

Farm Crisis of the 1980's Supplemental Inquiry Resource

The following information was featured In the Spring 2023 (volume 82, no. 2) issue of the Annals of Iowa, dedicated to the study of the Farm Crisis in Iowa. This appendix can supplement the “Farm Crisis of the 1980s and Iowa’s Economy” primary source set.

Information included in this appendix:

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Questions to be used with the primary sources in this appendix

Letters to the Governor

- What were some of the key concerns shared by those writing letters to Governor Branstad? How did the concerns differ based on the age and life experience of the letter writers?
- What kinds of help were the letter writers asking for from the Governor? Based on your reading of the other sources, were people asking for help that programs or officials in state government would have been able to provide?
- Compare the letters written by younger Iowans (Letters 1 & 6) and to those written by older Iowans (Letters 2-5). Describe the messages and questions each posed to the Governor. How were their concerns similar and different? Infer what you think this Crisis meant for Iowans at different stages in their lives.
- The family in Letter 2 lived through the Great Depression. Using your background knowledge, compare and contrast these two time periods and the impact on agriculture and families. (See the [Great Depression and the Dust Bowl](#) and [Great Depression and Herbert Hoover](#) primary source sets for more information)
- The Farm Crisis affected entire families, not just the farmers. Using Letter 3, describe how all family members were affected, whether they knew it or not, by the Crisis.

Images of the Crisis

- Look closely at all of the photos, what features of the experiences of everyday people are captured in the images of the farm auction and the protests?
- While viewing the farm auction photos (Figures 1.1-1.5), describe what materials are being auctioned off. Infer what selling those items would mean about the desperation of the families and their financial situations.

- The voices of protest"photos (Figures 2.1-2.5) show the families that were struggling during the Farm Crisis. Compare the messages shared in the letters to the images captured in these photos. How are each impactful? In your opinion, which has more impact, photos or letters, and why?
- The "Choices of Protest" photos demonstrate that the Farm Crisis had an effect on lowans of all ages. How does each photo's caption help you better understand each image and the impact of the Crisis on families?

Branstad Oral History

- How did Governor Branstad assess what actions to take in order to help people who were suffering during the Farm Crisis?
- Based on his interview, what were some of Branstad's key accomplishments during the Farm Crisis? What were some of the biggest challenges he faced both in the state and also outside of it?

Letters to the Governor

Throughout the Farm Crisis, letters poured into the Governor's Office. Letters primarily came from Iowans, but Branstad received support, critique, and pleas for aid from throughout the nation and the world.

The six letters featured here just scratch the surface of the gut-wrenching experiences of Iowans who lived through the Farm Crisis. They are difficult to read. They recount the trauma, desperation, and pain that so many farm families experienced.

The first letter comes from a high school senior who desperately wants to become a farmer, but can't see a path forward. Letter 2 comes from a couple in their 80s. They had survived the Depression on their farm but when Branstad wrote in February of 1986 to congratulate them on their 63rd wedding anniversary, they wrote back telling him of their struggles. Letter 3 lays bare the heart-wrenching experiences of a farm wife and mother as she and her husband try to survive and feed their children. The fourth letter is a heartfelt plea for farmers written by a nun from Dubuque who was teaching in Iowa and whose family members were also feeling the pain of the Crisis.

Letter 5 is a hand-drawn postcard of a weeping pig, with a simple question of how Branstad and the author can help farmers. The final letter is a plea for aid and advice from a young man struggling to get started in farming.

Every one of these letters also received a response, frequently connecting the writers to resources for those struggling during the Crisis, and collectively, the letters offer a glimpse at the trove of letters received by the Governor during the Crisis. Last names and addresses have been redacted for anonymity and the original spellings and syntax have been maintained. These letters are referenced throughout Branstad's Oral History, Pamela Riney-Kehrberg's book "When a Dream Dies", and the roundtable essays in this issue. After reading them, it is apparent why they have made such an indelible impact on those who received them, read them, and studied them.

Letter 1

Mr. Branstad

I am a high school senior from Osage, IA. I am planning to go into farming as soon as I graduate. The way things are going I am very scared. My father is in farming. Right now the way the prices are going, you can not make it.

What I can't understand is how everything else is going up and the farm prices are going down. Please try to help us young farmers.

Sincerely yours,
Todd

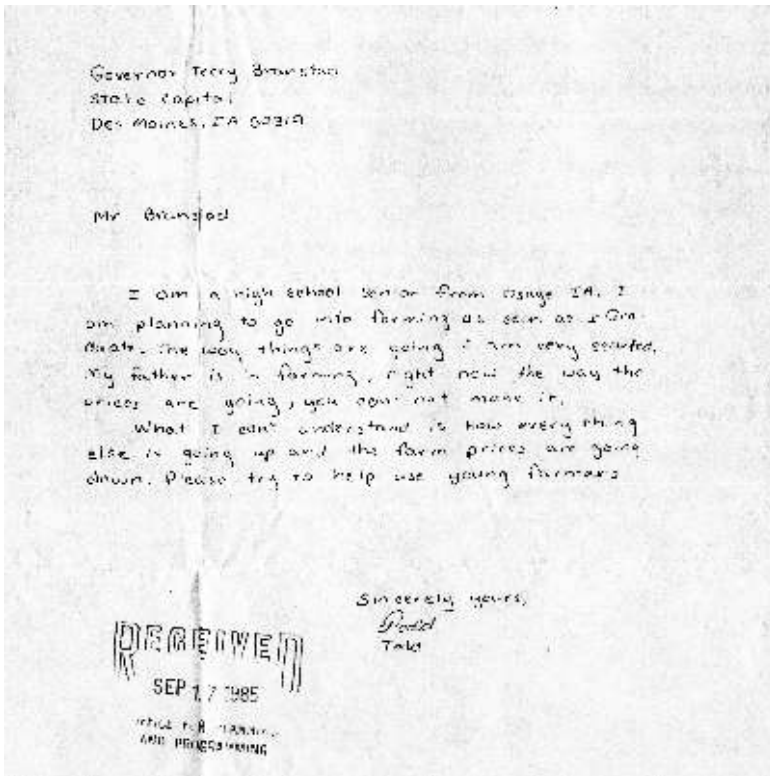


Figure 1.1. In-State Correspondence, RG43, Governors, Terry Branstad, State Archives of Iowa, Des Moines.

Letter 2

Dear Governor:

Thank you for thinking of us. But really it can't be to [sic] happy as we are farmers. We bought this 80 acres in 1926 and moved here in 1927, have raised 4 children here. We finally got over 1100 acres but due to the hard times and prices we have lost over 500 acres of this. Now how are we to hang on to this? We are both depressed. We made it thru the 29 & 30 and raised the children. Now we never inherited one bit of this. We both work. He has some chores for son's hogs and we have cows of our own. I also have chickens. I take care of myself at 80 yrs old. He soon be 82. Now isn't there some way you can help us farmers? Our social security not enough to cover our pay and utilities.

Thank you.

I got good pictures of you and your family at Covered Bridge Days in Winterset.

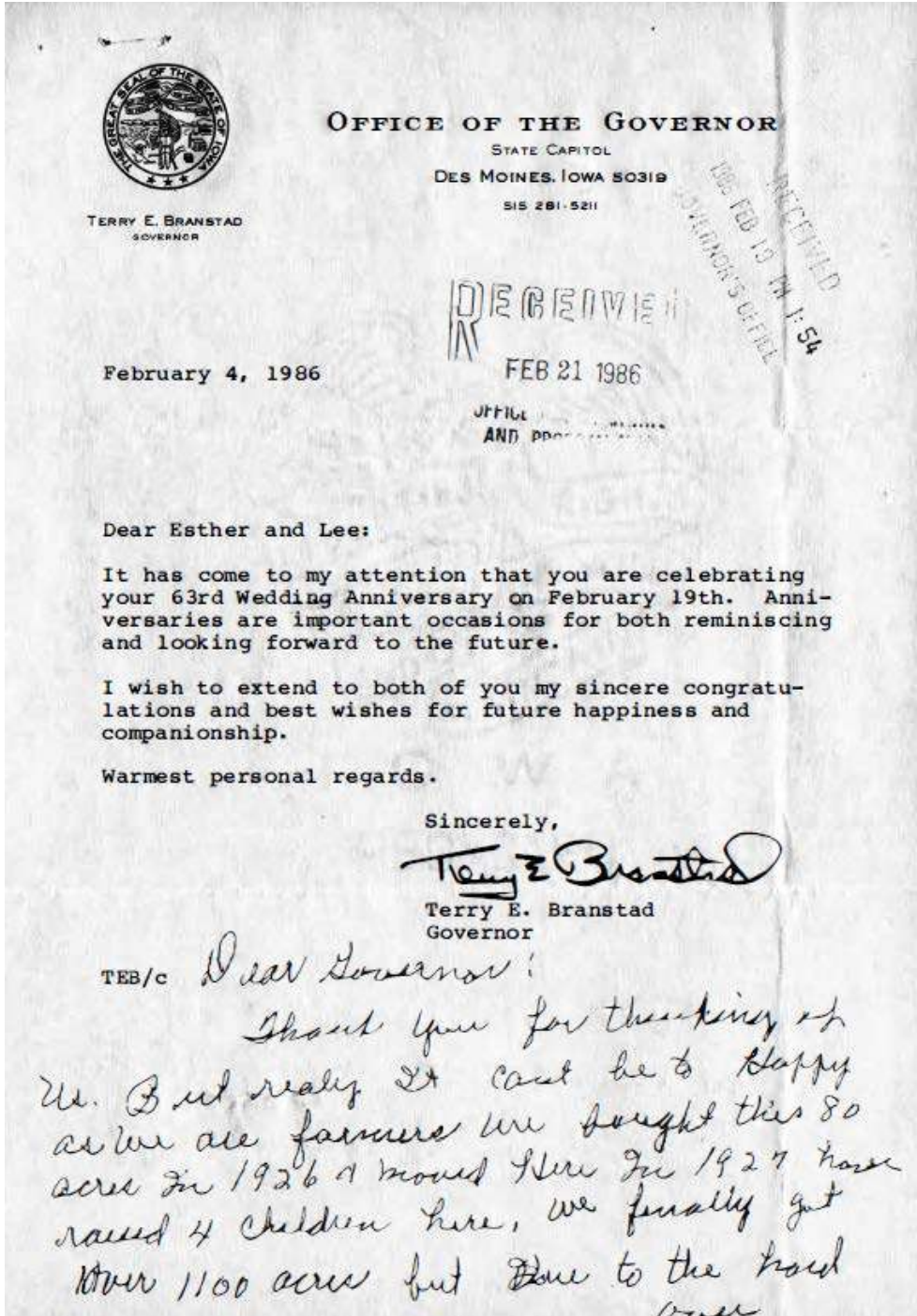



Figure 2.1. In-State Correspondence, RG43, Governors, Terry Branstad, State Archives of Iowa, Des Moines.

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I got several good Pictures of you
 and your family at ~~that~~ ^{covered bridge} days
 in winter

Figure 2.2. In-State Correspondence, RG43, Governors, Terry Branstad, State Archives of Iowa, Des Moines.

Letter 3

Dear Gov. Branstad,

Today was the day to call you, if we were about ready to file bankruptcy. How can we call & talk to you, when we can't even talk to each other without yelling or crying?

My husband and I were born and raised on a farm. That's all we know. My husband is up by 6:00 A.M. and doesn't get to bed until 11:00 P.M. or later. Have you ever watched a man stagger across the field to work on his broken down combine? No, he wasn't drunk, he's just worn out at 2:00 A.M and he's handicapped.

We bought our farm in the fall of "77." The house is small and the foundation in need of repair. We had hopes of building a new house someday, but we can't even afford to remodel.

Our youngest child, 3yrs, sleeps on a mattress that we pull out from under another bed. It isn't that we don't have a bed for her, it's because the bedroom is too small for another bed. We are using the same furniture we have had ever since we were first married (19 yrs).

Our oldest child, a senior in school, has had to get a job just so she could buy her senior pictures & announcements & etc. She bought her own car because if we had the money we'd buy a car or pickup for ourselves. (We drive an "75" Pontiac & "71" Chevy pickup). It really hurts to think that this year should be one of the happiest & best of her school years.

As I lay in bed at night & hear my husband talking to God or himself (I don't know which) what can he do to save the farm or buy food for us. Asking himself where he went wrong? What can he do? I think to myself so this the land of the free. Wouldn't we be better off on welfare? They at least have food & a decent house and they probably don't work as hard as we do.

The other day we went to get groceries and our son said, "Please bring home McDonalds sandwiches for supper." Little did he know that we took the money from his bank. If we have to take money from our children, who will we be taking it from next.

I brought home new coats for the kids. As I gave them to them I told them they were early Xmas presents. We might not be able to afford clothes or gifts by Xmas. Who knows maybe we won't even be here by then. Maybe we'll be in heaven or hell, but what is hell when we got it here on earth!

Yes, it's great being an American & it's even better being a poor worn out farmer!

Sincerely,
Sandra

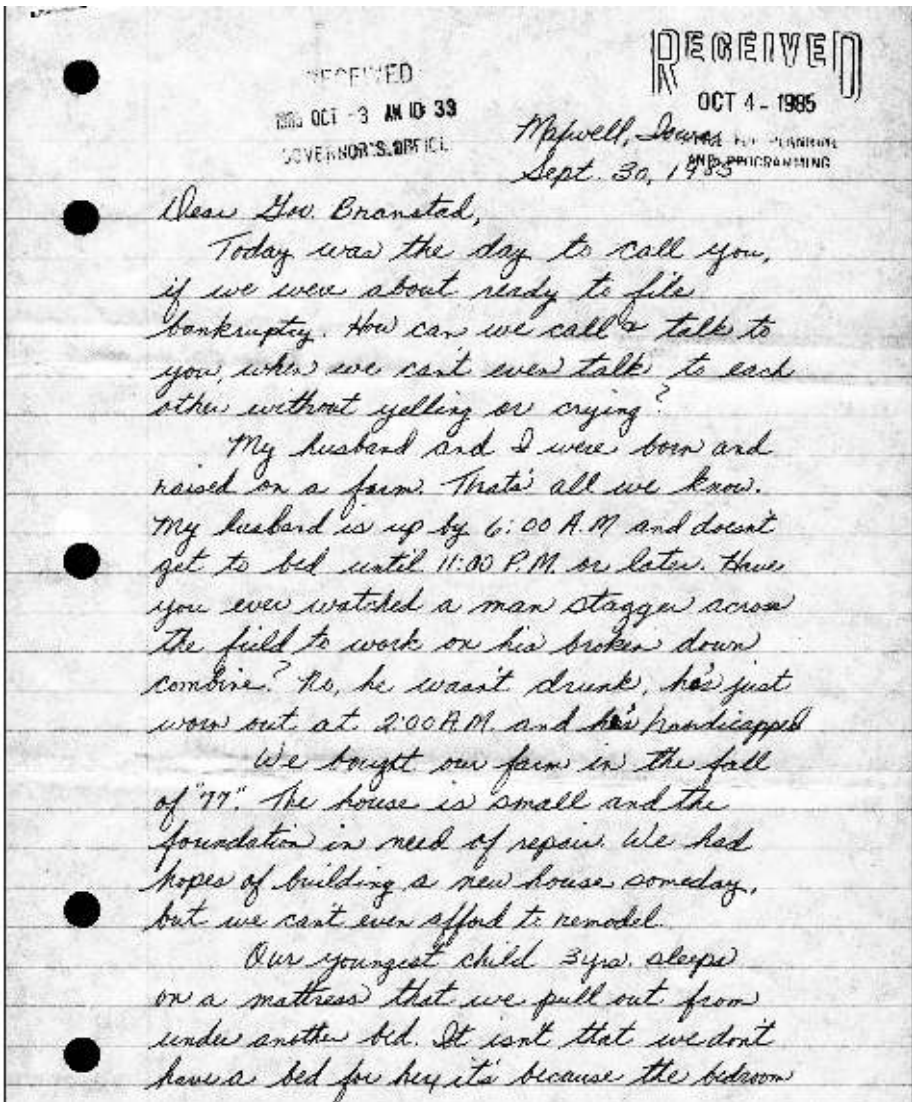


Figure 3.1. In-State Correspondence, RG43, Governors, Terry Branstad, State Archives of Iowa, Des Moines.

-2-

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-3-

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Yes, it's great being an American &
it's even better being a poor worn out
farmer!

Sincerely,
Sandra

Figure 3.3. In-State Correspondence, RG43, Governors, Terry Branstad, State Archives of Iowa, Des Moines.

Letter 4

Dear Governor Branstad:

I am writing an SOS letter for the farmers. Thank you for your past efforts, but do keep on even more vigorously.

Many of the fathers of our students who live on farms not only in Iowa but other states are at the end of their rope. Surely our good farmers deserve better treatment because they provide much of our food for survival. My own nephew just told me today the price for his hogs was so bad, he might as well kill them.

Pretty soon the corn will be ready after the farmers worked so hard to grow it, and what price will it bring? Our family farms must be saved! As a loyal Iowan, I feel sure you will do all you can — and soon.

Hopefully yours,
Sister Mary Anastasia

August 31, 1985

RECEIVED
1985 SEP -3 PM 2:13
GOVERNOR'S OFFICE

Governor Terry Branstad
State Capital Bldg.
Des Moines, Iowa 50319

Dear Governor Branstad:

I am writing an SOS letter for the farmers. Thank you for your past efforts, but do keep on ever more vigorously.

Many of the fathers of our students who live on farms not only in Iowa but other states are at the end of their rope. Surely our good farmers deserve better treatment because they provide much of our food for survival. My own nephew just told me today the price for his hog was so bad, he might as well kill them.

Pretty soon the corn will be ready after the farmers worked so hard to grow it, and what price will it bring? Our family farms must be saved! As a loyal Iowan, I feel sure you will do all you can - and soon.

Hopefully yours,
Sister Mary Anastasia

Figure 4.1. In-State Correspondence, RG43, Governors, Terry Branstad, State Archives of Iowa, Des Moines.

Letter 5

Dear Governor Branstad,

These pigs are depressed because of the farm economy—What can you and I together do about it?

Sincerely,
Tim

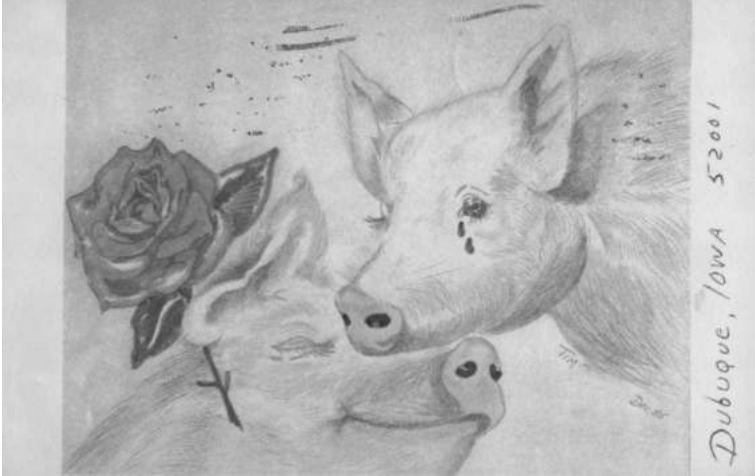


Figure 5.1. Hand-drawn postcard (front), In-State Correspondence, RG43, Governors, Terry Branstad, State Archives of Iowa, Des Moines.

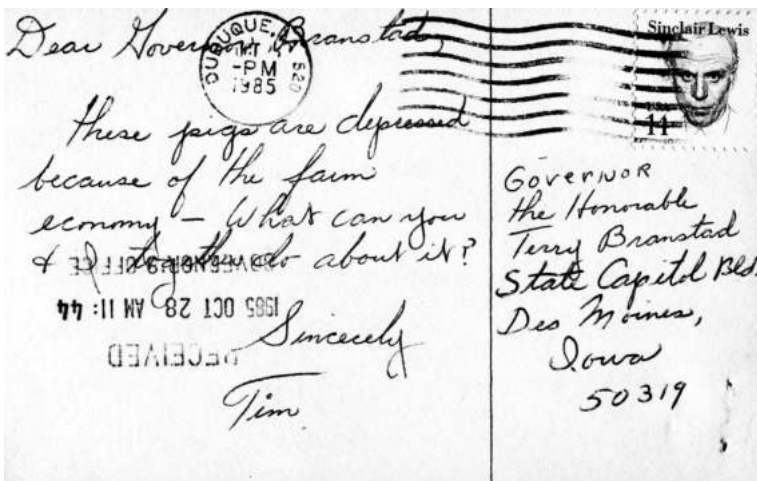


Figure 5.2. Hand-drawn postcard (back), In-State Correspondence, RG43, Governors, Terry Branstad, State Archives of Iowa, Des Moines.

Letter 6

Please if some else reads this PLEASE give to the Governor.

Dear Governor:

I am a 21 year old farmer or maybe somebody who wishes to be one. I will tell you a story about me and others like me. Two years before I even graduated I was a hired man for a farrow to finish hog operation and learned the skills of a hog man. But declining prices and a divorce and all of this then I started working for a well established farmer who was doing extremily [sic] well. But winter came and work ended. So I went to the winter farm operation at ISU, but when spring arrived you gave us the PIK program so I was out of a job. Then I got a job at Arts Way MFG, Inc, and work for 2 years. I finally got layed [sic] off but received a job that very night from a local farmer. He lived a mile south of Fenton and that's where I work presently. I make enough money to pay the bill but there is no extra money to do anything. All in All I have 2 years in hogs and in MFG and 4 years as a dision [sic] making hired man. But that's where the problem starts. I can walk into any hog operation and take over and turn a profit. I can fix anything because I have made everything from Grinder mixers, silage blowers to airline baggage carts. And add 4 years of actual field experience and then growing up on my dad's farm. I have a very good back ground.

I started plowing at 10 and was combining at 13. I walk down the street and can get a job on my above experiences. I even get paid better than most hired men, but I still can't get ahead. It takes 4 years to get a Bachelors degree and 2 more to get a masters and 2 more for a PHD. Well that make 8 years of college. Well I have 8 years of hands on training with a 1 to 1 student to teacher ratio. I dare say that's better than any other college or university anywhere. But when I go to a bank to get a loan they laugh at me.

I can't even get a dime, so what do people like me do. I have the skill and the experience to do anything but don't have the old family money behind me. You see my father is in poor financial shape and probably won't be farming anymore in a few years. But I am total independent of this and it has no bearing on me. I have made an observation and summed up that the people going out first are the people who had it handed to them. They never learned the most important thing, that's to learn and remember from others mistakes. I have learned a lot and also taught others from my experiences and feel [sic] I could start and run a farm only because I have the past experiences. Now it's your turn where do I get started, where do I find the money to start. Do you want farming to be big business or a business of some who know what he is doing? I have no college degree but have hands on training. After all a child can't learn how to ride a bike from a book. The only way he can learn is to do it is falling down. Well I have fell and learned over again. I won't starve but I can't feed a family and have NO future. Again I ask is there money for me and others like me. If there isn't, there should be. Please guide me to an answer. All I need is a start then I will begin to feed the world. After all when the Government gave the Chrysler Corp all that money that paid it back in 3 yrs well farmers have paid their loans back every year. How you ask? Every time anyone sits down to the 3 meals a day he is getting a loan payment. We don't pay it back to the Government. We pay it back to the people. Can we afford to lose people like me, or should we find a way to help them stand.

Thank you for listening.

Sincerely,
Scott, Farmer

Thursday Jan 1986

Please If some else reads this PLEASE give to the Governor

DELETIVE

JAN 21 1986

Dear Governor:

I am a 21 year old farmer or maybe somebody who wishes to be one. I will tell you a story about me and others like me. Two years before I even graduated I was I hired man for a farrow to finish Hog Operation and learned the skills of a Hog man. But declining prices and a divorce and all of this, then I started working for a well established farmer who was doing extremely well. But winter came and work ended. So I went to the winter farm Operation At ISU. But when spring arrived you gave us the PIK program so I was out of a job then I got a job at Art's WAT McWill's and work for 2 years. I finally got tired of it But received a job that very night from a local Farmer. He lived a mile south of Feston and there where I work presently I make enough money to pay the bill but there is no extra money to do anything. All in all I have 2 years in Hogs and in Meats and 4 years as a dision making hired man. But thats where the Problem starts. I can walk into any Hog operation and take over and turn a profit, I can fix anything because I have made everything from, Grinder mixers, silage Blowers

Figure 6.1. In-State Correspondence, RG43, Governors, Terry Branstad, State Archives of Iowa, Des Moines.

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Figure 6.2. In-State Correspondence, RG43, Governors, Terry Branstad, State Archives of Iowa, Des Moines.

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Thank You for listening.

Sincerely

Scott.

Farmer

Figure 6.3. In-State Correspondence, RG43, Governors, Terry Branstad, State Archives of Iowa, Des Moines.

Images of the Farm Crisis

As the Farm Crisis unfolded, men and women documented it, not only through the collection of letters or other documents but also through photographs. Two collections are featured here, yet they represent just a few of the many ways that the Farm Crisis showed up in documents, objects, and photographs that originated in Iowa during the 1980s. The images showcased here document events that were commonplace throughout the Farm Crisis: a farm auction, farm foreclosures, and grassroots protests.

The images from the Larry Day Photograph Collection document a typical farm auction in the mid-1980s. These events were commonplace during the 1980s, often taking place as farm families faced financial collapse. Figures 1.1, 1.2, and 1.3 display crowds gathered around or in front of larger equipment like tractors and combines. Figures 1.4 and 1.5, on the other hand, demonstrate that Farm Crisis auctions were expansive, including many of the smaller items required to run a farm.

The Bill Gillette Collection puts a face on the suffering that took place and the protests that erupted as more and more farms collapsed. The frustration, pain, and disappointment of foreclosure and eviction are evocatively captured. These images also reveal the multigenerational impact of the Crisis, as older farmers, middle-aged parents, and children all appear in the dramatic images. White crosses—symbolizing the loss of the family farm and mainstays of Farm Crisis protests—pop up repeatedly throughout the images. The captions for these images were written by the photographer himself and are unaltered.

These collections are held by the Special Collections of the State Historical Society of Iowa in Des Moines. The Gillette Collection can also be freely browsed online through the Society's Flickr page.

Larry Day Photograph Collection



Figure 1.1. Bidding underway for Farmall tractor being sold in farm closing out sale. Iowa. December 1986. Photographer: Larry Day.

Larry Day Photograph Collection (PH1998.46-T496-11), State Historical Society of Iowa, Des Moines.



Figure 1.2. Bidding underway for Farmall tractor being sold in farm closing out sale. Iowa. December 1986. Photographer: Larry Day.

Larry Day Photograph Collection (PH1998.46-T496-05), State Historical Society of Iowa, Des Moines.



Figure 1.3. Crowd at closing out of a farm sale. Iowa. December 1986. Photographer: Larry Day.

Larry Day Photograph Collection (PH1998-46-T496-10), State Historical Society of Iowa, Des Moines.



Figure 1.4. Crowd at closing out of a farm sale. Iowa. December 1986. Photographer: Larry Day.

Larry Day Photograph Collection (PH1998-46-T497-04), State Historical Society of Iowa, Des Moines.



*Figure 1.5. Closing out of a farm sale. Iowa. December 1986.
Photographer: Larry Day.*

*Larry Day Photograph Collection (PH1998-46-T493-12), State Historical
Society of Iowa, Des Moines.*

*“Voices of Protest”:
Bill Gillette Collection on the 1980s Farm Crisis in Iowa*



*Figure 2.1. John Vogel.
Eviction from a family farm: Vogel family, Guthrie County, November 8, 1986. The family was staying until forced off their land. A foreclosure sale had claimed the farm the previous March. However, the Vogels protested the law and were supported by a score of other farmers. The event, despite the number of police cars and officers, was peaceful. Mark Vogel, son of John Vogel, was arrested along with the Rev. Frank Cordaro for refusing to leave the property. The sheriff started the eviction proceedings, which were over in a few minutes. The house stood empty, supporters and press were held at a distance from the property, which was no longer owned or occupied by the Vogels.*

— Bill Gillette, Photographer

Bill Gillette Collection (1988.15.02), State Historical Society of Iowa, Des Moines.



Figure 2.2. Vogel family members during eviction from their farm.

Eviction from a family farm: Vogel family, Guthrie County, November 8, 1986. The family was staying until forced off their land. A foreclosure sale had claimed the farm the previous March. However, the Vogels protested the law and were supported by a score of other farmers. The event, despite the number of police cars and officers, was peaceful. Mark Vogel, son of John Vogel, was arrested along with the Rev. Frank Cordaro for refusing to leave the property. The sheriff started the eviction proceedings, which were over in a few minutes. The house stood empty, supporters and press were held at a distance from the property, which was no longer owned or occupied by the Vogels.

—Bill Gillette, Photographer

Bill Gillette Collection (1988.15.07), State Historical Society of Iowa, Des Moines.

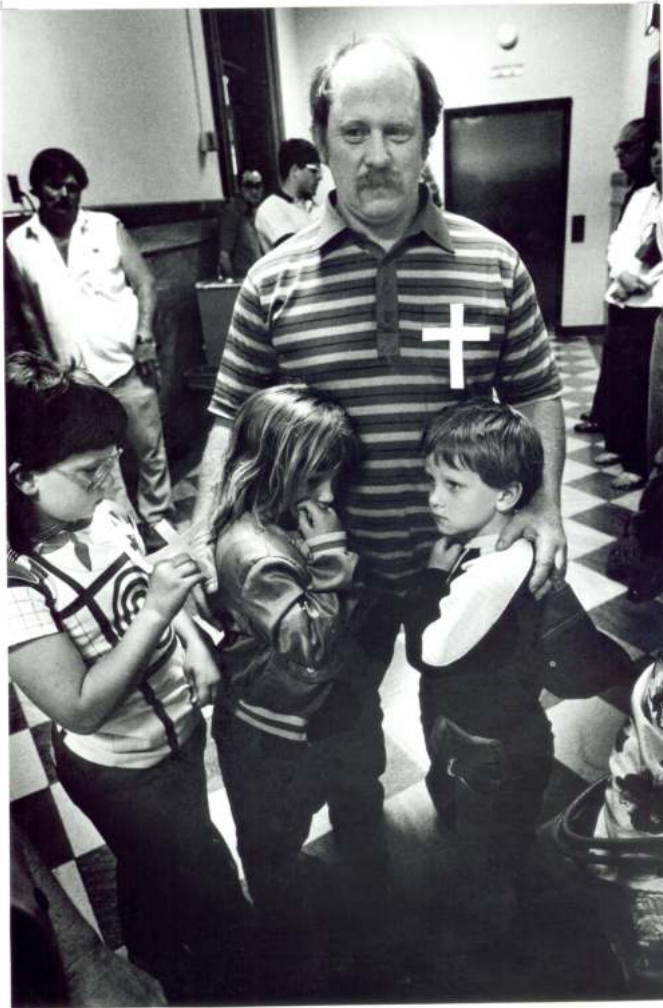


Figure 2.3. Mike Bollin and children at Lee County courthouse.

Court hearing for the eviction of Mike and Kathy Bollin, Keokuk, Iowa, June 2, 1986. The issue to be decided was whether Mike and Kathy Bollin and their children, Anne, Becky, Maxine, and John, had the legal right to remain on their farm following foreclosure but prior to the end of the redemption year. The Federal Land Bank maintained they did not; the Bollins asked that they be allowed to stay. Because Kathy and Mike wanted others to know what was happening to farmers such as themselves they opened up their lives that day giving me the gift of their friendship. I hope these photographs respect that friendship by telling the truth of what was to be the start of a future. The Bollins lost the hearing, but have been able to stay on their farm at least for the time being.

—Bill Gillette, Photographer

Bill Gillette Collection (1988.15.20), State Historical Society of Iowa, Des Moines.



Figure 2.4 Rally attendees holding hands in solidarity with Steffes family during foreclosure proceedings.

Rally in support of Elmer and Pat Steffes, June 3, 1985. The Steffeses were facing foreclosure of their farm. Nearly a hundred people gathered on the lawn in front of the courthouse in Audubon, Iowa to lend their support. The Steffeses lost their farm in September.

—Bill Gillette, Photographer

Bill Gillette Collection (1988.15.17), State Historical Society of Iowa, Des Moines.



Figure 2.5 Rally attendee holding cross.

Rally in support of Elmer and Pat Steffes, June 3, 1985. The Steffeses were facing foreclosure of their farm. Nearly a hundred people gathered on the lawn in front of the courthouse in Audubon, Iowa to lend their support. The Steffeses lost their farm in September.

—Bill Gillette, Photographer

Bill Gillette Collection (1988.15.17), State Historical Society of Iowa, Des Moines.

Leading through a Crisis: An Oral History of Iowa and the Farm Crisis Excerpts

Ambassador Terry Branstad

The following are excerpts from an extensive oral history conducted by the State Historical Society of Iowa. This interview took place in two separate three-hour sessions: one on November 29, 2022 at the Law Library in the Iowa State Capitol Building and the other on December 1, 2022 at the State Historical Building of Iowa. The majority of the following excerpts come from the first day of interviews. Annals of Iowa editor Andrew Klumpp served as the primary interviewer and State Historical Society of Iowa Administrator Susan Kloewer served as the secondary interviewer. The transcript has been edited for clarity and readability. In some instances, the order of the questions has been altered for narrative cohesion in a written format. The full unedited interview, which covers a wide variety of topics extending well beyond the Farm Crisis, is held within the Branstad Collection in the State Archives of the State Historical Society of Iowa.

- Excerpts of "Leading through a Crisis: An Oral History of Iowa and the Farm Crisis" with Ambassador Brandstad to help answer the questions

Excerpts addressing Question 1

"In fact, one of the things we did was we set up the Rural Concern Hotline because we were hearing a lot of these concerns. We wanted people to be able to call and get good advice, . . . and we also started the farmer lender mediation service. . . . Eventually, I put in place a farm foreclosure moratorium, but a partial moratorium. We had a law that said the governor could impose a moratorium, but that would've essentially closed everything down, and it would've made things worse. But if a borrower was able to pay the interest but not the principal, I passed a moratorium that said they could not be foreclosed on. And we encouraged farmers and lenders to get together and try to work out their differences, stretch out the terms, the length of the loan and things like that.

We were always looking for things we could do. And I was a strong advocate for debt restructuring at the national level. In fact, I had been an early and strong supporter of Ronald Reagan. I told him, "Don't come to the Iowa State Fair in 1984 until you have a debt restructuring plan." So he didn't come to the state fair, but they announced in the fall that they were going to do debt restructuring." (Page 44)

"I would travel to each county, and a lot of times I did these town hall meetings. I remember one in Oelwein, Iowa. This woman came up to me, and she said they were being foreclosed. They were going to lose their family farm. She had contacted Don Avenson, who was her state representative, and nothing had been done. I found out about it, and I asked Keith Heffernan, who was on my staff, and another farmer from Washington County to help. They went to work on it, and we helped them save the farm. . . . That was just one of many situations, and we had a lot of people who wrote me letters. . . sharing with me the gut-wrenching stories they were going through.

Plus then we set up the Rural Concern Hotline, so people could call that and get reliable information on what their options were. In some cases, people had to leave agriculture, but they got other good jobs. In many cases we helped save it. A good example is what happened, I think, in 1985.

The Farmers Home Administration had a loan guarantee program, but they were so bureaucratic they weren't able to move forward with all the applications. So I used the emergency powers the governor has in a time of emergency, like the Farm Crisis. And I asked the Iowa National Guard to take over the Farmers Home Administration Loan Guarantee program. Well, fortunately, the state director of the Farmers Home Administration (Bob Pim) was a friend of mine who knew this needed to be done. And they never challenged it. I don't think it's probably legal for the Iowa National Guard to take over a federal agency, but we did it and 30% of all the Farmers Home Administration loan guarantees in the nation came to Iowa that year. We saved thousands of farms from being foreclosed. That's one of the examples of things where we took extraordinary action because we could see there was a critical need." (Pages 50-51)

Excerpts addressing Question 2

Watch video preview of [Ambassador Branstad's wide ranging oral history interview](#) about his time as Iowa's Governor during the Farm Crisis.

"I ran for, got elected to the legislature, served three terms in the legislature, and then at age 31, I ran for lieutenant governor, won a three-way Republican primary, won the general election, and got elected lieutenant governor. I was lieutenant governor in that period, '79, '80, '81, '82. The late '70s were a time of tremendous inflation. We're talking about inflation in 2022. It was even worse then. We had double-digit inflation some years, and people were buying farmland as a hedge against inflation, so people were paying extraordinary amounts for farmland, not extraordinary by 2022 terms, but extraordinary by those days. I think there were some years that land values went up 25% or 30% a year.

Of course, the problem was with inflation the Federal Reserve decides we're going to control inflation by raising interest rates. . . . So as they raised the interest rates, the banks would raise the interest rates on the farmer. We went from a period of tremendous growth to all of a sudden it started the other way.

And in my first four years as governor '83, '84, '85, and '86, land values dropped 63%. And with that, banks started to go under. . . . We lost a lot of farm machinery dealers, a lot of small business—very stressful, difficult time.” (Page 39)

“I wanted to get rid of the tax on machinery and equipment, and I said, “Who do the local governments trust? They don’t trust the legislature, they don’t trust me, but they sure should trust Dave Lyons.” So I said, “David, I want you to be economic development director, and your first assignment is get rid of this tax on machinery and equipment because that’s holding us back to get capital-intensive industry and jobs.” And his response was, “Can do.”

David was a Democrat, but I didn’t care what his politics were. I just want to know that I had somebody loyal and somebody who’s competent and aggressive and would get the job done. That’s the kind of people I tried to surround myself with and the people I tried to get as department heads. I found that’s worked very well.” (Page 42)

“I remember Jim Leach was a congressman from Southeast Iowa at the time. We were at Bloomfield, Iowa, down in Southeast Iowa. And we had a meeting at the Davis County fairgrounds with over 700 people there. They were sharing with us the gut-wrenching stories of what they were going through. Shortly after that a bank in Bloomfield went under, and we discovered that they were not insured. We looked at FDIC insurance, which covers the depositors of the bank, . . . and we had four banks in Iowa that had been grandfathered in when they passed FDIC insurance. This was one of those four banks that was not insured, so the depositors lost out.

We closed 38 banks my first term as governor. The superintendent of banking, who was Tom Houston at the time, used to come to me on a Friday afternoon and tell me what banks they were going to close over the weekend, and then they’d try to find a buyer and reopen it, and the depositors would be protected. But that didn’t happen with Bloomfield, and we changed the law then and required the other three uninsured

banks to become FDIC insured like the rest of the banks.” (Pages 42, 44)

“... I’m proud to say that we also worked to diversify the Iowa economy to add value to agriculture. I looked around and Iowa is hurting, but Des Moines is still growing. What’s the difference? Principal Financial Group is adding 500 jobs a year. Of course, it was called Banker’s Life at the time, but the insurance industry is doing well. So I thought Des Moines has got a strong insurance center. Why don’t we try to make Iowa—the whole state—more positive for insurance? And we reduced the tax on the insurance premium tax and made it possible for us to attract non-qualified annuities and international companies that want to get into insurance in America.

We also got rid of the tax on machinery equipment. That was critically important because industry had to pay an annual tax on their equipment, and industry was getting more and more computerized and more technical. They’re investing huge amounts of money in this equipment, and they’re being annually taxed on it for property taxes.

So we got rid of the tax on machinery and equipment for new, and then we phased it out for the existing. And I don’t think we would’ve been so successful in getting ethanol plants or biodiesel plants in Iowa if we still had that tax on machinery or equipment or for that matter, fertilizer plants or other capital-intensive industry. And you look at Iowa today, we have a significant amount of capital-intensive industry. We’ve done well with insurance and financial services in our whole approach towards not only directly helping farmers going through the Farm Crisis, but also diversifying the economy.” (Page 47)

“It was a delicate balance because you wanted to be empathetic and you wanted to take action, but you didn’t want to do things just to make a show that would be counterproductive. There were people advocating for that, and I had to walk that line of what was realistic, what was workable, and what would really make a difference.

I think for the most part, we were able to do that. I don’t have regrets about what we did. I’m real proud of some of the

more dramatic things we did, such as having the Iowa National Guard take over Farmers Home Administration to provide loan guarantees, or the partial farm foreclosure moratorium, not doing the full moratorium, which would've been, in my opinion, very counterproductive, but doing the partial one that did help.

That's the job of being governor. Every day there are new challenges that come your way, and you just have to be prepared. And you want your department heads and your staff to keep you informed, so that when an issue comes up you're the best prepared, you know who the right people are to get involved to address it. I think we did that pretty well, and I think that's one of the reasons why I was elected six times and won by the biggest margin in my last election, is I think people could see that.

A lot of it is just having the patience and the perseverance to see things through and be able to hopefully make the right decision." (Pages 60-61)

"Well, I'm very proud to have led Iowa back from the Farm Crisis of the '80s. That was a very difficult and stressful time. And not only did we work to help people and to show empathy and try to find constructive ways to help people through that time, but we also simultaneously were working to diversify the economy, to add value to agriculture, to bring more industry and business and jobs to the state, and to make Iowa a better place to live, work, and to raise a family." (Page 62)

**Full Transcript Leading through a
Crisis:
An Oral History of Iowa
and the Farm Crisis**

Ambassador Terry Branstad

Klump: I thought we could start at the beginning of the Crisis. What kinds of things were you seeing, hearing, or responding to that started to indicate that what was happening on the farm was abnormal and was going to need an abnormal response?

Branstad: Well, first of all, I grew up on a farm in Winnebago County, so I'm very attuned to agriculture and farming. And like most kids who grew up on a farm, I had a lot of responsibility at an early age. A lot of chores.

We had a diversified farm. We raised cattle, hogs, sheep, chickens, and we also farmed about 250 acres. I remember my dad used to say, "Well, we didn't get much done today," after we'd worked in the field all day and done chores. I thought, "Gosh, we got a lot done," but that's just the way it was. So he said, "We didn't get much done today, but we'll give it heck tomorrow."

In fact, we went through some tough times when I was growing up. When I was in sixth grade, we had a crop failure and my parents worked at the packing plant in Albert Lea, Minnesota. They left early in the morning. I was in charge of all of the chores before I went to school, and we had 130 ewes having baby lambs. I saved a lot of lambs, but I was late for school a lot of days. That background and that responsibility at an early age I think served me well.

I graduated from Forest City High School, the University of Iowa, was a Vietnam era draftee, and spent two years in the Army. I had been accepted to the University of Iowa Law School, but decided to go to Drake because I thought it was a more practical school if you wanted to practice in Iowa. It was in the capital city. I was interested in government. And lo and behold, the second year of law school, there's reapportionment. The Iowa Supreme Court threw out the legislative reapportionment plan and redrew the map. 72 miles of Minnesota border, no incumbent—a great opportunity for me.

I ran for, got elected to the legislature, served three terms in the legislature, and then at age 31, I ran for lieutenant governor, won a three-way Republican primary, won the general election, and got elected lieutenant governor. I was lieutenant governor in that period, '79, '80, '81, '82. The late '70s were a time of tremendous inflation. We're talking about inflation in 2022. It was even worse then. We had double-digit inflation some years, and people were buying farmland as a hedge against inflation, so people were paying extraordinary amounts for farmland, not extraordinary by 2022 terms, but extraordinary by those days. I think there were some years that land values went up 25% or 30% a year.

Of course, the problem was with inflation the Federal Reserve decides we're going to control inflation by raising interest rates. . . . So as they raised the interest rates, the banks would raise the interest rates on the farmer. We went from a period of tremendous growth to all of a sudden it started the other way. And in my first four years as governor, '83, '84, '85, and '86, land values dropped 63%. And with that, banks started to go under. . . . We lost a lot of farm machinery dealers, a lot of small business—very stressful, difficult time.

We had a distressed farmer from Hills, Iowa, southern part of Johnson County, killed his wife, killed his neighbor, killed his banker, and killed himself. The banker, John Hughes, his brother Gary Hughes was the sheriff of Johnson County and his daughter had actually babysat for my wife and I, for our children, when we had our first mini-vacation in the summer of '83. So this was very personal.

I remember one year during the Farm Crisis when the gallery of the House chamber was packed with people carrying white crosses to symbolize the death of the family farm. And my family was going through some, my brother and my dad, had some financial issues and debt. They got through it, but it was a very challenging time for a lot of farm families in Iowa. So that was the time that I became governor during the beginning of the Farm Crisis in the '80s.

Kloewer: Was there a moment when you were governor that you thought, "This is something that is going to be really challenging for me?" Was there a single moment or event leading up to the Farm Crisis that really tipped you off and you thought, "This is going to be bigger than anyone has seen before?"

Branstad: I was at a Republican Governor's Conference in Delaware when I got word that we had a distressed farmer from Hills, Iowa, who had killed his wife, killed his neighbor, killed his banker, and killed himself.

Then there was also a movie called *Country*. It was Jessica Lang. I visited her when they were filming that film, and it was a real downer. I saw that movie, but it was probably pretty realistic about what things are like. And then, of course, *Field of Dreams* is another, and it has something to do with that stress that farmers are going through too, but it's a much more positive, uplifting. . . .

But I think, "When did I realize?" Well, that was one incidence. Another was with this situation with the Condition of the State Address when the gallery was packed with people with white crosses. But there were many incidents. We had Willie Nelson here a few times for rallies. I remember one up in Hilton Coliseum in Ames, packed during the Farm Aid Conference. And in fact, there was also one outdoors at Jack Trice Stadium, where . . . Johnny Cash was there.

Klumpp: When you were stepping into the role of governor, you were on the younger side, in your mid-30s. I wonder, being as young as you were stepping into that role, were there opportunities or challenges you faced?

Branstad: Well, when you're that young, there's people who challenge whether you have the experience and the ability to do the job. I had already served in the legislature. I'd served as lieutenant governor, and this is back when we elected the

governor and lieutenant governor separately. I'd watched the job Bob Ray did as governor, and he was very good. He was very good with people, and I learned a lot by just watching the way he handled things. So, I think that served me well. Then, the fact that I grew up on a farm, I knew agriculture. I had empathy towards what people were going through with the Farm Crisis. So, I think I had the unique background and experience to take on that challenge.

It was at a young age, but I also had a lot of energy and enthusiasm. I used to run up to the podium. I would just show my enthusiasm and energy. That was one way to show to people I really wanted to do the job, and I really wanted to serve them. I ran for the legislature when I was still in law school. In fact, I used to study here, right in the Law Library [in the Capitol Building]. I'd work at the Capitol during the day, and then have them lock me into the Law Library at night so I could work on my studies. I think, growing up on a farm, you learn a lot of work ethic. That's one of our real strengths as Iowa. We have a lot of wonderful, hardworking, caring people, tremendous work ethic.

Klumpp: How did your background on the farm, growing up in rural Iowa, inform your willingness to say, "This is what has to be done, and I don't care what we have to do to do it."

Branstad: I've got to tell a story about David Lyons, who was my insurance commissioner at a young age, doing a great job. Insurance was one of our priorities to diversify the economy, but then the director of economic development, Allen Thoms, decided to go back to Dubuque to be vice president of the University of Dubuque. So I looked around and I said, "Who's the best salesman I've got?" Lyons had recovered 100 million dollars from this fly-by-night investor group that had gotten money from local governments. And we had him appointed. We went to the district court and got him appointed as trustee, and he aggressively went after the money and he got it. We recovered all of the principal for these local governments.

I wanted to get rid of the tax on machinery and equipment, and I said, "Who do the local governments trust? They don't trust the legislature, they don't trust me, but they sure should trust Dave Lyons." So I said, "David, I want you to be economic development director, and your first assignment is get rid of this tax on machinery and equipment because that's holding us back to get capital-intensive industry and jobs." And his response was, "Can do."

David was a Democrat, but I didn't care what his politics were. I just want to know that I had somebody loyal and somebody who's competent and aggressive and would get the job done. That's the kind of people I tried to surround myself with and the people I tried to get as department heads. I found that's worked very well.

Klump: Could you talk a little bit more too about what you were hearing from lowans and some of their emotions and feelings about losing the farm or their struggles?

Branstad: Well, my base of support, being a farm kid from rural Iowa, was a lot of rural people from all over the state. And I'm getting letters, and I'd go to every county every year. So we visited farms and businesses and people would come up to me and share with me what their family was going through. Sometimes it was gut wrenching. It was very difficult.

I remember Jim Leach was a congressman from Southeast Iowa at the time. We were at Bloomfield, Iowa, down in Southeast Iowa. And we had a meeting at the Davis County fairgrounds with over 700 people there. They were sharing with us the gut-wrenching stories of what they were going through. Shortly after that a bank in Bloomfield went under, and we discovered that they were not insured. We looked at FDIC insurance, which covers the depositors of the bank, . . . and we had four banks in Iowa that had been grandfathered in when they passed FDIC insurance. This was one of those four banks that was not insured, so the depositors lost out.

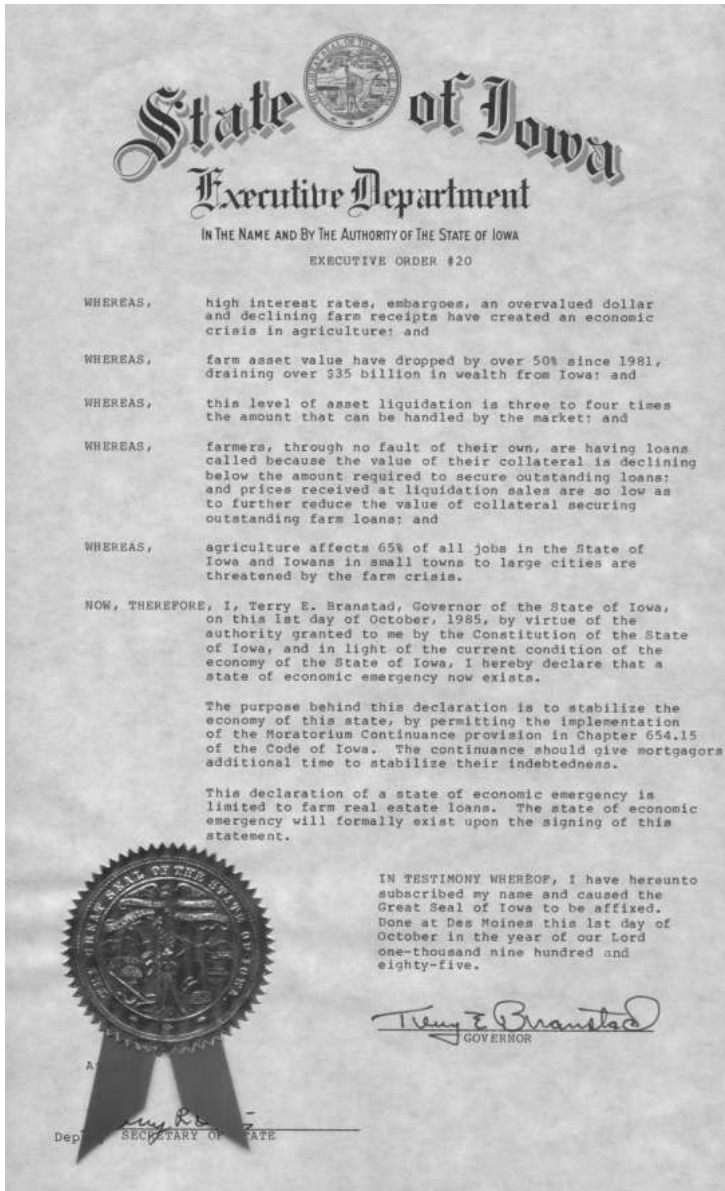


Figure 1. Executive Order 20, signed by Terry Branstad on October 1, 1985, which instituted a partial moratorium on farm mortgages. Executive Orders, RG43, Governors, Terry Branstad, State Archives of Iowa, Des Moines.

We closed 38 banks my first term as governor. The superintendent of banking, who was Tom Houston at the time, used to come to me on a Friday afternoon and tell me what banks they were going to close over the weekend, and then they'd try to find a buyer and reopen it, and the depositors would be protected. But that didn't happen with Bloomfield, and we changed the law then and required the other three uninsured banks to become FDIC insured like the rest of the banks.

Klumpp: That story shows, in some ways, how what you were hearing from Iowans translated into a change in the law or actions that you could take as governor.

Branstad: In fact, one of the things we did was we set up the Rural Concern Hotline because we were hearing a lot of these concerns. We wanted people to be able to call and get good advice, . . . and we also started the farmer lender mediation service. . . . Eventually, I put in place a farm foreclosure moratorium, but a partial moratorium. We had a law that said the governor could impose a moratorium, but that would've essentially closed everything down, and it would've made things worse. But if a borrower was able to pay the interest but not the principal, I passed a moratorium that said they could not be foreclosed on. And we encouraged farmers and lenders to get together and try to work out their differences, stretch out the terms, the length of the loan and things like that.

We were always looking for things we could do. And I was a strong advocate for debt restructuring at the national level. In fact, I had been an early and strong supporter of Ronald Reagan. I told him, "Don't come to the Iowa State Fair in 1984 until you have a debt restructuring plan." So he didn't come to the state fair, but they announced in the fall that they were going to do debt restructuring. And he came to the John Brockschink farm near Norway, Iowa, and had a great event. I remember there's a little Catholic church close to there, and we had lunch with the community and with President Reagan there.

Lo and behold, that was right before the election in 1984 in the fall. So I go in for Reagan's inauguration and I meet with David Stockman [Reagan's Director of the Office of Management and Budget] in the Roosevelt room of the White House, and he says, "I don't care what the president promised you, we're not going to do it." And I was there with my superintendent of banking Tom Houston, . . . and also Neil Harl from Iowa State University, who was an ag economics professor. And we had a map of the state of Iowa, and we circled every bank that was in trouble. And there were some communities where we had more than one bank; we had two banks. . . . And we laid all of that out and Stockman was very arrogant and said, "I don't care. These people that borrowed money with variable interest rates, they took this on." But we got it done. We got farm debt restructuring, but it didn't get signed by the president until the fall of 1987 when it should have been done at least a couple years sooner. But I'm proud to say that I was a strong advocate for that.

I was calling out the farm credit system for foreclosing on some of their best borrowers. It didn't make any sense to me. The only thing is they were trying to save the system at the expense of their best borrowers, not the ones that were already going under. They were going after the other people that still had some equity.

Klumpp: Could you talk a little bit more about how you were bringing the voices of Iowans and your experience in Iowa to the national stage to advocate for things that Iowans needed?

Branstad: Well, I did it at the governor's conferences. I did it when I got the opportunity to meet with the president or people in the Iowa congressional delegation. I just looked at every opportunity as the governor of an agricultural state that was going through some very difficult and stressful times. I did get quite a bit of coverage, and we were able to get our message across. We didn't take no for an answer. We were persistent and kept at it. And like I said [regarding farm debt restructuring], it could have been done, it should have been done sooner, but it did get done.

Klumpp: What were you feeling as you had to keep going back over and over again to really advocate for Iowans?

Branstad: Well, I was elected the governor of Iowa. Iowa is a leading agricultural state. We're going through a very challenging, stressful time, and I felt I needed to leave no stone unturned. I needed to do anything and everything I could, but I didn't want to do things that would be counterproductive. I didn't want to do things just to get attention.

I wanted to do things that'd be constructive, helpful, and make a difference. For instance, we had the legislature pass a minimum pricing law. It would've made it illegal to sell corn or soybeans below a certain price. That would've been counterproductive because companies like Cargill or ADM that are big food processors in Iowa, they couldn't afford to pay those kinds of prices, and it would've put all their employees out of work.

So I vetoed that. That took some courage because there were people out on the steps of the Capitol beating the drums, demanding that I sign that just to get attention. And my philosophy was I was willing to do anything that was constructive and helpful, including going after my friend Ronald Reagan, because I didn't think his administration was doing enough. But I wasn't willing to do things just to get attention that I felt would be counterproductive.

Klumpp: Could you talk about some of those moments when you were having to weigh what was productive and coming up against the urge that people were having to take action?

Branstad: First of all, I had some great advisors. Keith Heffernan was on my staff as my agriculture advisor at that time. He was really helpful . . . and also, I consulted with the people at Iowa State University who were really knowledgeable in agricultural economics. In fact, the founder of Living History Farms [William G. Murray] had been a professor at Iowa State during the farm

crisis of the 1920s and '30s, so I brought him in and I said, "What did you do back in the '20s and '30s?" And that's where we got some of the ideas for farmer lender mediation and some of these things.

So we learned from some of the experiences of the past, and I'm proud to say that we also worked to diversify the Iowa economy to add value to agriculture. I looked around and Iowa is hurting, but Des Moines is still growing. What's the difference? Principal Financial Group is adding 500 jobs a year. Of course, it was called Banker's Life at the time, but the insurance industry is doing well. So I thought Des Moines has got a strong insurance center. Why don't we try to make Iowa—the whole state—more positive for insurance? And we reduced the tax on the insurance premium tax and made it possible for us to attract non-qualified annuities and international companies that want to get into insurance in America.

We also got rid of the tax on machinery equipment. That was critically important because industry had to pay an annual tax on their equipment, and industry was getting more and more computerized and more technical. They're investing huge amounts of money in this equipment, and they're being annually taxed on it for property taxes.

So we got rid of the tax on machinery and equipment for new, and then we phased it out for the existing. And I don't think we would've been so successful in getting ethanol plants or biodiesel plants in Iowa if we still had that tax on machinery or equipment or for that matter, fertilizer plants or other capital-intensive industry. And you look at Iowa today, we have a significant amount of capital-intensive industry. We've done well with insurance and financial services in our whole approach towards not only directly helping farmers going through the Farm Crisis, but also diversifying the economy.

Klump: Did you see the program you adopted during the Farm Crisis as building on something that had gone before or was it a real shift to a new approach to development in Iowa?

Branstad: Well, it was trying to build on our strengths. We had a great work ethic. We had a great education system, but we had this property tax on machinery equipment, which was an impediment to capital intensive job growth. Our taxes on insurance premiums were such that we weren't as attractive as we wanted to be to get more insurance companies to invest and create jobs in Iowa.

Each year I would go around the country to tell the Iowa story to business decision makers in places like Minneapolis, Chicago, New York, Los Angeles, and then I would invite companies that had already invested in Iowa to come to a luncheon. And I would tell the story, and then I would ask for them to say testimonials on what they'd done. After you've done that for several years and you're governor for 16 years, you can come back, and they will reinforce the message. . . .

You just build on those things, and I just loved telling the Iowa story and having the opportunity to serve long enough to have specific accomplishments that we could brag about. But at the same time, say, "We're not done yet. We have even more we want to do and we want to hear from you what are the challenges and what could we do better to make Iowa more attractive?"

Klump: It's always interesting to hear about those long-term developments happening alongside a response to a crisis.

Branstad: Well, and that's exactly right. We had to deal with the immediate crisis and we did, and we showed empathy and I had a lot of gut-wrenching meetings with people who were really being stressed out by what their family was going through. At the same time, we want to do what we can to help them, but we also want to try to build a more diversified future. We want more ways that we can add value to agriculture and create more job opportunities in other fields. And we did that. And if you look at where we are in Iowa today, we're a much more diversified, prosperous, and strong state.

Klumpp: How did you make that case to Iowans who wanted you to focus on dealing with the crisis at hand?

Branstad: Well, you need to be able to run and chew gum at the same time. Each year, the governor has the opportunity to present the Condition of the State Address, and I always try to make economic development and education huge priorities. But at the same time, we're dealing with the immediate stress of the Farm Crisis. So we're trying to do both. We're trying to address those issues of the Farm Crisis and the personal appeals that I'm receiving in letters and meetings with people, but also at the same time trying to look ahead and say, "How do we make Iowa more diversified so we don't go through this in the future?" That's where things like investing in renewable fuels, like ethanol, biodiesel, wind, Iowa is a leader in all of those areas because we had the foresight to start early and aggressively working to make those industries as competitive as possible. And that's made a real difference. And it's also created jobs.

Klumpp: What did it look like, then, to try to find consensus and work on behalf of Iowans with others who maybe disagreed with you on a number of issues?

Branstad: One of the things I found out is if you want to get something done through the legislature, you not only present your program to the legislature, you present it to the people and then try to get the people to convince the legislature. They used to say, "Well, the governor takes a legislator to the woodshed." That doesn't work. It doesn't work. They just get mad. And they're likely to be even more against what you're trying to do. But if you go all over the state and you meet with citizens . . . encourage them to talk to their legislators. . . . Not only do the Condition of the State Address at the legislature, but then do many Condition of the State Addresses regionally around the state and then have these town hall meetings. I found that was a pretty effective way

to get the message across and to try to convince people that if they really wanted to get these things done, they needed to convince their legislators. Sometimes it worked, not always, but I think it was a technique that I'm proud that we did.

Klump: Were there particular stories or feelings that you were hearing, experiences that stick with you that maybe aren't captured in the official state records—stories that have stayed with you?

Branstad: I would travel to each county, and a lot of times I did these town hall meetings. I remember one in Oelwein, Iowa. This woman came up to me, and she said they were being foreclosed. They were going to lose their family farm. She had contacted Don Avenson, who was her state representative, and nothing had been done. I found out about it, and I asked Keith Heffernan, who was on my staff, and another farmer from Washington County to help. They went to work on it, and we helped them save the farm. . . . That was just one of many situations, and we had a lot of people who wrote me letters. . . sharing with me the gut-wrenching stories they were going through.

Plus then we set up the Rural Concern Hotline, so people could call that and get reliable information on what their options were. In some cases, people had to leave agriculture, but they got other good jobs. In many cases we helped save it. A good example is what happened, I think, in 1985. The Farmers Home Administration had a loan guarantee program, but they were so bureaucratic they weren't able to move forward with all the applications. So I used the emergency powers the governor has in a time of emergency, like the Farm Crisis. And I asked the Iowa National Guard to take over the Farmers Home Administration Loan Guarantee program. Well, fortunately, the state director of the Farmers Home Administration (Bob Pim) was a friend of mine who knew this needed to be done. And they never challenged it. I don't think it's probably legal for the Iowa National Guard to take over a federal agency, but we did it and 30% of all the Farmers

Home Administration loan guarantees in the nation came to Iowa that year. We saved thousands of farms from being foreclosed. That's one of the examples of things where we took extraordinary action because we could see there was a critical need.

Klumpp: Could you talk a little bit more about the different things you put in place to make sure that people could communicate with you and what that did for you or for your staff?

Branstad: Well, the Rural Concern Hotline was a great example because hundreds of thousands of calls were made to that. I think they solved a lot of problems. The Farmer Lender Mediation Service also worked to help work out a lot of those difficult issues between bankers and farmers. But just being available to people. I would do a lot of parades, a lot of community celebrations, town hall meetings, and people knew that I was accessible. They knew that if they came up to me with a problem, that I would try to [help].

One of the great examples of this is I would have one of these town hall meetings, and they'd have a problem, a citizen had a problem with an agency. After that meeting, when I was going on to the next meeting, this is with cell phones, I'd call the department head, and I would say, "I just talked to a person in Spencer, Iowa, and they had a problem with your agency, would you call them?"

We solved a lot of problems that way, and people were absolutely surprised. They had shared this with me, and an hour later, they get a call from the department head of the agency they're concerned about. That is something that I think I found was really helpful because it was a way that citizens could share their concerns with their governor. And I, as the chief executive, could go to the agency that was responsible and put them in touch with the person.

A little bit of this comes from an idea I got from my predecessor, Governor [Robert] Ray. He used to sometimes get nasty letters, and he would oftentimes take some time off during

the day and then come back to work at the Capitol at night. Somebody's written a nasty letter to the governor and he calls them at nine o'clock at night. So the governor's still working, and he calls them at nine o'clock at night. It's pretty disarming, and it says the governor does care. I was not one to come back [at night], but I thought that was a great example of the governor showing his empathy and his concern and willingness to even take the heat from somebody who was very critical. And oftentimes that could change things.

Klump: As we're talking, I hear the themes over and over again of the people being at the center, serving and listening, and constructive solutions.

Branstad: You're a public servant; you never want to forget that. You want to be humble enough to recognize you are dependent on the support of the people, and so you need to do everything you can to show the people that you're on their side and that you will do whatever's reasonable to help them. You're not willing to do things just to get attention, but you want to do constructive things. And I'm proud to say I won six terms as governor, and my biggest margin was the sixth term. Now, normally they say the longer you serve, the more enemies you acquire. In my case, I won by the biggest margin the last time I ran. I think it's because people knew that I was sincere and that I sincerely wanted to serve them and do the best I could to meet the needs of the people of this state. I look back at that and I'm very proud of what we accomplished. It wasn't without significant criticism along the way, but most things that are worthwhile are not easy.

Klump: Could you talk about what you saw, or maybe what inspired you about how Iowans tried to weather the Farm Crisis together?

Branstad: It is important to have empathy for people who are going through challenging times and then to look for where are

the opportunities to make a difference. There were a lot of communities that did different things to help each other, churches, community groups. But that's one of our strengths in Iowa is we have a lot of caring people, a lot of people. For instance, when Robert Ray, my predecessor, was governor, when they asked to bring people from Southeast Asia here, people responded, and they helped. It really made a difference. I think during the Farm Crisis we had a similar situation. Everybody had their own challenges to deal with, but I think we saved a lot of lives. We saved a lot of farms and businesses because people were there to lend a hand, and encouraged others to do what they could.

Klumpp: It's striking to hear this story of learning lessons and passing them on to future generations of leaders.

Branstad: We went back and studied what they did in the '20s and '30s. They talk about the Great Depression in the '30s, but the farmers were going through a depression in the '20s. The founder of Living History Farms, Bill Murray, was at Iowa State during that time. I brought Bill Murray in. I said, "What did you do?" He's the one who said, "Farmer Lender Mediation was an example of what they did, and extending these mortgages out so they'd have more time." So, yeah, there's good things to be learned by studying how people have dealt with a crisis in the past.

Klumpp: It's compelling to hear you talk about the ways that, as a leader in Iowa, you were looking at Iowa's past to inform how we could come through this and be stronger in the future.

Branstad: Because I had these great 8th grade teachers, Lura Sewick and Fred Smith, who got me interested in government and public service, at one time I thought I'd be a history teacher. I love history. I really want to do what I can to help share with future generations what we learn from studying history, and some of the mistakes of the past, not repeating them.

Klumpp: How has working with those historians informed your work? What are some of the lessons you've learned from the past?

Branstad: Well, I think the idea of showing empathy and being there for people. Then, looking at what is realistic, not over promising. Being very careful to do what you promised to do, but not over-promise. I think sometimes people over-promise. Then, people are very disappointed because they thought something was going to happen that didn't happen. So, that's why whenever I went to a disaster, I always tried to have the person who was in charge of emergency management be knowledgeable on what was the art of the possible. So, people want an immediate answer. They don't want two weeks from now. They want to know right on the spot, "What can you do?"

One of those instances, I remember, I was up in Northwest Iowa, and there was a flood. There was this older woman who had been trying to clean her house. She had all kinds of mud, and we were visiting about it. My assistant, who was in charge of emergency management, was from Northwest Iowa. We found out that she was his kindergarten teacher. It was just unbelievable. We were visiting with her, and the more we visited, the more my assistant said, "Did you teach in Sioux Center, Iowa?" She said, "Yeah." She was his kindergarten teacher!

That's the thing that I find so intriguing, the personal connections. When people can see that you're real, that you're empathetic and interested in helping, and yet, we are not going to overpromise. You're going to tell them what's the art of the possible.

Klumpp: Did the connectedness that we have in Iowa affect your approach, not just to the Farm Crisis, but in general?

Branstad: That's one of the great things about the state. Coming back from China, I wanted to come back to Iowa. I wanted to be here because I do feel so connected. I find that Iowans are friendly,

caring. You go to their community, and they appreciate it. Just little things can go a long ways. One of the things I started as governor, that I'm real proud of, is . . . called the Governor's Volunteer Award. I think, in the time that I was governor, we gave out over 25,000 Governor's Volunteer Awards. I personally gave the award to and had my picture taken with everybody that got one.

Klumpp: On a different note, I'm curious about the 1980s visit from now President Xi Jinping of China. What did that look like to have Iowa on an international stage while the state was also struggling in that moment?

Branstad: My first year as governor, I signed a sister state agreement with Hebei Province of China. Governor Zhang Shuguang from Hebei came here. He looked like an Iowa farmer out of the 1950s. Most people in China have black hair. He had gray hair with a flat top. We hit it off really well. He said, "I want to invite you to bring a delegation to Shijiazhuang, the capital of Hebei, next year for our 35th anniversary of the founding of the People's Republic."

I took him up on the offer. I took a big delegation, 50 people. We opened a trade office in Hong Kong. We went to Beijing. We rode an old coal fired steam locomotive from Beijing to Shijiazhuang. They met us at the train depot with a band, gave my wife a big bouquet of flowers. We were there for their celebration, and they were so friendly and so appreciative.

Then the next spring, the spring of '85, a small delegation of five young men came here from our sister state led by Xi Jinping, who was in his early 30s. He was only a county level leader, a party secretary of one of the counties in the province. Well, since we'd been treated so well, we went all out to make them feel welcome, and to show Iowa's friendliness and hospitality. As a result, he calls me an "Old Friend." I guess, the rest is history.

I came back as governor in 2010. 2011 I went to China. By then, Xi is the vice president of all of China, and rumored to be the next



Figure 2. Photograph of Branstad (center) with Chinese delegation from Hebei Province in 1985, including Xi Jinping (left center). Governor's Office Photographs, RG43, Governors, Terry Branstad, State Archives of Iowa, Des Moines.

leader. I had, I think, an hour meeting with him. When I was governor, I only gave people a half-hour. The Vice President of China gives me a whole hour, and during the meeting, he has his itinerary from the '85 trip to Iowa. He talks about Lucca Berrone who took him around the state, the Dvorchak family that he stayed with in Muscatine, Sarah Lande, who was in charge of organizing.

I sent him a thank you note and said, "Next time you come to America, I'd like to host"—since he called us "Old Friends"—"an old friend's reunion of the people you met in Iowa." So, this is October. In January, I get a call from the Chinese Consul General in Chicago. He says, "I'm on my way to Des Moines. Vice President Xi wants to come to Iowa. I want to work with you to make the arrangements." So, that's what happened.

It's all about the way you treat people. Iowans have always been really good. We call it "Iowa Nice," showing our friendliness



Figure 3. Photograph from Vice President (now President) Xi Jinping's visit to Iowa in 2012. Xi (center) is flanked by Branstad (right) and current Iowa Governor Kim Reynolds (left). RG43, Governors, Terry Branstad, State Archives of Iowa, Des Moines.

and hospitality, and treating visitors well. You never know where that can lead you.

Klump: During his time in Iowa, President Xi even stayed in the home of some Iowans.

Branstad: The Dvorchak family in Muscatine. We've gotten to know Gary Dvorchak very well. It was his room that Xi stayed in. Gary Dvorchak, and his wife and children, have lived in China. . . . The Dvorchak family and Lucca Berrone, who was the Italian immigrant who was his driver and took them around Iowa, those are people who have maintained a connection with Xi Jinping.

Klump: It seems like, even in the '80s, even during the Farm Crisis—

Branstad: We're still doing that.

Klump: Still bringing people here to tell the Iowa story.

Branstad: Farmers are really good at that. Because we're such a great agricultural state. Farmers love to show people their operations, and share with them our method of farming.

Klump: Even during the Farm Crisis...

Branstad: Yeah.

Kloewer: As a follow-up to that, was it hard during the Farm Crisis, though, to have these international visitors to promote ag while you're also having a struggling ag economy?

Branstad: Well, Iowans are very friendly and very hospitable. So, even when we're going through challenging times, people still wanted to share with them the good news about what we do.

I remember one of my visits to Italy, my wife and I got to meet with Pope John Paul II. He'd been here and spoken at Living History Farms. I think it was October 1979 when I was lieutenant governor. Now, I'm there in 1985. In fact, Lucca Berrone, the same guy who took Xi Jinping around Iowa, he's an Italian, he could speak Italian, so he went with me to Italy and helped me with attracting an Italian tile company to Redfield, Iowa.

We met with Pope John Paul II. He'd been here and said a homily about the importance of agriculture at Living History Farms. So, I was telling him, "These are really tough times." I was telling Pope John Paul II about the Farm Crisis of the '80s. It was really quite an experience. Of course, I was so impressed with him. He was such a charismatic leader for the Catholic church. I'm Catholic. I'm a convert. My wife is a lifelong Catholic. It was a big thrill to meet with him. Yet, I felt an obligation to let him know, "Agriculture is going through some really tough times, and so we need your prayers." That was one of the highlights for both my wife and I.

Klumpp: How did the Pope respond? Could you say a little more about what you were thinking and feeling as you were talking to him?

Branstad: Since he had this great interest in agriculture, he'd given this great homily at Living History Farms. I wanted him to know, "Agriculture is going through a really stressful, difficult time right now." I just wanted to bring him up-to-date on that. He was very empathetic and very understanding. I was very, very impressed. Also, I got the opportunity to meet Lech Wałęsa, who was the leader of Poland. He was inspired by the Pope and Ronald Reagan to lead Poland to fight for freedom from the Soviet Union. So, I guess, I look back and I've had some wonderful experiences meeting people like Ronald Reagan and Lech Wałęsa, and Pope John Paul II, and Xi Jinping. And all these people. The thing that I'm very proud of is I had the honor of representing the people of Iowa. I don't think there's any better place or any better people than there are here in the great state of Iowa.

Klumpp: It is striking to listen to you talk about the Pope, Reagan, and Xi Jinping, but also having heard you talk just as passionately and thoughtfully about a woman from Bloomfield, or the kindergarten teacher with mud in her house in Sioux Center.

Branstad: Well, it's important to recognize that we are blessed to live here in this state with so many people who are really caring people. We need to do what we can, individually, to try to reach out and help other people, especially in their time of need. That's one of the things my mother taught me. I had great teachers who inspired me. I think that's a great thing about being in Iowa. I've seen it again and again in various different times, whether it's the Farm Crisis or whether it's a time of a disaster and emergency. We see that all the time. It's just amazing when a community's hit by a tornado all the neighboring communities and volunteers that will show up to be there and help clean things up and help people.

Klumpp: From your perspective, when did you start to see things stabilize or move out of a period of crisis?

Branstad: Well, it was very gradual. Our recovery from the Farm Crisis of the '80s gradually took place in the late '80s and early '90s. But the other thing is, you never know where the next crisis is going to come from. Is it going to be a flood? Is it going to be an ice storm? A derecho? Who knows? Or pandemic, like Governor Reynolds has had to deal with? You have to be ready for whatever.

I think the most important thing is good leaders are good listeners. You need to be accessible to the people, and you need to share with them your perspective. And I found that people won't always agree with you, but they respect you if they know that you're doing what you think is the right thing to do.

Kloewer: Time is on your side here. It's been a while since it was the Farm Crisis in the '80s. I'm sure you've reflected a lot on it. Is there anything that you think you should have done differently that would've perhaps helped more lowans?

Branstad: No. It was a delicate balance because you wanted to be empathetic and you wanted to take action, but you didn't want to do things just to make a show that would be counterproductive. There were people advocating for that, and I had to walk that line of what was realistic, what was workable, and what would really make a difference.

I think for the most part, we were able to do that. I don't have regrets about what we did. I'm real proud of some of the more dramatic things we did, such as having the Iowa National Guard take over Farmers Home Administration to provide loan guarantees, or the partial farm foreclosure moratorium, not doing the full moratorium, which would've been, in my opinion, very counterproductive, but doing the partial one that did help.

That's the job of being governor. Every day there are new challenges that come your way, and you just have to be prepared. And you want your department heads and your staff to keep you informed, so that when an issue comes up you're the best prepared, you know who the right people are to get involved to address it. I think we did that pretty well, and I think that's one of the reasons why I was elected six times and won by the biggest margin in my last election, is I think people could see that.

A lot of it is just having the patience and the perseverance to see things through and be able to hopefully make the right decision.

Klump: When you look back, what were some of the benefits and opportunities that such a long term of service allowed you, that maybe wouldn't have been possible with a shorter time?

Branstad: Well, the benefit of serving a long period of time is you can make significant progress because you can't get everything done in one year or just in four years. And it's important to be very focused. I learned if you try to do everything, you're probably not going to get much done. But if you try to focus on a few really priority items, you can probably make some significant progress. During my time as governor, I focused on economic development to diversify the Iowa economy and education.

We have always been strong in education, but it's critically important that we continue to look at how we make our education system even better. And especially now, with the need for STEM fields, science, engineering, and technology. For science, technology, and engineering, and math. Critically important in those fields. And I'm proud to say that as governor, we worked on strengthening our position, eliminating the tax on machinery and equipment, making Iowa more competitive for insurance and financial services, adding value to agriculture products, all these ethanol plants, biodiesel plants, wind energy, all of those things that we started.

And now Iowa, when I first came in during the Farm Crisis, we were going through some really tough times. And now we're in one of the strongest economic positions, and we have the biggest budget surplus in history. They're reducing taxes and making Iowa even more competitive. I'm really excited to see the progress that's being built on and the fact that we've kept our budget under control.

Klumpp: The last big question for me. After decades of service to the state and to the country, how does it feel looking back? What are some of your greatest accomplishments?

Branstad: Well, I'm very proud to have led Iowa back from the Farm Crisis of the '80s. That was a very difficult and stressful time. And not only did we work to help people and to show empathy and try to find constructive ways to help people through that time, but we also simultaneously were working to diversify the economy, to add value to agriculture, to bring more industry and business and jobs to the state, and to make Iowa a better place to live, work, and to raise a family.