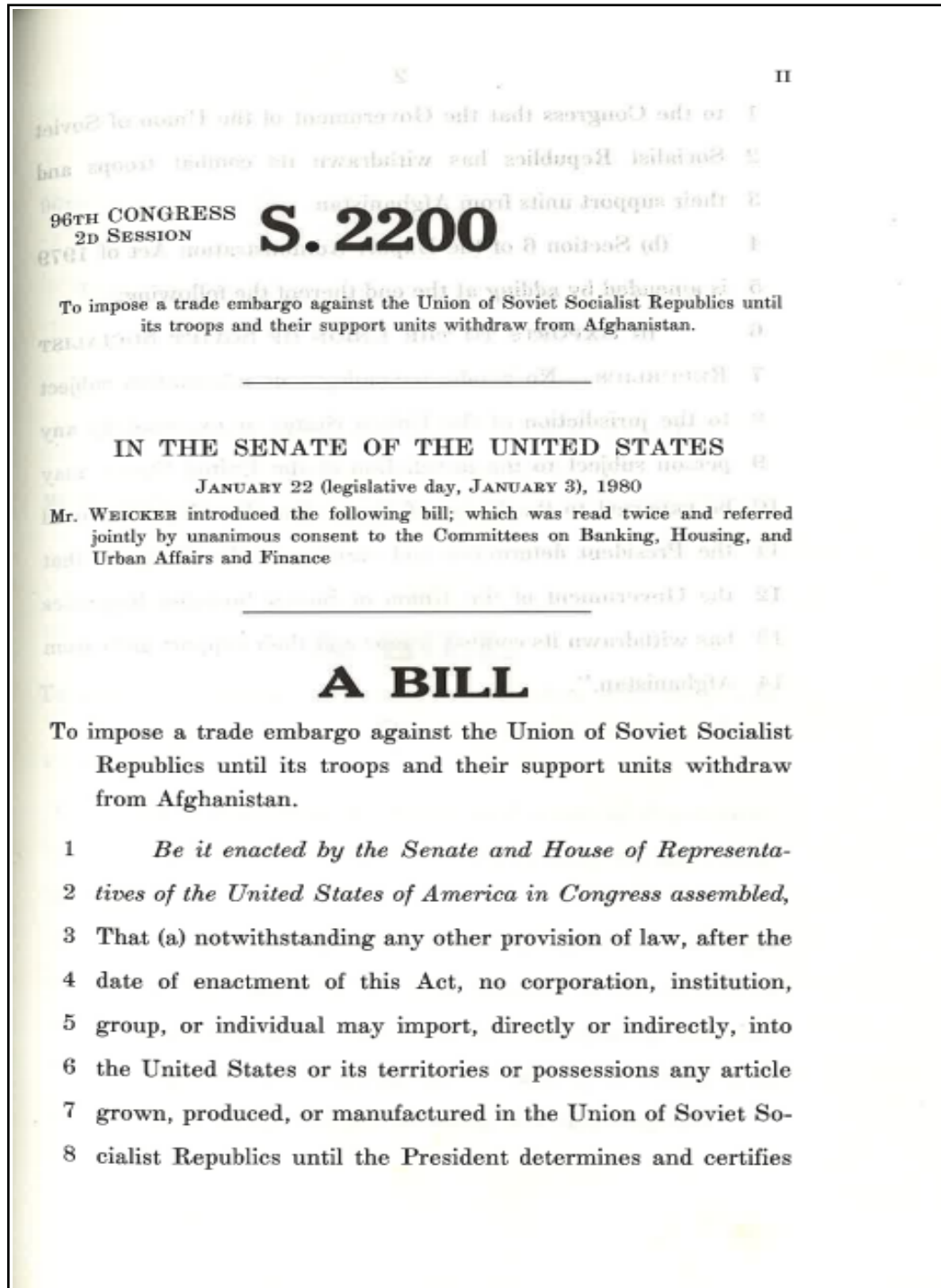
SEC. 4. (a) TYPES OF LICENSES.—Under such conditions as may be imposed by the Secretary which are consistent with the provisions of this Act, the Secretary may require any of the following types of export licenses:

50 USC app.
2403.

(1) A validated license, authorizing a specific export, issued pursuant to an application by the exporter.

(2) A qualified general license, authorizing multiple exports, issued pursuant to an application by the exporter.

S.2200 - A bill to impose a trade embargo against the Union of Soviet Socialist Republics until its troops and their support units withdraw from Afghanistan., 1980 (Page 1)



Courtesy Library of Congress. "Titles - S.2200 - 96th Congress (1979-1980): A bill to impose a trade embargo against the Union of Soviet Socialist Republics until its troops and their support units withdraw from Afghanistan."

S.2200 - A bill to impose a trade embargo against the Union of Soviet Socialist Republics until its troops and their support units withdraw from Afghanistan., 1980 (Page 2)

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1 to the Congress that the Government of the Union of Soviet
2 Socialist Republics has withdrawn its combat troops and
3 their support units from Afghanistan.

4 (b) Section 6 of the Export Administration Act of 1979
5 is amended by adding at the end thereof the following:

6 “(l) EXPORTS TO THE UNION OF SOVIET SOCIALIST
7 REPUBLICS.—No goods, technology, or information subject
8 to the jurisdiction of the United States or exported by any
9 person subject to the jurisdiction of the United States, may
10 be exported to the Union of Soviet Socialist Republics until
11 the President determines and certifies to the Congress that
12 the Government of the Union of Soviet Socialist Republics
13 has withdrawn its combat troops and their support units from
14 Afghanistan.”.

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A Special and Terrible Irony: Hunger on Iowa's Farms during the Agricultural Crisis of the 1980s

PAMELA RINEY-KEHRBERG

ON APRIL 16, 1986, a tiny news item titled "Farm Families Receive Food" appeared in the *Kingsley News-Times*. It was buried on page five, just to the right of and above another news item titled "Area Suicides Prompt Outreach Programs." The article began by stating that 78 Plymouth County farm families had received food distributed by Mid-Sioux Opportunity of Remsen, Le Mars, and Akron during the month of March. The families, the article noted, received pork loins, ground pork, chili, rice, honey, cheese, and potatoes from the Western Iowa Farm Crisis Network. The directors of the Mid-Sioux network made decisions about who would receive the food. The article concluded, "Any farm family in need of food should contact their nearest Mid-Sioux office."¹

Although it was a tiny article, its import was large. The agricultural economy was in crisis, and people who supported themselves by growing food were, paradoxically, hungry. People who were surrounded by rich land and owned enormously expensive agricultural tools were unable to feed themselves. Adequately addressing the problem of hunger in rural Iowa would require many different elements to fall into place. The state limped by with a combination of activism and the use of local, state and federal measures to ameliorate hunger. It was a piecemeal approach

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1. "Farm Families Receive Food," *Kingsley News-Times*, 4/16/1986.

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that relied on voluntarism and the willingness of suffering people to ask for help. As a result, many of those who needed that help may not have gotten it, due to a combination of pride and shame. The state's response to hunger in the Farm Crisis was, at best, a partial success.

The agricultural economy of the 1970s had paved the way for the next decade's problems. During the 1970s, despite rising costs for inputs such as fuel, farmers had seen rising incomes. The price of soybeans, for example, was the highest it had ever been before or since. Foreign markets for American agricultural goods boomed, and the United States began selling large amounts of grain to the Soviet Union. As a result of rising prices, agricultural land increased in value as well. For farm families, this was a pleasant change of fortune. Throughout Iowa's history, to be a farmer had been to be poor or, at best, land rich and cash poor. The grain sales and soaring land values of the 1970s offered farm families new possibilities. The average acre of Iowa land had been worth \$419 in 1970; by 1979, it was worth a whopping \$1,958.² Farmers could, and many did, borrow against the value of their land in order to buy more land and update their equipment. They could send their children to college and expand their operations so those same children would have a place when they returned to the family farm. For some, these conditions presented an opportunity to join the American middle class: build a new home, buy a new car, and enjoy a bit of the good life. Many Iowa farmers, particularly those who were young and college-educated, looked to the future with hope, and made investments.³

Then, in the late 1970s, things began to fall apart. After the Soviet Union invaded Afghanistan, President Jimmy Carter decided to punish the Soviets by imposing a grain embargo. That

2. Duane G. Harris, Timothy J. Lord, and John F. Weirich, "Summary Data of the Iowa Land Value Survey, 1950-1979," Department of Economics, Iowa State University, January 1980; Iowa Department of Agriculture and Land Stewardship, Secretary of Agriculture, Executive Correspondence, 1983, General, RG 004, box 58, State Archives, State Historical Society of Iowa, Des Moines.

3. Daryl Hobbs and Robert Weagley, "The Agricultures of the Midwest and Their Demographic and Economic Environments," in Paul Lasley et al., *Beyond the Amber Waves of Grain: An Examination of Social and Economic Restructuring in the Heartland* (Boulder, CO, 1995), 30-34; R. Douglas Hurt, *Problems of Plenty: The American Farmer in the Twentieth Century* (Chicago, 2002), 134.

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was a hard blow, but other government actions were even more damaging. Federal Reserve Chair Paul Volcker sought to tame inflation by raising interest rates to staggering heights. The move did dramatically reduce inflation, but it also posed nearly insurmountable problems for farmers who had taken out large loans for improvements or who relied on loans for day-to-day operations. As the farm economy slid into the doldrums, the bottom dropped out of land prices. The price per acre of Iowa farmland fell by more than 70 percent in the first half of the 1980s. Many farm families held high-interest loans that far exceeded the value of their acres, making them vulnerable to forced sales. Over the course of the decade, the number of farms in Iowa would fall by roughly 25 percent. The ripples would spread from farms to towns, and the residents of those towns would suffer unemployment, business losses, school consolidations, and population loss. Times were undeniably hard.⁴ Many stories could be told about Iowa during the Farm Crisis, but the story about Iowa's farmers and food insecurity, the subject of this article, is an unexpected one.

THE CRISIS forced farm families to reevaluate their spending. By the early to mid-1980s, many were reducing their purchases, scrambling to keep their budgets in line. A survey taken by the Iowa Cooperative Extension Service in the spring of 1985 showed just how deeply the Farm Crisis was cutting into the cash flow of farmers. While only 10 percent of responding farmers had been unable to pay their property taxes, more than 70 percent had postponed major farm purchases. When it came to purchases associated with family living, the reductions were also significant. More than 70 percent had cut back on entertainment and social activities, and 65 percent had postponed major household purchases. Nearly 60 percent had dipped into their savings to meet day-to-day expenses, and 56 percent had changed their food shopping or eating habits in an attempt to save money. Families

4. Linda M. Lobao and Paul Lasley, "Farm Restructuring and Crisis in the Heartland: An Introduction," in Lasley et al., *Beyond the Amber Waves of Grain*, 4-7; Daryl Hobbs and Robert Weagley, "The Agricultures of the Midwest and Their Demographic and Economic Environments," *ibid.* 30-34; Barry J. Barnett, "The U.S. Farm Financial Crisis of the 1980s," in *Fighting for the Farm: Rural America Transformed*, ed. Jane Adams (Philadelphia, 2003), 160-70.

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were struggling to maintain some types of spending, however. They were far less likely to have cashed in their insurance, postponed medical care, or let their life insurance lapse. Choices were being made, and families were still hoping to sacrifice in the short term in favor of longer-term goals. Not surprisingly, the same poll found that stress levels among farmers had grown over the previous three years: 71 percent indicated that their stress levels had increased; 32 percent said that they had not just increased, but increased significantly.⁵

Hard times also meant hungry times. Understandably, people in small towns, reliant on the farm economy for their sustenance, found it hard to put food on their tables. But hunger also extended onto Iowa's farms. These were not the farms of the early twentieth century, when a primary goal of farm families was to feed themselves in addition to producing for the market.⁶ At that time Iowa's farms still produced a broad range of crops on an annual basis, ranging from the standard corn and hogs to apples, potatoes, turkeys, watermelons, and honey.⁷ A farm woman's work during that era centered on raising and preserving food, and farm life was organized around putting food on the table. During the Great Depression, Iowa's farm women had exerted extraordinary effort, and their home production had fed their families and provided a significant source of barter to meet other expenses.⁸ In the 1980s that was not the case. Farm families now produced primarily, if not entirely, for the market. That is not to say that Iowa's farm families completely avoided home production of food. Some still slaughtered pigs and chickens, hunted, and raised large gardens, but most no longer provided the majority of their food for themselves.

5. Iowa Cooperative Extension Service, *Iowa Farm and Rural Life Poll* (Ames, 1985), 8–9.

6. For a description of the strategies midwestern farming families used, see Mary Neth, *Preserving the Family Farm: Women, Community and the Foundations of Agribusiness in the Midwest, 1900–1940* (Baltimore, 1995), 17–40.

7. Deborah Fitzgerald, "Eating and Remembering," *Agricultural History* 79 (2005), 395–96.

8. See Deborah Fink and Dorothy Schwieder, "Iowa Farm Women in the 1930s," *Annals of Iowa* 49 (1989), 570–90.

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There was something shocking about the idea of Iowa's farm people going hungry. At a fundamental level, it was something that people believed could not, and should not, happen in America's agricultural heartland. Farmers were supposed to grow food, not lack food. They were supposed to be independent, resilient, and self-sufficient, or at least that is what the mythology surrounding agriculture proclaimed. A 1985 report on hunger in the United States commented on this strange reality: "One cannot help but appreciate the special irony of hunger in America's breadbasket. The prolific crops which spring from the fertile land produce hundreds of thousands of tons of grains and other food products. . . . Yet American citizens living within a short distance of this productive system are hungry." Some reactions to the thought of hunger in the countryside were even more vehement. Ginny Spielberg, an aide to Senator Tom Harkin, expressed her outrage: "People are going hungry in Iowa. In a state with some of the richest soil in the entire world, it is tragic/disgusting/horrifying/unbelievable that many farmers cannot get enough food for themselves and their families."⁹

On the other hand, there were those who rejected and were, seemingly, offended by the idea that Iowa's farmers could be suffering from food insecurity. In the early 1980s, Paul Lasley, who taught rural sociology at Iowa State University in addition to working for Iowa's Cooperative Extension Service, presented to the Iowa Institute of Cooperatives findings about economic decline in rural communities and the need to be prepared to respond to hungry people. He told his audience that the time had come to think about food pantries and other emergency measures to combat hunger in the countryside. The response to his presentation ranged from cool to downright hostile. At the end of his talk, Lasley remembered, "Two people in the audience came up to me and one started thumping me on the chest with his pointed finger, saying, 'We're going to have your goddamned job over this.'"¹⁰

9. Physician Task Force on Hunger in America, *Hunger in America: The Growing Epidemic* (Middletown, CT, 1985), 76-77; Ginny Spielberg to Tom Harkin, "Background on Nutrition Issues," 2/27/1985, folder: Nutrition—Iowans C.A.N. Food Drive, box L-9, Thomas R. Harkin Political Papers Collection, Drake University Archives and Special Collections, Des Moines.

10. Paul Lasley, interview with author, 4/5/2018.

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Not everyone wanted to hear about hard times in the countryside and what they might mean for Iowa in the 1980s. Hunger on farms happened in other places, like the Mississippi Delta or Appalachia.¹¹ Hunger was not supposed to happen on farms growing corn and raising hogs on some of the best soil in the country.

A poem written in the wake of the suicide of 56-year-old Iowa farmer Kenneth Meisgeier reflected the terrible irony surrounding farmers and food in the 1980s.

I didn't know they had no cash in their billfold or pocket with which
to buy groceries.
I didn't know their gasoline and fuel tanks were empty because of
the required cash to fill them.
I didn't know that their chores consisted of feeding spoiled frozen
corn to starving livestock because they had no credit to buy feed.
I didn't know they exchanged our Christmas present for cash and
tearfully, regretfully, bought groceries.
I didn't know all this because you didn't want us to know.
The system led you to believe you were a failure. . . .
Hasn't the system failed you, the proud American farmer?¹²

The family lacked the wherewithal to feed themselves or their animals or to buy fuel for the tractor. Meisgeier and his family were facing hunger and, with it, shame.

It is perhaps unsurprising that a suicide crisis accompanied the Farm Crisis. The shame of being unable to feed one's family, or to hold onto the family farm, could be devastating. At least 281 Iowa farmers killed themselves from 1981 through 1985.¹³ The state's Department of Human Services, as well as other social service agencies, was caught unaware by situations such as that facing the Meisgeier family. As Patrick McClintock, an administrator for Legal Services Corporation of Iowa commented about

11. For details about rural hunger in the South, see Greta De Jong, *You Can't Eat Freedom: Southerners and Social Justice after the Civil Rights Movement* (Chapel Hill, NC, 2016); Ardith Maney, *Still Hungry after All These Years: Food Policy from Kennedy to Reagan* (New York, 1989), 83-98.

12. Deb Bahe, "I Didn't Know," quoted in Joyce Egginton, "Harvest of Tears," *Ladies' Home Journal*, August 1985, 173.

13. The actual number of suicides was probably higher than the official number, given the stigma surrounding suicide and the ease with which suicides could be mistaken for, or disguised as, farm accidents. Mark Friedberger, *Shake-Out: Iowa Farm Families in the 1980s* (Lexington, KY, 1989), 73-74.

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I was reminded of this when a group of Future Farmers of America visited me at the White House last week. They were a wonderful group of young people, as you well know. And I told them an old story along that line that maybe you know, but I'm going to tell it again, because life not only begins at 40, so does lumbago and the tendency to repeat yourself. [Laughter]

There was an old fellow that had taken over some land down in a creek bottom. It was covered with rocks and brush and was just pretty scrabby, but he went to work on it. And he worked and he worked, and he cleared away the rocks and the scrub. And he cultivated, and he fertilized, and finally he had a garden that was his pride and joy. And one morning after Sunday services he asked the minister if he wouldn't like to come out that afternoon and see what he had done--this garden.

Well, the reverend arrived, and he was impressed. He looked at the melons, and he said, "I've never seen anything so big. The Lord has certainly blessed this land." And then he came to the corn, and he said, "It's the tallest corn I've ever seen." He said, "Bless the Lord." And he went on that way about everything he saw: tomatoes, squash, beans, everything. He was high in his praise of the Lord. And the old boy was getting pretty restive, standing there listening to all of this. And, finally, he said, "Reverend, I wish you could have seen this when the Lord was doing it by Himself." [Laughter]

With all the miracles of modern-day electronics, there is still no greater technological revolution than modern-day American farming. Today, in the United States, one farmer produces enough food to feed himself and 77 other people--52 Americans and 26 people abroad. Our food and agricultural system is the most productive in the world and accounts for the foundation of 24 million American jobs--almost one-fifth of our nation's total work force.

I've come to tell you that there is a gratitude throughout this country for the work you do, and a sensitivity to the burdens you bear. It was Thomas Jefferson who once said that "farmers were God's chosen people." Right now, you must be asking, well, chosen for what?

As one farmer wrote to me--he said, "Things are not good down on the farm in 1982, Mr. President." He cited an advertisement in an Iowa paper for a farmhand. There were 140 responses in 2 days, some from people who had been forced to give up their own family farms. A woman wrote me about the day she watched her father-in-law try to auction his land to pay debts, but none of their neighbors could afford to buy. And as she wrote, she said, "I sat there and watched a proud, old man on the brink of tears."

Another--and this shows the spirit out here--had a note on top. It was addressed: "To the aide opening this letter." She said, "I didn't vote for you, I voted for Ronald Reagan, and I want him to read this letter." [Laughter] And I read it. And the lady said, "I'm a farm wife, 60 years old. Not too well educated, but it doesn't take too

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smart a person to see and feel what is going on." She said, "I know you have lots of things to do and decide, but have you ever stopped and thought about the farmer? Stop and think; can a farmer pay 75 to 100 thousand dollars for a combine? Can he pay triple for any machinery? Can he pay the price for fertilizer, seed, you name it, and sell corn, wheat, and soybeans for the price they are today?" She said, "That because farmers, just because they aren't out carrying strike signs or tearing something up, doesn't mean they're not hurting. What farmers want," she said, "is a fair price so that they can pay their bills and feed their families."

She was only wrong about one thing, that maybe I hadn't had time to think about farmers. The farmers of America are very much on my mind.

President Eisenhower once said that without a prosperous agriculture, there is no prosperity in America. He was right. A central goal of this administration is to return profitability and open new markets, especially international ones, to this country's farm sector.

Because of your efficiency and the abundance produced on America's farms, we need world markets. The harvest from 2 out of every 5 acres of cropland is sold abroad. You depend on international markets for the sale of more than 60 percent of your wheat and rice, half of your soybeans and cotton, and a third of your corn and feed grains. In 1970 we exported \$7 billion worth of agricultural products. Last year we shipped abroad more than \$43 billion worth of products. These exports account for about a quarter of all farm income.

While essential to our U.S. balance of trade, offsetting big trade deficits in other goods, the future of farming has become dependent on maintaining and expanding foreign markets for U.S. food and fiber products. During the 1980 campaign, in a speech I made not too far from here, I promised my personal support for expanding our agricultural exports. And that pledge remains a priority commitment today.

We're vigorously challenging the use of foreign government--or by foreign governments, I should say, of export subsidies in agricultural areas, such as wheat flour, poultry, sugar, and pasta. We have a united front in this effort. The Departments of Agriculture, State, Treasury, Commerce, and the U.S. Trade Representative have spoken with one voice against unfair trade practices. We will continue to speak with this united voice as we pursue every legitimate means of protecting our farmers from unfair competition.

We have moved up by 6 months the scheduled negotiations with Japan on citrus and beef. So far, we have dispatched trade teams to 23 nations in Europe, Africa and Latin America, the Middle East and the Far East. Partly because of these teams, we expect to ship more grain to Brazil and Morocco and to maintain near record grain exports to the People's Republic of China.

In these efforts we do not challenge the right of any country to exploit its agricultural assets and to provide a decent life for its farmers and rural communities. We only ask for fair competition and for adequate rules to

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govern trade in agricultural products.

At the GATT Ministerial Conference this fall, we will propose bringing agriculture under its liberalizing influence, an influence that has transformed trade in manufactured goods and unleashed an unparalleled period of growth and prosperity in the postwar world. I am committed to more open agricultural markets in all countries. I challenge other countries, particularly our friends in Europe and Japan, to match this commitment.

But the commitment I'm most proud to have kept has been mentioned here already by your Governor, and that was a more normal grain trading relationship with the Soviet Union, lifting the last administration's grain embargo.

The lingering effects of that grain embargo are still hanging over the markets, and our nation's farmers are still suffering from those low prices. We had 70 percent of the Soviet market when the embargo was imposed. That fell to 25 percent during the embargo. At the same time, our competitors took advantage of this market that the last administration threw away. Well, we've restored to the American farmer a fair opportunity to export grain to the U.S.S.R. on a cash basis. We have already begun that difficult road.

After lifting the embargo, we offered the Soviets an additional 15 million metric tons of grain beyond the original 8 million metric tons. Our efforts on behalf of the farmers suffered a setback, however, with the iron repression of the proud people of Poland. When martial law was declared in that country, U.S. officials were developing a negotiating position on a new long-term grain agreement with the U.S.S.R. After the Soviet Union ignored our calls to aid restoration of basic human rights in Poland, we had no choice but to impose a number of sanctions against both countries, including postponement of negotiations on a long-term trade agreement with the Soviet Union.

There is still no cause to celebrate in Poland. I am, however, somewhat encouraged by indications martial law may be relaxing. We'll continue to watch developments there in the hope that life will improve for the Poles and sanctions can be removed. In the meantime we will explore a 1-year extension of the current long-term grain agreement with the Soviet Union. I have also authorized the Secretary of Agriculture to consult with the Soviets on the subject of additional grain sales beyond the minimum purchase requirements of the current agreement.

The extension would have the sanctity of a contract, ensuring U.S. farmers access to the Soviet market. Just last week, the importance of this was brought home to me by the Governor of a great agricultural State, your neighbor Governor Charles Thone of Nebraska. As Governor Thone said [*applause*]. Somebody's here from Nebraska. As Governor Thone said, there must be no question about our respect for contracts. We must restore confidence in U.S. reliability as a supplier. An agreement would, also, protect Americans from possible Soviet disruption of our domestic market.

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Indications are that we'll sell a record volume of grain to the Soviet Union this year. With the extension that we're now exploring, we'll be able to sell large quantities during the next year. In other words, the granary door is open, and the exchange will be cash on the barrelhead.

Last March, I outlined this administration's agricultural trade doctrine Jack Block mentioned to you. There will be no restrictions on farm products proposed because of rising farm prices. Farm exports will not be singled out as an instrument of foreign policy and can be used only as a part of a trade embargo if it is broad and supported by other nations across the board in a situation that would be so serious as to cause this action.

We believe world markets must be freed of trade barriers and unfair trade practices. At home and abroad, we're committed to assuring the American farmer a market that will reward his investment and work, and not punish him for his incomparable success.

A farmer told me once that, as a rule-of-thumb, today you risk all that you've acquired through most of a lifetime to plant a crop. The American farmer is a bigger risktaker than Evel Knievel. Yet, the only request that the farmer has is to have the opportunity to compete on a fair and evenhanded basis on the market.

You know, I can't resist saying something else here, that I once had the pleasure of saying in Las Vegas, Nevada, to one of those fellows who was there for the usual sport that takes place in that town. I was there because of a meeting of a farm group. And he was a little disparaging in his remarks as what did farmers have to do being around Las Vegas. And I told him--I couldn't resist; that was too good a straight line--I said, "Farmers are in a business that makes a Las Vegas crap table look like a guaranteed annual income." *[Laughter]*

That cornmeal on the grocery shelves, those soybean products, the steak, milk, bacon, and a myriad of other goods do not mysteriously show up in supermarkets. They were produced at the cost of your sweat and the ache in your back. Most are grown or raised right here in this rich, Midwestern soil. You are among the most industrious people anywhere. And you've been carrying an extraordinary burden for the Nation and the world.

This administration is dedicated to bringing you relief. We believe the unbearable interest rates, the suffocating inflation, the recession that has gripped our land for too many months was brought about by government leaders who for too long were afraid to trust the American people. They were caused by 40 years of taxing and spending, by disintegrating faith caused by abandoned promises, and by a reckless course of fiscal insanity that had us careening toward catastrophe. But our goal is to be able to say, "Those days are over."

I am proud to report to you, the American people, that the government will no longer forget its fundamental purpose: to be the servant of the people, not your master.

You're in charge now. It's your money that is being taxed. It's your property being assessed, your resources that

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have been raided by Washington. You have demanded a reduction in the size of government. Well, we have cut its rate of growth nearly in half. And we're just beginning. You've demanded that government live within its means. We're pushing hard for an amendment to the Constitution to balance the budget.

You've called for a reduction in repressive tax rates. We passed and are fighting to keep the largest tax cut in American history, but a tax cut that only barely offsets the tax increases already built into the system.

A great American philosopher has written that "a timid man listening to alarmists in Congress and in the newspapers might easily believe that he and his country have seen their best days. And he hardens himself the best he can against the coming ruin. But after this has been foretold," he said, "with equal confidence 50 times, he discovers enormous elements of strength which are here in play." He said, "We think our civilization near its meridian, but we are yet only at the cock-crowing and the morning star." Well, those words by that philosopher, those were words by Ralph Waldo Emerson, and they're as true today as when he wrote them more than a hundred years ago.

You know, shortly after World War II, I found myself in England. It was during the Christmas season, but I was there to make a picture. It was my first time abroad, and on weekends, wanting to see something of the land, I'd hire a car and driver, and I'd go sightseeing out in the English countryside. And I told the driver I wanted to see some of the old historic places that I'd heard about and been told about--pubs and inns that were centuries old, just the same as they had been for all those centuries.

Toward the end of one such day we stopped at a pub; it was getting twilight. The driver apologized because this one was only 400 years old--he called it one of the younger ones. The proprietors and the only two people working in the place were an elderly couple, very tiny. And the rather motherly looking lady who was serving us after a while said--perhaps overhearing us talk--said, "You're American, aren't you?" Well, I allowed as how I was, and she said, "Oh, there were a lot of your chaps staged just down the road here during the war."

She said, "They used to come in here all the time in the evenings and have songfests." She said, "They called me Mom, and they called the old man Pop." And as she went on her voice was softening, and she wasn't looking at me anymore; she was looking kind of beyond into her memories. Her eyes were beginning to fill. And then she said, "It was Christmas Eve. The old man and me were here all alone. And all of a sudden the door burst open, and in they came with presents for the both of us." And the tears now had overflowed and were on her cheeks. And she said, "Big strappin' lads they was from a place called loway." By this time my eyes were a little filled also.

Maybe some of those big strappin' lads she remembered are in this room. Well, neither those big strappin' lads nor their children nor their children's children ever needed government to tell them how to bring food for a hungry world from the blue-black soil of this heartland. Here in the land where the West begins and the State

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study of such efforts, but rather as an exploration of some of the themes of progressive rural activism during the 1980s. Farm activists in this era often identified with earlier insurgencies and borrowed some of their tactics; at the same time, they shared newer techniques with other contemporary social causes such as the civil rights and environmental movements. The people and groups discussed in this essay played a major role in the farm revolt of the 1980s. Their efforts frequently attracted media attention and they met with at least partial success on a number of occasions. They learned from the past, but were not dominated by it. As a result, they made a noteworthy addition to the history of progressive farm organizing.

AN IMPORTANT PART of the background of recent farm insurgencies was the relative lack of response of well-established farm groups such as the National Farmers Union (NFU) and the National Farmers Organization (NFO).⁴ As a result, the American Agriculture Movement (AAM) emerged in the late 1970s. AAM-sponsored tractorcades to Washington and a number of state capitals were dramatic, but internal disunity and lack of a coherent program soon undercut the new group. Although the AAM unofficially backed Ronald Reagan in the 1980 election, members grew disenchanted with his administration's handling of the deepening agricultural crisis. AAM played a part in the farm insurgency of the 1980s, yet the organization of many smaller groups such as the Iowa Farm Unity Coalition or Minnesota's Groundswell indicates that AAM's appeal had declined. AAM split into two separate organizations in the early 1980s and had to share the stage with many other groups.⁵

4. For background on the NFU and NFO, see John A. Crampton, *The National Farmers Union: Ideology of a Pressure Group* (Lincoln, NE, 1965); Lowell K. Dyson, *Farmers' Organizations* (Westport, CT, 1986), 206-32.

5. Allan J. Gies and John M. Hagan, "Group Formation Through Protest"

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During the 1980s organizers on the left and right struggled to win the allegiance of the distressed family farmer. AAM, at least in some respects, represented farmers in motion rather than in a movement, and competing groups with a message sought to win over the rural population. When the farm crisis worsened in the 1980s, the stakes were raised. One of the big stories of the decade was the growth of right-wing extremism in the countryside. Although the Posse Comitatus attracted the most attention, many promoters of conspiracy theories, anti-Semitism, and other mean-spirited notions found fertile soil for their ideas in rural America.⁶ Yet there also was a major effort to counter these tendencies and shift the farm uprising to the left.

The left had suffered serious setbacks among American farmers after World War II, but a remnant of the agrarian left survived the Cold War. Its organizational center was the small U.S. Farmers Association (USFA). The USFA had an office in Hampton, Iowa, and published a monthly newspaper, *U.S. Farm News*. Fred Stover had headed the USFA since its formation in the 1950s. Eighty-two years old in 1980, he had a long record of backing left-wing causes. He had supported Henry A. Wallace's 1948 presidential campaign and opposed the Korean War. Formerly affiliated with the NFU, Stover's group was kicked out of the liberal farm organization because of his politics. The USFA slogan of "peace and parity" on the masthead of the *U.S. Farm News* was amended in the late 1960s to include "and power to the people." Unlike other farm groups in the United States, the USFA publicly opposed the Vietnam War. Stover himself was an effective speaker and began appearing on college campuses. As a result, he and the USFA attracted attention in antiwar circles. Some young activists

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joined Stover's group over the next decade, and several of them played a central role in the farm revolt of the 1980s.⁷

The younger people were impressed with the old-timers they met at the annual USFA meeting. These individuals included veterans of the Nonpartisan League, the Socialist and Communist parties, the 1948 Wallace campaign and, of course, the Farmers' Holiday of the 1930s. In early 1980, a few young activists planned a symposium at Iowa State University on the historic roots of agrarian protest. The three-day affair featured panels of historians, veterans of past rural struggles, contemporary farm activists, poets such as Meridel LeSueur and Don West, and films such as "Northern Lights."⁸

The symposium was part of a strategy to activate a progressive farm movement. Dating to the late 1970s, the young people and Merle Hansen, a USFA vice-president, sought to remake the Farmers' Association into a force within the ranks of organized agriculture. They failed to achieve long-lasting results, but as a result of their efforts, the USFA became deeply involved for a time in the insurgency that developed in the 1980s.⁹ The young activists, including Dixon Terry, George Naylor, Mark Ritchie, and Dale Wiehoff, helped to organize farm coalitions in several states in 1982. Along with Merle Hansen, they also played a key role in the formation of the North American Farm Alliance (NAFA), a coalition of U.S. and Canadian groups. Other figures, such as Tom Quinn of the

7. Dyson, *Farmers' Organizations*, 345-48; William C. Pratt, "The Farmers Union, McCarthyism, and the Demise of the Agrarian Left," *The Historian* 58 (1996), 329-42; William C. Pratt, "When the Old Agrarian Left Meets the New: Fred Stover and the U.S. Farmers Association, 1959-1990" (paper read at the Organization of American Historians Annual Meeting, Atlanta, Georgia, 14 April 1994). I attended the USFA's annual convention from 1972 to 1986.

8. Ann Toner, "Nebraskans Will Talk About Parallels Today to Farm Protests of Past," *Lincoln Star*, 21 March 1980; Don Muhm, "Agrarian Protest: Its Place

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Wisconsin Farm Unity Alliance, Carol Hodne of NAFA, and Denise O'Brien of the Iowa Farm Unity Coalition also had a USFA connection for a time. The USFA "platform" or "launching pad" played an important, perhaps indispensable, role in the progressive rural insurgency of the 1980s.¹⁰

There were other important organizations in Iowa as well. Rural America, a liberal rural advocacy group, opened a Midwest office in Des Moines in the summer of 1981. When David Ostendorf, a United Church of Christ minister, arrived in Iowa to head the Rural America office, he had little idea that he would devote the remainder of the decade to working on farm crisis issues. He soon was joined at the office by a young intern from the University of Michigan, Danny Levitas, who also played a key role in the new farm movement.¹¹

10. David Ostendorf, interview with author, Des Moines, IA, 25 February 1994; Merle Hansen, telephone interview with author, 7 March 1994; Mark Ritchie, telephone interview with author, 24 March 1994; Dale Wiehoff, telephone interview with author, 25 March 1994. For early treatment of NAFA, see Dyson, *Farmers' Organizations*, 269-71. USFA involvement in the farm revolt of the 1980s, however, subsequently declined. USFA activity had been due largely to the work of Dixon Terry, Merle Hansen, George Naylor, and other young activists. Their efforts provoked controversy within the organization, however, and they fell out with Stover over the direction of the USFA. At the 1985 annual meeting, neither Terry and Hansen were reelected to the Farmers' Association board. That action essentially marked the end of USFA involvement in the farm revolt. The split between Stover and Terry, Hansen, and Naylor was a painful one, as the three younger men had been close to Stover previously and had seen him as their mentor. Pratt, "When the Old Agrarian Left Meets the New."

11. Ostendorf interview; Daniel Levitas, telephone interview with author, 24 March 1994. Ostendorf's first contact with USFA people may have come through a small group in southwest Iowa called the Progressive Prairie Alliance (PPA). Dixon Terry, who farmed near Greenfield in Adair County, was one of the organizers of the PPA, a group that addressed foreign policy questions such as U.S. involvement in Central America as well as domestic issues. The PPA was a very small organization whose membership included

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In the fall of 1981 the USFA became more involved in the farm crisis. Members approved an activist program at the annual meeting, and the USFA obtained matching funds to hire Mark Ritchie to coordinate activities. As a result of this initiative, contacts with people in other organizations were further cultivated. USFA activists sought to work with other groups while advancing their own agenda on farm issues.¹²

The Iowa Farm Unity Coalition was organized in late January 1982. USFA activists called a meeting at a bank in Atlantic, Iowa, on a Saturday afternoon to discuss common concerns among agrarian activists. Approximately fifty people attended, most of them AAM, NFO, NFU, or USFA members. Although Curt Sorteberg, the Iowa FU's only staff person, played an active role, as did Rural America's David Ostendorf, USFA figures orchestrated much of the meeting, and USFA activist Dixon Terry emerged as a spokesman. The Coalition prepared a press release and made plans to protest President Ronald Reagan's upcoming visit to Des Moines. Members also made tentative plans to run a candidate for state secretary of agriculture.¹³ At the time of the meeting, none of these farm groups had a significant political presence on their own in Iowa. As a coalition, however, the groups had a real opportunity—in the short term, at least—to reach a larger constituency of Iowa farmers and perhaps even wean some away from the Farm Bureau. Its organizers were heartened by farmers' involvement in the anti-Reagan protest two weeks later, and the Coalition soon attracted media attention.¹⁴ The Iowa Farm Unity Coalition would become one of the best known groups in the farm revolt of the 1980s.¹⁵

12. Pratt, "When the Old Agrarian Left Meets the New."

13. David Ostendorf, "Farm Unity Movement Grows in Iowa," *Rural America* 7 (Spring 1982), 5. I attended the Atlantic meeting. The NFU had organized a new Iowa affiliate after withdrawing the charter from Stover's group in 1954.

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MANY OF THE NEW GROUPS that emerged in this era assumed a "populist" identity.¹⁶ They thrived on the sentiments attributed to Mary Elizabeth Lease: "Farmers should raise less corn and more hell."¹⁷ Some activists consciously sought to connect their efforts with those of earlier rural insurgencies and studied the history of farm protest, seeking ideas and tactics as well as inspiration. As a practical matter, they learned more usable techniques from the Farmers' Holiday of the 1930s than from the Populism of the 1890s.¹⁸ One tactic from the 1930s that had particular appeal was the "penny auction." Here, protesters interfered with scheduled farm sales either by preventing the sale from taking place or by discouraging all but nominal bids on the items being auctioned off.¹⁹

The first penny auction of the 1980s may have taken place outside Westbrook, Minnesota, in August 1982. A Minnesota group, Citizens Organizations Acting Together (COACT) arranged the demonstration, although members from other organ-

16. Schneider, "Farm Groups Seen Affecting 1986 Elections," *New York Times*, 5 January 1986. *Populist* terminology raises difficulties when it is used anytime after the 1890s. In recent times, the *populist* label is applied to virtually any grass-roots antiestablishment effort or individual who assumes the pose of an aggrieved outsider. Michael Kazin, in *The Populist Persuasion: An American History* (New York, 1995), defines *populism* as a style of political rhetoric rather than adherence to a particular political position or perspective. Although Kazin's treatment covers political developments through the 1992 presidential election, it makes no reference to recent progressive farm groups that saw themselves as descendants of the historic Populism of the 1890s.

17. It is not clear that Lease ever made this remark. See Edward T. James, "Less Corn, More Hell? A Knights of Labor Glimpse of Mary Elizabeth Lease," *Labor History* (Summer 1975), 408-9. For Lease's biography, see Dorothy Rose Blumberg, "Mary Elizabeth Lease, Populist Orator: A Profile," *Kansas History* 1 (1978), 3-15.

18. Ostendorf interview; Carol Hodne, interview with author, Irwin, IA, 5 March 1994. For the Farmers' Holiday Movement, see John Shover, *Cornbelt Rebellion: The Farmers' Holiday Association* (Urbana, IL, 1965); Lowell K. Dvson,

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farmers that saw an increase in land price and a decrease of the price of agricultural commodities.⁸ The agricultural sector began to expand significantly in Iowa as farmers purchased greater amounts of farmland due to low interest rates. The introduction of new technology and farming practices, such as advances in irrigation techniques and new pesticides and machinery, further enabled local farmers to increase the production of grains and livestock.

However, this surge in new American family farms proved short-lived as the economic and political future of the United States became uncertain. The family farms of Iowa faced a potential downfall with the increase in interest rates, the evaporation of foreign markets for crops and livestock, the increase of rural Iowans migrating to urban areas in order to secure financial stability, and the government policies that favored large-scale agrarian operations for greater efficiency. With these perceived violations of justice for the common farmer, feminists who previously supported the women's liberation movement later served in positions of responsibility that later affected the political and socioeconomic landscape of Iowa.

The sociological aftermath of the farm crisis in Iowa affected farm families in various degrees, ranging from minor acts of depression to domestic violence. In one extreme case, the loss of farmland and livelihood led Dale Burr of Lone Tree, Iowa, to murder his wife, a banker, and a neighbor before committing suicide.⁹ This sense of hopelessness spread throughout the state of Iowa with increasing farm foreclosures, crime rates, and suicides, leading to a rise in the interest of the mental health of rural farmers in Iowa. These issues existed during a time of social conservatism and reaffirmation of "family values" of the Reagan administration. Despite this family-based orientation, rural activists created the belief that "Reaganomics," the reduction of government spending and taxes, was the primary factor of the devastation of the farm crisis in Iowa.¹⁰

Activists displayed their disgust with the economic failure of Iowa's family farms through the methods that feminists consistently used in the women's

⁸ David Ostendorf, "Iowa's Rural Crisis of the 1980s: Of Devastation and Democracy," in *Family Reunion: Essays on Iowa*, ed. Thomas J. Morain (Ames: Iowa State University Press, 1995), 58.

⁹ Ann Marie Linsick, "A Feminist Lesson We'd Ourselves Forget: The Moral

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liberation movement in the 1970s, such as the protests against failed farm policies in Des Moines and Washington, D.C., and white crosses planted to signify the loss of each farm during the crisis. Social workers concluded that “women rural activists have been found to be more effective” because their traditional “roles as mothers and female farmers” allowed them to display a first-hand narrative of the hardship that they experienced in the 1980s.¹¹ The exposure of the sociological devastation of Iowa farmers allowed feminist activists to direct the public attention to the difficulties that laid ahead for the family farms.

The importance of social effects from the farm crisis highlighted the actions of both rural feminists from the farms of Iowa and urban feminists with an East Coast background and education that is often associated with second-wave feminism. Joan Blundall, a native of Philadelphia and an alumna of Temple University, furthered the work of the Northwest Iowa Mental Health Center in Sioux City by focusing on families affected by the farm crisis. She concluded that “voices, particularly those of women,” helped publicize “the chronic economic, social, and emotional decline that exists in many parts of rural America” and assisted farmers with the treatment of the depression and anger they faced.¹² Blundall’s feminist promotion of rural women supported her social work and theories in northwest Iowa with the belief that “political solutions tend to divide people, shared sorrow brings people together.”¹³ Her creation of support groups in the local communities scattered across the rugged landscape of Iowa inspired women to take action and support activities that were “bigger and more important” than themselves.¹⁴ Iowa farmers typically adopted the masculine attitude of not sharing emotional issues with anyone, especially outsiders to rural Iowa. In spite of the initial hesitation, Blundall

¹¹ Julia Kleinschmidt Rembert, “Factors Affecting Iowa and Nebraska Farm Women’s Rural and Farm Advocacy Involvement” (M.S.W. diss., University of Iowa, 1997), 3.

¹² Blundall wrote an article “Lives of Courage, Legacies of Love” in the spring 1989 edition of *Earth Matters*, detailing her work in northwest Iowa.

¹³ An unpublished article by Blundall entitled “Support Groups and the Rural Crisis,”

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achieved success in curbing depression and anger in farmers who felt lost in a time of despair, a service that she continues into the 21st century.

Meanwhile, also in the Sioux City area, Marilyn Murphy, an Iowa farm wife and mother, made the plight of the Iowa farmer more visible in the local newspapers through her activism in the charity wing of the Catholic Church. Religious activists and organizations shared the same motivation for equal rights and social justice as the feminist movement and protests of the farm crisis in the 1980s. This shared advocacy was further defined by Murphy's observation of the "dramatic decline of family farms."¹⁵ Murphy's background as an Iowan woman solidified her arguments by showing the continuing conquest of the family farm structure in Iowa by large corporations looking to expand their agrarian operations. Furthermore, Murphy, whose social activism began in her fifties, used the theology of her Catholic faith to support her efforts for the passage of the Equal Rights Amendment and to spread her message of peace. Many religious figures, such as David Ostendorf of the United Church of Christ, organized the protests about the farm crisis in Iowa and, like Murphy and Ostendorf, shared a common interest in equality for both women and local farmers in Iowa. The importance of religious activists, which embodied a large number of social causes and movements, translated between the need to assist the disenfranchised farmer and the woman seeking equality in the United States.

Feminists who achieved success in the women's liberation movement in the Midwest not only embodied the ideal of community in their rural activism, but also confronted economic problems and created solutions to benefit family farms all across Iowa. Iowa's economic recession foreshadowed the farm crisis in the 1980s, which resulted in families losing their farms, crop prices falling to all-time lows, and businesses in small towns closing their doors. As the Iowa General Assembly and the U.S. Congress created committees to investigate the causes and effects of the farm crisis, feminists inspired a large number of rural women to be active in community and political activism. Dorothy Wurster of Ringgold County described her own experiences on her cattle farm to the Senate Agricultural Committee, painting a picture of pessimism for small

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businesses and rural farms in southwest Iowa.¹⁶ Wurster believed that if “every five or six farmers...go out of business, one store on Main Street folds.”¹⁷ Many towns that were a great distance from the urban centers of Iowa, such as Des Moines, Davenport, and Sioux City, relied heavily on the local businesses that supplied necessities for both the home and the fields of family farmers. These rural towns and businesses sought the help of feminists like Wurster by continuing their involvement with the local farms and businesses that she testified about and maintaining visibility on the difficulties experienced in rural Iowa.

Other activists who promoted economic cures for the farm crisis gained experience not only in the feminist movement of the 1970s, but also in the protests against the Vietnam War in the late 1960s. In Atlantic, Iowa, Denise O'Brien became active in progressive politics in southwest Iowa and served in various community organizations in order to help farmers address economic issues that arose from the farm crisis. O'Brien received a practical education in social protests through her work in anti-war, women's liberation, and organic food movements in San Francisco. She continued her work in Iowa by chairing a citizen's panel during the Democratic Party's presidential debates in 1984, testifying at a Democratic National Committee platform hearing in Illinois, and moderating a forum between Cass County farmers and Iowa Governor Terry Branstad.¹⁸

O'Brien focused on one issue that concerned both feminists and rural women alike: the equal pay of women in the workplace. As the farm crisis depleted the savings of Iowa farmers, many rural women obtained off-the-field employment, only to discover the vast wage difference between men and women. Due to the lack of economic diversity in many rural areas of Iowa, women received 44% of the typical male salary in Iowa, substantially worse than the national average of female-to-male ratio of 62 cents on the male dollar.¹⁹ O'Brien, among many other rural feminists, fought to achieve economic equality for rural Iowans by seeking an extension of the foreclosure

¹⁶ U.S. Senate Agricultural Committee Testimony, February 10, 1987, Box 1, Dorothy Fox Wurster papers, Iowa Women's Archives, The University of Iowa Libraries, Iowa City.

¹⁷ *Idem*.

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redemption period to five years in 1985 and debt reduction in both principal and interest on farm loans by at least 33%.²⁰ In the midst of the farm crisis that displaced many farmers, O'Brien furthered the progressive nature of feminism to assist these farmers while fighting for the equality of women in the workplace.

The increase in women serving in Des Moines and local offices in Iowa's counties confirmed the impact of second-wave feminism in a progressively agrarian state like Iowa. The overall despair of the farm crisis in Iowa captured the attention of politicians, community leaders, and activists to re-evaluate the control of agriculture on the local, state, and federal government levels. In Washington, D.C., Congress investigated the legal practices of agencies like the Farm Credit System and Farmers Home Administration as the increase of foreclosed family farms created a panic among Iowa's farmers. On the state and local levels of Iowa's government, rural feminists like Josephine Gruhn of Dickinson County brought first-hand experience and knowledge to the political arena in order to translate effectively with the disenfranchised farmers.

Gruhn's election to the Iowa House of Representatives in 1982 signaled the acceptance of feminism on a political level, especially in light of her status as a Democrat in a predominantly Republican region of Iowa. As vice-chair of the Agriculture Committee in the Iowa House, Gruhn furthered the agenda of relief of "the plight of the financially strapped farmer" by using her previous experience as a county treasurer and involvement in the American Association of University Women and the Northwest Iowa Farm Business Association.²¹ In addition, her support of agricultural legislation from both the Iowa House and Senate funded programs to assist farmers in obtaining low-interest farm loans and expanding markets for Iowa's crops and livestock.²² After her retirement in 1992, her impact on rural Iowa was summarized in a simple statement when she started her legislative career, stating that "a woman...can do just as good a job as a man."²³ Her quiet, low-key nature resonated feminist

²⁰ Box 18, Denise O'Brien papers, Iowa Women's Archives, The University of Iowa Libraries, Iowa City.

²¹ Spencer, IA panel discussion, March 5, 1983, Box 1, Josephine Gruhn papers, Iowa Women's Archives, The University of Iowa Libraries, Iowa City.

²² "Capitol Points" news releases, Box 2, Josephine Gruhn papers, Iowa Women's Archives, The University of Iowa Libraries, Iowa City.

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ideals through her work of promoting equal rights for women in male-dominated institutions and setting the example for future rural feminists to work in roles of government and community activism.

The political ramifications of second-wave feminism in Iowa existed not only in the chambers of the Iowa General Assembly, but through grassroots organizations that sought to change the government's agricultural policies. One such organization, the North American Farm Alliance (NAFA), was co-founded by Carol Hodne in 1983, who experienced activism from an early age through her parents. Hodne participated in protests against the Vietnam War and supported the women's liberation movement during her education at Iowa State University. Her interest in feminism allowed her to help establish the women's studies program at Iowa State and later supported the Ames Feminist Women's Health Center to assist women in need.²⁴

After the farm crisis began to take effect in Iowa, Hodne, who previously worked with the U.S. Farmers Association and the Farmers' Union, relied on her experience and her "socialist, feminist rhetoric and analysis" to support Congressional legislation that centered on Iowa farmers.²⁵ The NAFA also continued their populist message under Hodne's leadership through their publication *North American Farmer*, a periodical that supported the "women's strategic role in the farm movement."²⁶ The NAFA's popularity with Iowa rural farmers was the passage of the Save the Family Farm Act in 1985, which was written in part by Senator Tom Harkin in the U.S. Congress. Carol Hodne's background differed from many Iowans raised on the family farm tradition, yet her support of feminist and socialist ideals supported Iowa farmers in their fight against the causes of the farm crisis.

The feminist movement of the 1970s also affected Jo Ann Zimmerman, another advocate for the fight against the farm crisis in Iowa. Raised in the rolling hills of Van Buren County, Zimmerman understood the perception surrounding the ambiguity of female labor on the farm and following a

²⁴ Ames Feminist Women's Health Center pamphlet, Box 1, Carol Hodne papers, Iowa

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First, with the hard work and great courage of our people, the farmers' number one market is coming back. America in September of 1984 is moving forward with an economic expansion that's given birth to 6 million jobs -- new jobs -- and new hope. We're a stronger nation today than we were 4 years ago.

And second, while we welcome that progress, we know it's incomplete. Too many of you have yet to benefit from it, and we won't be satisfied until you do.

My third point is, even though your road to prosperity's been longer and the grade is steep, we're moving in the right direction again, and we're closer to our goal than we were.

[The President was briefly interrupted by the noise of a plane flying overhead.]

I hope it's one of ours. [Laughter]

In January 1981, we were left the legacy of record inflation, record interest rates, the highest peacetime tax burden in history, and a farm embargo that had inflicted terrible damage not just on short-term sales, but on our long-term reliability and credibility as a supplier. Well, all the initiatives that we've taken since our first days in office -- and that we'll continue to pursue -- have been aimed at getting to the root of your problems to help family farmers and ranchers turn things around for good.

How have we tried to help the family farmers who, day-in, day-out, probably face greater difficulties than any other group in our country? Well, by bringing down inflation, which had destroyed the profitability of farming in 1980. We went from one of the largest 2-year increases ever in prices that farmers paid in '79 and '80 to the smallest 2-year rise in 15 years in 1982 and '83. And the most recent inflation rate has been at 2.9 percent. If we had to go back and take the whole year getting to that point, why, it's down around 4.0 percent.

But we won a long-overdue change in our tax laws that will protect thousands of widows and children from losing what generations of love and toil have created. The estate tax exemption will increase to \$600,000 by 1987 and, of even greater help, there will be no estate tax for a surviving spouse.

We ended the unfair, unwise grain embargo. And my opponent now says he opposed the embargo privately, but the record shows that he supported it publicly and enthusiastically.

Well, we ended the embargo, and we've reestablished our sales to the point where, since last October, the Soviets have bought 23 million metric tons of grain. And, as you may know, I approved raising the ceiling so that they may buy an additional 10 million tons in the next year. And we'll raise the ceiling again if they use those up.

We're aggressively moving to open up other markets that had been restricted. We reached agreement with

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Japan to double its purchase of American beef exports over the next 4 years. And I think we have a friend there in the Prime Minister, Nakasone. He's got his political problems with his legislature, as I do with mine, but -- [laughter] -- he really is working in tandem with us.

The effects of the grain embargo, combined with the bumper crops in '81 and '82, left us with huge carryover supplies. So, when action was stymied in Congress, we moved to develop the PIK program. And farmers set aside nearly 80 million acres and got paid in kind with reserve stocks. Now, that program and last year's drought cut the U.S. feed grain stocks by 73 percent.

And we're trying to help tens of thousands of farm borrowers hold onto their farms and stay in farming. The Agriculture Department is lending money to 270,000 beginning farmers and farm borrowers who can't get credit elsewhere. And in the last 3 years, the USDA Farmers Home Administration has doubled its regular operating loans for farmers.

And this week, we announced another major initiative to assist farmers trying to cope with debt burdens. The Farmers Home Administration will permit a deferral for 5 years of up to 25 percent of the principal and interest payments owed by farmers who need breathing room to return to a sound financial footing. And the deferrals will be made available on a case-by-case basis.

And we want to assist those who do not participate in the FmHA programs, so Farmers Home will make available \$630 million in guarantees of loans by private banks as part of rescheduling plans for troubled farmers.

Our road is hard because the difficulties that built up were so great. But we've righted ourselves. We're moving forward again.

And it puzzles me how some could already forget that only 4 years ago, they left the farmer stuck in the swamp. And I'm troubled that those who gave us the grain embargo, and the nightmare of double-digit inflation, and 21-percent interest rates don't seem to have learned their lesson. They're proposing what would amount to a new one-two punch against American farmers -- a massive protectionist program that would provoke foreign retaliation, particularly against our farm exports, and a massive tax increase that would hit nearly a million people who earn income from farming. And if all of their promises are fully funded, it would be the equivalent of more than \$1,800 in taxes per household.

Now, those are not my idea of friendship for farmers or fairness for farmers or a better future for farmers. They would reap a harvest of hardship and take us back to the past, to what has already failed. We firmly believe that the initiatives we're taking with you will make you stronger for the future.

And now, rather than me going on with a monolog here, let me hear from you. I know that you may have some

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questions. I know that our time is very limited, but fire away.

Q. Mr. President, I have a two-part question. Mr. Grimes, an economist from Missouri, has figures that say U.S. pork producers' market is being depressed by \$6 per market animal. Canada's Federal and Provincial assistance program seems to be giving Canadian pork producers an unfair advantage over U.S. pork producers. A number of U.S. Congressmen have signed a letter encouraging you to call an agriculture and forestry trade summit with Canada following the current elections. Mr. President, what is the progress of these talks.

The second part of the question, if I may go on, Mr. President: The current Economic Report of the President reports, "the growth in world cereals imports in the last decade has been fueled mainly by growth in per capita income, with growth in population being a significant but less important factor." Is the President's office being used in any way to urge other countries to increase their per capita income?

The President. Yes. We have a Secretary of Agriculture who's a world traveler by now. And we have made substantial gains with some of our trading partners in this field. And right now, he has been meeting with the Trade Minister of Canada on this very subject of the import of Canadian hogs. And we believe in free trade, but we believe it's got to be fair trade. And I don't know what progress they're making or how much progress.

Would you like to comment, Jack?

Secretary Block. Well, Mr. President, I talked with the new Minister of Agriculture yesterday in Canada. You know, he's only been aboard just this week. We needed to wait till he was there. And I asked him -- I told him of our problems with them and our trade questions and asked if I could have a meeting with him and we could work to resolve the differences. He agreed to a meeting, and we will be setting one up and moving on that subject as fast as we can. So, we're right on top of it.

The President. All right. And as to the answer to the other problem, as I say, we have been working on that. In fact, we recently -- several months ago, if I remember correctly, was the timing of it -- we did a certain thing with regard to some shipments of grain products to Egypt, which sort of was like hitting a mule with a club to get his attention. And it was to get the attention of our trading partners in the European Community. And I think we did get their attention on that. So, we're making progress there, too.

Q. Thank you, Mr. President, for your answer.

Q. Mr. President, you have stated your opposition to any grain embargo. Is it not true that the domestic content legislation is, in reality, an embargo? What is your position on this?

The President. We're opposed.