“REVOLUTION IN THE COUNTRYSIDE”: SHIFTING FINANCIAL PARADIGMS AMID THE RHETORIC OF THE “FARM CRISIS,” 1925-1933

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Dedication

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Abstract

This dissertation uses historical recovery and rhetorical analysis to argue that the Farmer Labor Party in Minnesota in the 1920s and early 1930s was successful in its efforts to change the debt relationship between the farmer, banker, and the state. The party's rhetorical success helped originate a financial paradigm shift that lead to the creation in 1933 of national banking and debt structures for the agricultural sector that still exist. This dissertation fills in a significant gap in scholarship related to discussions of agricultural finance in the decade prior to the passage of the Farm Credit Act of 1933 and the Agricultural Adjustment Act of 1933, which includes the Emergency Farm Mortgage Act of 1933. There are additional insights into early efforts at regulation-free financialization of agriculture and farm mortgages; a map for social movement scholars and practitioners interested in altering debt relations and facilitating changes at a federal legislative level; and contextualization of New Deal agricultural interventions.

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Chapter 1

Introduction

The American banker and businessman can handle problems as they arise without Government aid. . . . economic ills should be cured by economic remedies, and not by socialistic legislation. –Andrew W. Mellon, Secretary of the Treasury, March 4, 1925, letter to Minnesota banker Clive Jaffray about his agricultural credit company.

Unless something is done for the American farmer we will have a revolution in the countryside in less than 12 months. –Edward A. O'Neal, president of the American Farm Bureau, January 25, 1933, about the need for federal legislation to stabilize debt crisis in agriculture.

The Farm Credit Administration (FCA), which calls itself "the largest agricultural lender in the United States," includes on its website multiple pages devoted to the history of the agency. Rooting the FCA's existence in the need for a system to counter "the frequent boom-and-bust cycles that have occurred since the First World War," the history continues, arguing that Congress needed to authorize more "suitable credit" options for farmers, particularly as "farmers have been among the most vulnerable workers to this cycle" (Farm Credit Administration 1999a). In its comprehensive list of remedies to the problem of farm debt, the website begins the same as most agricultural finance textbooks and other histories of the topic with Presidents Theodore Roosevelt, William Howard Taft, and Woodrow Wilson's studies and actions, which eventually led to the Federal Farm Loan Act of 1916. While that act did establish the 12 Federal Land Banks, its focus on long-term loans left unchecked the need for short-term lines of credit (generally used to buy seed or stock). Hence, Congress passed the Agricultural Credits Act of 1923, which created 12 Federal Intermediate Credit Banks (FICB) for the purpose of providing low-interest loans to agricultural cooperatives, commercial banks, and other institutions interested in providing short-term credit to farmers (Farm Credit Administration 1999b).

It is at this point in the history that the Farm Credit Administration makes a move that is commonly employed by those who write about farm credit systems, even in textbooks on the subject (Barry, Peter J. and Paul N. Ellinger 2010, 310-318; Kohls, Richard L. and Joseph N. Uhl 2002, 365-372). The move is to acknowledge that the 1920s were difficult for farmers and then to explain that the Great Depression made things far worse, leaving farmers with debts and expenses they could not pay, which in turn caused many to abandon their farms to foreclosure:

> Expectations that commercial banks would participate [in providing agricultural finance] in great numbers were not realized, however, and so the FICBs did not significantly improve the flow of short-term credit to farmers.
> Soon after, the nation was mired in the Great Depression. Prices for farm commodities had been falling all through the 1920s as the wartime need for those commodities ended, but now substantially accelerated. Farmers, unable to pay their expenses and loan payments, walked away from their farms, leaving the FLBs with numerous defaults. By 1933, nearly one-half of the [National Farm Loan Associations] were failing, and farm foreclosures were common. Congress stepped in with two new laws. (Farm Credit Association 1999c)

With the financial situation so dire for the farmer, the story goes, Franklin D. Roosevelt issued an executive order to create the Farm Credit Administration, which supervised all agricultural credit facilities (U.S. President 1933), and under FDR’s guidance, Congress passed the Agricultural Adjustment Act of 1933 (which included the Emergency Farm Mortgage Act of 1933) and the Farm Credit Act of 1933. To be clear, that is all true. However, the gap in this narrative of government-sponsored agricultural finance is significant.

Social movement scholars write about the Farmer Labor Party and Populist movements of the 1920s (Holbo, Paul S. 1963; Mayer, Eugene 1987; Millikan, William 2001; O’Connell, Thomas Gerald 1979; Stuhler, Barbara 1973;

Valelly, Richard M. 1989); historians write about the Coolidge years, the growing desperation of farmers, and the shifting meaning of capitalism (Bernstein, Irving 2010; Deutsch, Tracey 2010; Gibson-Graham, J.K. 1996; Kennedy, David M. 1999; Krippner, Greta R. 2011); rhetoricians write about FDR and the New Deal (Stuckey, Mary 2013; Houck, Davis W. 2002; Kiewe, Amos 2007). Yet, even in the scholarly narratives there is a tendency to avoid an investigation into the rhetorical forces that would lead to a new debt relationship between farmers, bankers, and the federal government.

This project begins the important task of filling in that gap, exploring a number of questions about this origin point of the federal system of agricultural credit, a system that still structures much farm debt today. It answers such questions as: How was farm debt framed in the decade prior to the passage of the acts that would lead to the formation of a state-run finance solution? How did bankers, farmers, and legislators frame the problem of farm debt and what remedies did they suggest? What were the dominant and emergent narratives regarding farm debt? What role did the Farmer Labor Party play in structuring the rhetoric about farm debt and the farm crisis? How did the

U.S. come to move agriculture into a new financial paradigm that favored state involvement in debt structures over a privatized, free-market system?

To answer those questions, this project focuses on a study of the rhetoric of bankers, the Farmer Labor Party, and legislators. The rhetorical texts come from a variety of period sources, many of which are archival: main-stream newspapers, alternative press, memoirs, radio addresses, political cartoons, and oral histories. Regarding main-stream newspaper texts, this project uses articles about agricultural finance or farm troubles from the *Minneapolis Tribune* that ran primarily in January 1925 and January, March, and May 1933. The *New York Times* also serves as a source for 1933 stories of national import. Those date ranges provide a means of limiting the data pool to make the project both manageable and focused. Because January marks the start of the legislative season it is a particularly important month to study. While the 1920s are rich terrain generally, 1925 was chosen for study because it is midpoint between the end of World War I (when farm prices began to plummet) and the passage of the Agricultural Adjustment Act of 1933. In 1933 it was necessary to look at three months—January, when the session begins; March, when Roosevelt takes office (until 1937, the president-elect was not sworn in until March); and May, when the bill was finally passed.

Additionally, rhetoric from the Farmer Labor Party and other activist organizations is drawn primarily from radical newspapers and from history books written about the Farmer Labor Party or radicalism more generally; a memoir from a prominent Twin Cities banker in the 1920s is considered; and a variety of policy documents and policy-maker speeches, including the words of Floyd B. Olson and FDR, are utilized to gain a broad view of the various frames used to consider agriculture in the 1920s (prior to the crash of 1929), 1930 to 1933, and in 1933 when the Acts were passed. The chapters of this project unfold chronologically in the periodization just described.

This project is based largely on archival material from the Minnesota Historical Society. That is not coincidental. On an archival visit to the Franklin D. Roosevelt Presidential Library and Museum in Hyde Park, New York, research into former wartime and Washington correspondent Lorena Hickok’s role in New Deal policy rhetoric uncovered a letter addressed to Harry L. Hopkins, director of the Works Project Administration, and carbon copied to Eleanor Roosevelt to share with the President. That letter stemmed from Hickok's October, 1933, visit to the Twin Cities, where she learned from multiple sources about a scandal related to the banking industry, farm mortgages, and questionable land valuations in relation to refinancing. Attempts to contextualize that letter led to the discovery of the gap in scholarship, but also to the knowledge that Minnesota played a powerful part in the shaping of agricultural finance at the national level. The combination of the state's long-lasting third party (the Farmer Labor Party) and its position as a banking hub of the Midwest makes Minnesota's agricultural and finance history a rich resource for the dissertation's focus; the state's dedication to preserving history at the Minnesota Historical Society in the state Capitol made it possible to draw from a wide variety of original sources, further enabling a richness and variety in the voices used to tell this story.

Significance of Project

In addition to filling in a gap in scholarship about this important juncture in the formation of the national banking and debt structures used by the agricultural sector of the economy, this project also: 1. gives insight into early efforts at regulation-free financialization of agriculture and farm mortgages, efforts which ultimately failed to be realized, 2. provides a map for social movement scholars and practitioners alike who could benefit from an example of a successful social movement (Farmer Labor Party) that effected change in debt relations on a federal legislative level (and still exists today in the form of the Democratic Farmer-Labor Party, or DFL), and 3. contextualizes the New Deal's agricultural interventions as ideas that had been in development for some time, enabling FDR to activate existing rhetoric as he demands compromise to institute a new financial paradigm that significantly changed the debt relations of farmers, bankers, and the government while creating long-lasting structures.

Chapter 2, which provides most of the insight into early efforts at regulation-free financialization of agriculture and farm mortgages, contributes to the expanding body of work devoted to understanding capitalist thinking and the origins of financialization through its analysis of the dominant narratives of the period. The analysis shows not just the power of the dominant frames of bankers but also exposes some of the cracks in the narrative's veneer. Early efforts to drive a wedge into those cracks is discussed in this chapter as well, as the early rhetorical work of the Farmer Labor Party in the 1920s is examined as an emergent narrative of the period. In the emergent narrative, spread through the party's educational, protest, and political efforts (including the election of Senator Henrik Shipstead on the Farmer-Labor ticket), state intervention is called for as a means of tempering the profiteering of the few while the many suffer. Partly that push toward continued and/or expanded private financing for agriculture stemmed from an overly inflated confidence in the best practices of industry, practices that many bankers and politicians at the time expected to apply to farming. Just as important, however, was the belief of those in power that a capitalist, free-market system was the best possible way to run American business; it was a belief that ran all the way to the top in the person of President Coolidge.

In Chapter 3, the Farmer Labor Party's rhetoric is the focus, as by 1930, when Floyd B. Olson is elected Governor of Minnesota on the Famer Labor Party ticket, the farmer activist narrative has shifted into a dominant position from an emergent one. That now dominant narrative is one that calls for the enactment of a new financial paradigm to replace the failed system explored in Chapter 2. It is significant to note in this chapter the powerful and lasting effects of a social movement that devoted a decade to educating the people (farmers and laborers), organizing to further expand the reach of the party, and entering directly into politics at the local, state, and national level. Too often in rhetorical studies of social movements there is a tendency to focus on the stages of the movement, a focus that leads to identification of a beginning, middle, and end (Tilly, Charles and Lesley J. Wood 2009). Under that traditional model, it would be tempting to say the Farmer Labor Party “ended” as a social movement when it became an effective third party in the powerful Midwest state of Minnesota. However, in this chapter, the election of Olson is not viewed as an end but rather a strengthening of the party to the point that it has the direct power not just to change the conversation about farmer debt, but to enact actual structural changes in debt relations. For that reason, this chapter contributes to the field by showing that through consistent rhetorical work, a social movement can substantially change the way society functions.

Chapter 4, the final analysis chapter, is an examination of the rhetoric surrounding the Agricultural

Adjustment Act of 1933, including the Emergency Farm Mortgage Act of 1933 rider, and the Farm Credit Act of 1933. In the enactment of these bills, agriculture becomes accepted as a sector that requires federal oversight and involvement. This marks the coming of a new financial regime, one made possible largely by the 10-plus years of farmer activists insisting upon a new system. This chapter contributes to the existing scholarship about the New Deal by contextualizing FDR’s agricultural interventions as ideas that had been in development--and growing in power and acceptance--for many years. Further, rather than judging the Acts as “good” or “bad,” the focus here on a blending of dominant and emergent narratives adds to the understanding of Roosevelt’s political savvy as he successfully (at least for the time covered in this project) appeases both farmers and bankers. Additionally, the unpacking of the Emergency Farm Mortgage Act of 1933 does important work to historicize a radically different effort to stabilize housing, one that can add insight to studies of the most recent housing crisis.

Additionally, this project enters into the growing body of rhetorical criticism and analysis of economic issues. Rhetoricians conduct criticism of economic issues in three primary ways: first, as historical; second, as communicative labor; and, third, as corporate control/political economy. In the historical category of rhetorical criticism/analysis of economic issues, a subcategory into which this dissertation fits well, examples of particularly salient work include Xing Lu & Herbert W. Simons 2006 *Quarterly Journal of Speech* article "Transitional Rhetoric of Chinese Communist Party Leaders in the Post-Moa Reform Period: Dilemmas and Strategies" and G. Thomas Goodnight & Sandy Green's 2010 *Quarterly Journal of Speech* article "Rhetoric, Risk, and the Markets: The Dot-Com Bubble." Lu and Simons do a fairly traditional rhetorical analysis (Karlyn Kohrs Campbell's public address work is cited here) of the speeches and other public statements of the Chinese Communist Party from 1978 through 2004 to uncover how the government is able to coordinate and impose the shift to a capitalist system, which so profoundly clashes with the Marxist/Maoist ideology that preceded it. Goodnight and Green, beginning with David Zarefsky and rhetorical movement theory, track the movement of risk culture into surprising places. Their analysis and insights regarding bubbles historically, and the dot-com bubble specifically, provide not only sound rhetorical criticism and analysis of an economic issue, but provide a different way of looking at crisis that adds depth to historically grounded analysis of finance.

The “communicative labor” category is far and away the fastest-growing area of rhetorical research of economic issues, beginning with Ronald Walter Greene’s 2004 “Rhetoric and Capitalism: Rhetorical Agency as Communicative Labor” in *Philosophy and Rhetoric* and continuing with work such has Greene’s 2007 *Communication and Critical Cultural Studies (CCCS)* piece titled “Rhetorical Capital: Communicative Labor, Money/Speech, and Neo-Liberal Governance;” David Carlone’s 2008 *CCCS* piece, “The Contradiction of Communicative Labor in Service Work;” Joshua Hanan’s 2010 *CCCS* “Home is Where the Capital Is: The Culture of Real Estate in an Era of Control Societies;” and Phaedra Pezzullo’s 2011 *CCCS* “Boycotts and Buycotts: The Impure Politics of Consumer-Based Advocacy in an Age of Global Crises.” The final category, research that primarily considers corporate control and political economy, is exemplified by Jarrod Waetjen & Timothy A. Gibson’s 2007 *CCCS* “Harry Potter and Commodity Fetishism: From Text to Corporate Intertext” and Davi Johnson’s 2008 *CCCS*

“Psychiatric Power: The Post-Museum as a Site of Rhetorical Alignment.”

Methods

Framing analysis is well accepted as a means of unpacking both current events and historical ones, providing an important means of tracing the reality that “is created through the social process of communication” (Johnson-Cartee 2005, Location 105). Primarily, my interest lies in the frames used by journalists, social movements (membership and leadership), and political and economic leaders; their frames serve as a means of gaining a better understanding of society’s take on important issues at particular times in history. Because journalists, social movements, and those in power—be it politicians or bankers—are at once influenced by those around them as they influence those same people, their words can provide tremendous insights into the defining events and structures, the dominant narratives if you will, of given moments in time, which in turn helps us understand the frameworks in which we exist now. Or, as Johnson-Cartee (2005) reminds us, “News content helps shape our political and social reality, for such content contains the political mosaics from which we choose to construct our own personal realities” (Location 2961). And, I would add, in addition to the sort of “mass-mediated reality” embraced by followers of Nimmo and Combs that relies primarily on published texts, the unpacking of other powerful voices in society—be it social movements or elected officials or their aids—helps make sense of the dominant rhetoric of society.

As Catherine Squires (2007) reminds us when drawing from Robert Entman’s work on framing, “Individual journalists, editors, photographers, sources, and institutions consulted by newsmakers all contribute to the framing process by selecting and providing particular views of an issue, its causes, remedies, and repercussions” (Location 142). While Squires’ work uses framing analysis to unpack the complicated rhetoric surrounding multiracial individuals, mine relies upon frames and narrative as a foundational view for understanding differing views of the “farm crisis” in the years leading up to the passage of the Agricultural Adjustment Act of 1933 and the Farm Credit Act of 1933. Further, Gary Woodward (2007) has clearly argued that narrative is the foundational approach used by journalists, as evidenced by the very naming of articles as *news stories*. “The word *story* is such a basic descriptor of a news event that we tend to forget that it defines a unique way for organizing ideas” (Woodward 2007, 36). For this project, the specific narrative framework, or type of story, that is best suited for tracing the framing of the “farm crisis” is the four-pronged approach as described by Entman and explicated by Johnson-Cartee (Location 3320-3336): 1. Define problems, 2. Diagnose causes, 3. Make moral judgments, and 4. Suggest remedies. It is with those categories in mind that I engage with the texts utilized to explore this issue. Such analysis makes way for recognition of larger narratives that dominate or emerge at any given time.

In a few rare cases, it is a simple process to break out the four frames listed above as separate pieces of the story told by reporters, activists, and those in power. However, more often the frames tend to merge as the narrative moves to tell not only a story but to tell a very specific one that encourages listeners and/or readers to reach a shared conclusion. It is helpful to turn to the work of Edward Schiappa (2003) as he explains that the ways in which situations are defined creates a kind of frame that generates social influence:

When we define a situation, that definition

> becomes a form of social influence by implying what are or are not appropriate responses to it. . . . That is, when a given phenomenon is named or labeled *as* ecological destruction or *as* economic development, our expectations and evaluations are framed accordingly. (151)

As such, we can view competing frames also to be competing situational definitions. For example, when a speaker's frame regarding the farming crisis is bracketed by a socialist worldview, the problem is likely to be defined in terms that incorporate causal issues such as exploitation of the working class or failure of government to act as a stabilizing influence for the human beings it serves. In contrast, when a speaker's frame is bracketed by a capitalist worldview, the problem is likely to be defined in terms that would be used to describe any industry, terms that tend to favor business over human welfare—for example, the crisis might be defined as a problem of too little diversification and marketing savvy in the agricultural sector.

Additionally, the use of framing analysis here is a diverse one in that it embraces not just the standard domain of mainstream newspaper stories, but also includes as much as possible other voices from the time period in question. As Judith Butler (2010) illustrates in *Frames of*

War, particularly in the chapter “Torture and the Ethics of Photography: Thinking with Sontag,” although the framing of an issue in media is often the most easily deconstructed, we must consider the frames that come before, after, and around the mediated moment under consideration. Therefore, it is important for this project to incorporate a study of alternative press, social movement rhetoric, policy initiatives and policy makers, and others with an interest in the topic at hand.

It is also important when seeking to uncover the various frames visible in such diverse texts to have a method for making sense of what emerges as some common or shared themes among communicators. For this project, I rely upon a rhetorical uptake of Raymond Williams (1977) and his *Marxism and Literature* chapter, “Dominant, Residual, and Emergent.” As I use his concepts in the chapters that follow, I do so to recognize that shifts in “meanings and values, new practices, new relationships and kinds of relationships are continually being created.” The vocabulary of “dominant” and “emergent” is particularly useful as a way to express the widely repeated and practiced understanding of farm debt as an economic problem to be solved by bankers (dominant) while recognizing that in the same time and space, there can be a growing acceptance a new way of framing issues of farm debt by activating the federal government to support the interests of farmers (emergent). To be clear, when the Farmer Labor Party narrative becomes dominant, it does not mean that the capitalist banker narrative disappears. It just means that culturally more are willing to engage in the rhetoric and the social practice of the Farmer Labor Party. Williams' vocabulary is also useful when examining the rhetoric surrounding the New Deal agricultural finance changes, as it tends to blend the two competing narratives. That blending is an important part of a lasting societal shift as such shifts are dependent upon "finding new forms or adaptations of form" (Williams 1977, 126). In this case, a government structured financial solution that serves both farmers and bankers.

Williams also works nicely with much of the social movement theory that guided the initial work on this project. While it can certainly be a useful construct to examine social movements in terms of stages, to focus too much on delineating a beginning, middle and end runs the risk of missing the larger point of the movement—what it can teach us about the drives to push toward change or powerful rhetorical moves that bring people together in exciting new ways. Therefore, it is important to not envision the movement as existing in its own right, but rather to always consider it as temporally and materially situated. What David Zarefsky (Zarefsky, Stephen E. Lucas, and James R. Andrews 2006) terms a "historical" approach to the rhetoric of social movements is one that obviously lays the pathway to historicization and contextualization of movements we study. Lucas, too, pushes us to go beyond merely charting the progression or stages of a movement:

> More vital are the further steps of 1) explicating the cumulative metamorphosis of discourse in response to emerging exigencies imposed from within and without the movement and 2) assaying how that metamorphosis functions. The passage of a social movement through the stages of inception, crisis and consummation is less important than the ways rhetoric helps to propel the movement from stage to stage or to retard its evolution. (Zarefsky, Stephen E. Lucas, and James R. Andrews 2006, 140)

The "metamorphosis" approach to conceptualizing what happens rhetorically in a movement is a useful one as it emphasizes the constant evolution, the cycle of birth and rebirth, that happens when people join together to make things better. It also meshes well with the fluidity of the Williams terms dominant, residual, and emergent.

Lucas continues:

> Social movements arise out of and are shaped by the dynamic interaction of multifarious and effervescent forces. For present purposes, I shall focus on three: objective material conditions, rhetorical discourse, and the perceptions, attitudes, and values—the ‘consciousness’ –held by the members. (140)

Basically, Lucas asks that when we study social movements and the rhetoric that propels them, that we avoid over-simplification of the situation. He wants us to see that “rhetoric” does not exist independently of all of the other things going on in/around/through a movement. As such, socio-economic structures matter, demographics matter, environmental conditions matter, ethnicity matters, identity constructs matter. That thinking underlies the study of the Farmer Labor Party, as should be evident from the contextualization of the rhetoric examined.

Roadmap

This project not only fills in a gap in scholarship about an financial paradigm shift that lead to the creation in 1933 of national banking and debt structures for the agricultural sector that still exist, but also: 1. gives insight into early efforts at regulation-free financialization of agriculture and farm mortgages, efforts which ultimately failed to be realized, 2. provides a map for social movement scholars and practitioners alike by providing an example of a successful social movement (Farmer Labor Party) that effected change in debt relations on a federal legislative level, and 3. contextualizes the New Deal’s agricultural interventions pre-existing ideas that enabled FDR to activate existing rhetoric as he demanded compromise to institute a new financial paradigm regarding the debt relations of farmers, bankers, and the government.

To recap, in Chapter 2, framing analysis of the dominant narratives in 1925 is used to illuminate a time when bankers were attempting to establish a successful and regulatory-free credit and debt environment to underwrite farming. In Chapter 3, the Farmer Labor Party’s rhetoric is the focus; by 1930, when Floyd B. Olson is elected Governor of Minnesota on the Famer Labor Party ticket, the farmer activist narrative had shifted into a dominant positon from an emergent one. In Chapter 4, the final analysis chapter, the rhetoric surrounding the Agricultural Adjustment Act of 1933, including the Emergency Farm Mortgage Act of 1933 rider, and the Farm Credit Act of 1933, is analyzed. It is in the enactment of these bills that agriculture becomes accepted as a sector that requires federal oversight and involvement.

In closing, these words from Governor Olson, spoken in an address to the Independent Bankers Association in Minnesota on August 30, 1933, are offered as a preview of the paradigm shift that unfolds in the rhetoric examined in the chapters to follow:

> While the concentration of wealth and the concentration of the control of our money and credit has been steadily accelerated, the misery and distress of the farmer and the wage earner who make up the majority of our population has been steadily increasing. . . The only agency powerful enough to tear down the structure and protect the credit system of the United States is the federal government. (Olson 1933)

This dissertation explores the rhetorical work done between 1925 and 1933 that allowed Governor Olson's diagnosis of the farm crisis to take hold in the United States.

Chapter 2

Dominant and Emergent Rhetoric of Farm Debt

The 1920s were not so roaring for many in the U.S., in particular for those in the rural sectors of the country. This chapter keeps at its center an analysis of the rhetoric that frames the “farm crisis” in various ways from various perspectives during the 1920s with a particular focus on Minnesota and its interplay with Washington D.C. The focus on Minnesota follows, first, that this state was both a banking hub and an agricultural center in the 1920s, making it a particularly powerful juncture for a study of finance and agriculture; and second, that the Farmer Labor Party, which played a significant role in shifting the frames of the “farm crisis” during that decade, was particularly successful in Minnesota. Rhetorical analysis of numerous texts from the period provide insight into early efforts at establishing a regulatory-free credit and debt environment to underwrite farming. Although such frames were indeed dominant through much of the decade, the consistent and effective rhetorical pressure of the Farmer Labor Party began to change that conversation, moving the farmer’s relationship to debt toward a model of federal regulation, thereby forever altering the relationship between banks, farms, and the state. This chapter begins the work of filling in a gap in scholarship regarding this important time in the formation of our national banking and debt structures as they relate to agriculture while simultaneously contextualizing the New Deal’s agricultural interventions as ideas that had been in development for more than ten years.

Known as a time that “farmers’ living standards eroded” (Kennedy 1999, 22), the 1920s was also a period of tremendous growth for industry. With that growth came a recognition that unless the entire country, including rural America, experienced rising income, industry itself would falter as its consumer market dried up. Even General Motors Corp., which had changed the marketing for automobiles by introducing its own consumer credit division in 1919 and investing $20 million in advertising in the 1920s, by 1926 reported some recognition that its growth was reaching a limit, saying that “volume has now reached such large proportions that it seems altogether unlikely that tremendous annual increases will continue” (Kennedy 1999, 22). That was particularly true so long as rural America continued to slip into poverty that made buying a tractor a pipe dream, let alone owning a car (Jorgensen 1976, 2).

Much of the difficulty for farmers followed from the sharp rise in prices paid for goods during World War I, a time when the U.S. provided much of the food for the war effort in Europe. Prices rose so high for commodities such as wheat, for example, that the annual price of $2.16 per bushel seen in 1919 would not come again until 1947 (USDA National 2010). Such a spike caused much questionable land to be converted into farmland, particularly in northern Minnesota; regardless of the expansion, however, when the international market dropped sharply after the war, prices were bound to drop. Such radical shifts in pricing and, therefore, the ability of farmers and others to pay their debts, played a part in liquidity problems experienced by a large percentage of rural banks. Regardless of the farm crisis and its far-reaching effects into banking and industry, the Coolidge administration and the dominant voices in media and business still believed that a free market was the best market and government intervention was a bad path to follow:

> Coolidge appointed to the chairmanship of the Federal Trade Commission in 1925 a man who believed the commission was 'an instrument of oppression and disturbance and injury,' a statement that only slightly exaggerated conservative opinion about all

> regulatory agencies. . . . [and] Coolidge occasionally emitted pithy slogans that summarized conservative Republican orthodoxy. ‘The chief business of the American people is business,’ he legendarily pronounced in 1925. He declared only somewhat more expansively on another occasion that ‘the man who builds a factory builds a temple; the man who works there worships there.’ (Kennedy, p 33)

That *laissez fair* approach to government and pro-business/industry sentiment was one shared by many business owners and bankers in the 1920s and quite evident in the main stream press of the period.

Beginning with rhetorical analysis of the frames visible in the mainstream press coverage and memoirs of those in power, this chapter will first introduce the dominant message that a free market, pro-banking America will lead to a better and stronger future for all. The chapter then explores the emergent rhetoric of the period that counters the dominant message by introducing the Farmer Labor Party’s frames that supported early efforts to realize a future with strong government involvement in public affairs including price stabilization, fair labor practices, and debt structures. This chapter will trace the narratives created by these frames in preparation for the next chapter, which encompasses the period from 1930-1933, when the Farmer Labor Party message begins to shift the balance toward government intervention as the economy worsens and a foreclosure crisis takes to the fore, heightening the demands for government intervention in farm debt. In the final chapter the influence of more than a decade of conflicting rhetorical constructs will be evident in the eventual compromise of the Agricultural Adjustment Act of 1933, which permits a federal government role in price stabilization, credit structures, and foreclosure intervention, as well as the formation of the Farm Credit Administration (by executive order) and the Farm Credit Act of 1933, which created the financial infrastructure that still dominates agricultural credit today.

Dominant Frames

The dominant frames regarding farming and “farm aid” in the 1920s define the reality of the situation in some significant ways, including as an industrial sector with terrific potential that suffers from a shortcoming of marketing expertise, lack of diversification, and loss of liquidity at rural banks. The dominant frames have a tendency to reference the “agricultural sector” or farming in more general terms, often lumping together crop producers with dairies and cattle ranches, in essence situating farming as one among many industries. In 1925, roughly the midway point between the end of World War I (when demand for U.S. farm products declined dramatically) and the passage of the Agricultural Adjustment Act and Farm Credit Act (with the Farmer Labor Party still in its early years of organizing, educating, and publicizing its socialist-infused message) the dominant framing of the problem with farming is clearly defined by bankers such as Clive Jaffray of First National Bank and by legislators who had the backing of big banking, as reflected in the reports of the pro-business, anti-Communist leading newspaper, the *Minneapolis Tribune*.

Focusing on the coverage from January of 1925, as agriculture is heavily covered at the start of each legislative session and "outlook" stories abound, the frame is clear: if there is a problem with agriculture, it is caused by too much government interference/legislation and not enough focus on marketing of products. The relationship between the farmer and debt is one that is framed as best handled by bankers in a regulation-free environment. Frequently, articles talk about banks doing very well, farm debt being repaid because of a great wheat crop, and, when problems are alluded to or “farm aid” called for, it is consistently framed as a need for more lines of credit, greater diversification, and better marketing practices.

An article authored by Edward W. Decker--a prominent banker in the region as president of Northwestern National Bank of Minneapolis, the visionary behind banking consolidation in the Midwest, and an active supporter of the anti-union Citizens Alliance group (Millikan 2001, 235)-- makes important moves to define agriculture first and foremost as a business. That work begins with the story’s headline: “Business Said to Have Taken Turn for Better” and the subhead: “Northwestern National Bank President Foresees Good Times in New Year” (1925, 1). Already in the headline and subhead we can see a narrative forming in which the desire for “good times” is expressed while the conflicts surrounding prices for farm goods are concealed as readers are asked to look to a future where the expert/banker envisions a rosy economic scene. In the text of the article, Decker definitively frames any prior problems in the agricultural sector as well as the few lingering problems as the result of too much legislation and poor business practices in the past, while suggesting that through “sound economic principles” and improved methods as remedies, “our people” will have a better year. Decker tells readers:

> Everything indicates that we have now turned the corner of prosperity in this district and are now facing much better and more promising times for the future. It would not be a correct statement to say that our troubles are all behind us, as there are some sections which will need one or two more good crops and fair prices to put them in really normal condition . . . . We have learned better what we knew before—that only sound economic principles can exist in any line of industry, and that our fundamental ills are not cured by legislation.

While the farmer is never mentioned directly, agriculture as an industry is clearly assessed as a part of the economy that must exist outside of government interference, or, in other words, in a free-market, capitalist system. Legislation is the problem, free-market economic principles the solution. The farmer/debt relationship is framed as one that must exist without legislation. Rather, what is needed are a few more seasons with “good crops” and “fair prices,” a frame that at once points to the perceived power of the free market while failing to account for the relationship between prices and production. That failure to reconcile increased production with lower prices is one way that the rhetorical frame, while still dominant, begins to show some cracks.

Decker also weaves moral judgments throughout his piece, beginning with the opening paragraph in which he writes, “Providence has been very kind to us, in that we received a bountiful crop in practically all lines of farm products, and as production in many other parts of the world was well below normal, we have received an unusually high price.” Indeed the implication is clear that the righteous--in this case the people of the Ninth Federal Reserve District--are rewarded in the global market, even if such rewards come through the suffering of others. Again, a lack of clarity in describing the economic situation at once illustrates the banker’s understanding of the free market at an almost theological level while failing to reconcile the reliance on “unusually high prices,” which rhetorically opens some cracks in the dominant narrative for an emergent one. In his closing paragraph, Decker again evokes a righteous moral tone when framing remedies:

> Our people look forward to the year 1925 with renewed courage and hope and also with renewed determination to do our work better than ever before. We are diversifying more in our farming; we are learning better methods of doing business; we are making scientific investigations which are bound to improve our methods in every way.

While his reference to scientific investigations is not fully explained, other than praise for “eradication of the teaberry bush,” apparently a carrier of black rust (which hurts wheat crops), it is likely an allusion to the new University of Minnesota “science” of the time that showed that better care of dairy cows (meaning better feed and room to roam) yields not just greater milk production but a higher percentage of butter fat and protein (1925a, 2)[1]. It is important to note Decker’s focus on “diversifying” and “learning better methods of doing business,” as such phrases do important work to frame the remedy for the farm problem in terms that enfold agriculture into a larger economic model. Further, his use of the pronoun “we” in the closing paragraph frames a scenario in which this hard-working, righteous “we” engages in better business/industrial practices through diversification, leading to a bright and hopeful future for all. This Providence-fueled success is instructional in tone, as a Pastor might suggest that “we” do the right thing, exposing

[1] This article is an interesting one from a morality frame standpoint, as it claims that “Cow testing associations not only locate the low producing cows, but reveal the kind of dairy farmers their owners are; They measure men as well as cows.” The better the farmer’s cows’ butter fat and protein production, the better the farmer is as a person.

the patriarchal[2] nature of those who manage the lines of credit used by the farmer debtor.

The Decker-authored article accompanies the lead story on the page, a reprint from the *New York Evening Post* with the headline: “Farm Economic Position Found Much Stronger” and two subheads: “Last Six Months Shows Great Wheat District Improvement” and “Increased Returns from Higher Acre Yields Are Factor” (Mayer 1925, 2). The piece is authored by the Managing Director of the War Finance Corporation (he would later head the Federal Reserve Bank), which the National Archives describe as “an independent agency,” established in 1918, that provided “support to war industries and banks that aided them, and assisted in the transition to peace” (United States National Archives and Records Administration 2011). The WFC was also involved in agricultural loans and cooperative marketing associations.

While this article is most useful for witnessing the lead-up to the gross overvaluation of farms and farm mortgages that would contribute to the foreclosure crisis of the early 1930s, it is also significant for its framing of what problems it sees with farming as happenstance: “Low

[2] By “patriarchal” here I mean that in replicating the tone of a sermon, Decker rhetorically structures his conversation with the farmer as a father would instruct a child.

yields, low prices and unfavorable conditions, coupled with accumulated burdens over a series of years, brought about a serious situation, which was intensified by the failure of a considerable number of banks." The article downplays this early status of agriculture, claiming that banks are doing better than ever and that "agriculture as a whole is in better shape than it has been for many years," success it frames as a result of good crop yields and better business practices leading to higher profit. The transference here between the farm problem and a banking problem is also an interesting one, as by defining the problem in terms of bank failure, it implies that an appropriate remedy would be one that secures the banking industry.

As with the Decker narrative, Mayer, too, speaking both of farmers and for them, supports the banking industry narrative that all is well and will keep getting better so long as sound economic principles are followed, namely those that treat farming like an industrial business.[3] In

[3] To be clear, industrialization of the farm in the 1920s did not mean the same thing as it does today when we have dairy farms with 10,000 head and corporate-owned grain farms spanning thousands of acres that are harvested by computer-programed harvesters. While arguably the 1920s could be pointed to as an origin point for the industrialization we now see, at that time it primarily meant diversification, increased use of tractors and processing equipment, and a Fordist approach to improving production.

the opening paragraph of the article, the positive narrative is clear:

> 'The war is over at last.' That remark was made to me recently by a man who is in close touch with agricultural conditions. It is not, of course, to be taken in the literal sense. It was merely intended to express the state of feeling that exists today in many agricultural communities. It does not mean that everything, everywhere, is rosy and that all the ill effects resulting from the chaos and disorganization of war have disappeared. It does not mean that there is nothing more to be done to place our agricultural industry on a sound economic basis, or that all the difficulties of the past three or four years have been met and overcome. But it does mean that today agriculture as a whole is in better shape than it has been for many years.

Not only is the frame of a better economic future visible here along with the recovery narrative, but so, too, is the framing of the banker as patriarch who must explain to the "children of agriculture" that continued hard work is necessary to bring agriculture into the industrial economic model.

By observing the frame of a recovery narrative, the positive spin on the farm sector gives insight into the early focus by the dominant class on a regulation-free business and banking environment. In that environment, a better future is possible, one with strong returns on wheat crops that will fuel a return to liquidity for banks, the author claims "that today agriculture as a whole is in better shape than it has been for many years, and that the 1924 farming operations have greatly strengthened its economic position.” While it was certainly true that wheat prices were higher in 1924 (at a yearly average of $1.24 per bushel, up from 92 cents per bushel the prior year according to USDA historical data), prices were still a far cry from the $2.16 per bushel paid out in 1919 when global demand from the war spurred rising prices along with increased production. When considering the positive frame of this narrative, it is important to note not just what is specifically named but also what is not. Specifically in this case, the lack of prices named in the piece is significant; this is an article that shares a dizzying array of figures, from crop yields per acre to total wheat production to gross income expected from tobacco—yet the commonly used measure of price paid per bushel is not listed. It enables the author to make positive claims of prosperity through use of “evidence” that only tells part of the story, helping to support the overall framing that regulation is not needed as “fair prices” will be set by the market, not by the government.

Even when referencing livestock problems in the West, the article focuses on the positive news that there has been “considerable liquidation of old indebtedness,” which helps the banks and therefore the communities, while the article claims that “the industry is gradually but slowly getting upon a firmer foundation,” though it fails to specify what caused the livestock problem in the first place or how the recovery is possible (other than the retired debt and general references to good economic practices). So, again, by leaving important facts out of the article, it is possible to frame the current problem of drought and indebtedness for cattle feed as a problem from the past that is being remedied through farmer repayment of debt without giving any specifics as to costs incurred when moving cattle to different land. It is a positive narrative that is all the more troubling when viewed from the present, as regardless of the positive spin, things were about to get considerably worse for both growers of grain and the cattle industry.

In the same January 1 “outlook for the new year” issue as the Decker and Mayer articles is one authored by another prominent banker, Francis A. Chamberlain, president of First National Bank in Minneapolis. Chamberlain, like Decker, was an active supporter of the anti-union Citizens Alliance as well as a founder of the American Committee of

Minneapolis (ACM), which used patriotism and propaganda as tools in its efforts to undermine the Municipal Nonpartisan League (a predecessor to the Farmer Labor Party) by focusing attention on members' former ties to the Socialist Party (Millikan 2001, 43-44). The headline of his article is "Wonderful 1924 Grain Crops Are Called Life Saver," run with the subhead, "Farmers and Business Men Benefit by Paying Up Indebtedness." From a definitional standpoint, the problem is immediately framed as one of unpaid debt, a problem remedied by repayment of debt fueled by "wonderful" crop output. Chamberlain leads with:

> The Northwest should be and, without doubt, is grateful for its wonderful grain crops of 1924. They came as a veritable life saver to the farmers and to business men [*sic*] generally. This combination of one of the largest harvests in Northwest history, with the unusual prices at which it is being marketed has resulted in the payment of a vast amount of indebtedness, much of it long past maturity.

In his rejoicing over a good grain crop and repayment of debt, he frames problem, cause, and remedy at once by suggesting that past-due debts, caused by lesser crops in the past, are a problem remedied by "wonderful" crops and repayment of loans to banks. Both his use of "unusual" and "wonderful" to describe prices and crops, respectively, echo the other banker frames that point to a providence-fueled and surprising turn of events in their praise of free-market sensibilities. Again, this explanation, which does not account for price to production valuations, opens some cracks in the dominant narrative, making way for the emergent narrative that will be discussed later in the chapter.

Further on in the article the frames are reinforced when Chamberlain writes that “This new money has put the farmers on their feet or at least helped them in a remarkable way toward improving their financial positions.” So, then, the problem for farmers, when there is one, is having a poor “financial position” and bad debts. Everyone, including banks and “business men generally,” benefit when debt obligations are met. Outside of this frame, of course, is the quality of the debt issued by the banks as well as the fact that the prices paid for the wheat crop are still about half what was paid per bushel for the same size crop five years earlier. In other words, Mr. Chamberlain’s joyful outlook for the year is one that privileges bankers and businesses that lend to or profit from farming and does little to explicate the complicated financial mire in which many farmers found themselves. It is a narrative that illustrates the dominant frame of the regulation-free farmer debtor/banker creditor relationship.

Looking back to the subhead's claim of "benefit" following the "paying up of indebtedness," the moral tone is one that frames the repayment of debt as good for the farmer and the community. There is no concurrent moral assessment of the debt itself, but rather an assumption that it is right and good that the farmers' improved "financial positions . . . enables banks to collect a very large amount of paper that, under less auspicious conditions, would have been classified, necessarily, as doubtful or slow." Finally, in the last paragraph a similar moral tone to that used by Decker is evident in Chamberlain's references to "intrinsic wealth[4]" and "courage" of the masses:

> I am looking forward to the New Year with sincere confidence that Minneapolis, Minnesota and the Northwest will make further substantial progress toward a condition of true prosperity, in line with their intrinsic wealth. One crop, no matter how excellent, will not solve all financial problems, we all know. But this one has brightened the general outlook tremendously and given everyone renewed courage to face the future.

[4] I do not believe the phrase as used here is meant to be "intrinsic value," which is a term commonly used either to describe the value of call or put options on stocks in relation to their market price or to describe the result of a method used by financial analysts that, while comparable to market value, is separate from it (Downes and Goodman 1991).

The implication is clear that with courage, hope, and hard work the righteous will be rewarded when the “intrinsic wealth” of the Northwest is realized. “Intrinsic wealth” is a phrase that connotes a morality in which those deserving of reward (namely, those who repay their debts, have courage, and work hard) will reap a financially bright future.

This realization of wealth and financial reward is also indicative of the narrative that frames positively the desire for increased wealth and a strong banking system ensured not by legislation but by “farmers” and “business men” doing the right thing; in other words, free of regulation and abiding by sound economic practices. Further, his defining of the crop as “one of the largest harvests in Northwest history” and his combining that claim with the repayment of debt creates a narrative in which farmer, business man, and bank all benefit from good crops and good behavior. His rousing good cheer on the subject is not unlike the press releases that often accompany poor earnings reports from a corporation, in that an effort is made to draw attention to a relatively positive number (in this case the large harvest) rather than on the more dismal aspects of the report. Again, when looking at the framing of the issue by this banker, it is vital to note what is excluded from the data. While USDA statistics do indeed show that 1924 was the largest harvest since the 1919 peak, since prices were coming in at almost half what was paid five years earlier, the crop size is far less relevant than the bushel price. To envision crop size as a solution is to emphasize efficiency of production as the best way for farmers to move forward and fails to take into account sale of product or associated debt. It essentially orients production/supply without consideration of the complex relationship between crop production and prices. Finally, it is a narrative frame that again silences the distress many farmers experienced over grain prices while placing Chamberlain’s privileged voice in the role of patriarch exclaiming the joy of the situation. Here he claims to speak as an authority on this subject, but it is an authority inherent in the hierarchy that gives his money and position of power greater value than that of the people who actually deal with the grain production and associated financial hardships.

In an Associated Press article with a Washington, D.C., dateline, the capitalist views on farming as just another industry in need of better business practices is the clear frame. Headlined “Leaders Seek Enactment of Farmer Relief,” by “relief” the article means a plan to extend more credit to “agriculture,” particularly the cattle industry (1925, 1). This article marks one of the first times that mention is made of marketing cooperatives as a solution to the “farm problem,” clearly implying that if farmers learn proper marketing techniques and learn to band together to behave more like other industries at least in scale and ability to sell, things will be better. So, here, then, the problem for the farmer is defined in terms of not having large enough lines of credit and a lack of marketing expertise to sell product. In as much as a cause of the problem is suggested, it is a somewhat vague reference to the cattle industry being “declared by the [President’s agricultural] commission members to have been the most affected by the depression, although the prospect now is brighter.” Government involvement is suggested here, but only as a means of helping organize the cooperatives. To be clear, the formation of cooperatives, which was generally favored by farming organizations both to save money on storage and processing equipment and to enable a stronger negotiating position with retailers, is framed in the dominant narrative as a corrective for controlling the supply side of the equation and stabilizing prices. With higher prices, in this framing, farmers are able to pay their debts. The potential for a more just society through cooperatives often promoted by clergy (Dietrich, 1933) and leftist farm groups does not come into the discussion in the dominant narrative, once again providing the potential for the emergent frame to take hold. Additionally, while this article is a short one, it does reflect the ongoing narrative of a positive outlook for a "brighter" future, one that will be achieved through best business practices and greater use of debt. Even in this fairly mundane story about the work of congressional leaders regarding problems with farming, the message is clear that government intervention is not the answer.

Cooperative marketing as the primary means of providing relief is praised by the paper in its article about the outgoing governor Preus headlined: "Preus' Term Is Notable for Farm Relief," with the subhead: "Establishment of Cooperative Marketing Is One of Biggest Achievements" (*Minneapolis Tribune* 1925c, 2). The paper praises Preus for being "an enthusiastic advocate of cooperative marketing" rather than relying on too much involvement from the state in the affairs of business and agriculture. In other words, it clearly reflects the frame that a regulation-free environment is preferred in relation to farming. It further rejoices in Preus efforts to help found the Rural Credit Bureau, which extended lines of credit to farmers using the farmland and chattel as collateral (which had disastrous results by 1930). Again, the problem (suggested through the framing of the remedies) for which “relief” was provided in this frame was the problem of not enough credit and a need for better marketing by farmers.

Throughout the year, the newspaper continues to cover the “farm problem” and “farm relief” in roughly the same frame, be it from the national level with President Coolidge’s efforts to institute a federal program to teach cooperative marketing across the country to more lines of credit and a growing farm mortgage market, all implying that the biggest problem farmers face is lack of credit and marketing savvy. So dominant was the free-market sentiment and focus on farming as an industry like any other that even the so-called *laissez faire* Coolidge was considered too ambitious in his efforts to have federal oversight of the co-operative marketing program developed by his agricultural committee[5]. The legislation produced by his committee was replaced in February of 1925 with a version that removed all federal control, creating instead a board that would offer advice when solicited. Regarding the revised bill, the paper does quote Michigan Republican Representative Williams as saying, “You might as well go out on the capitol steps and give three rousing cheers for the farmers’ economic recovery so far as doing the farmers any good. It merely provides for $500,000 worth of free advice” (*Minneapolis Tribune* 1925b, 1). However, that quote marks the second-to-last paragraph in an article that otherwise implies the logic of Congress in its decision to replace the original legislation with its advisory version. Again we see the dominant framing of farming and farm debt as an industry that must remain free of government regulation.

For further insight into the pro-capitalism framing of farm debt in the 1920s, one banker’s memoir from the period is quite illuminating. Clive Jaffray was a man of considerable influence in the Twin Cities; besides his role in First National Bank, he is credited with the founding of

[5] The Federal involvement would have been a cooperative marketing board that would aid in management and development of cooperative marketing associations throughout the country.

the Minikahda Golf Club (where powerful leaders of banks, businesses, and the Citizens Alliance anti-union business group would meet), with being a founding investor in The Blake School preparatory academy for the sons of the elite, a founder of the Minneapolis Civic and Commerce Association, and President of the Soo Railroad (Millikan 2001, 77, 243, 387, and 407). He was also closely involved with the successful efforts to consolidate Midwest banking, which established the Twin Cities as a financial leader domestically and globally.

Reading Clive Jaffray's memoirs, which he dictated to his secretary and donated to the Minnesota Historical Society himself, sometimes feels like it must be an accidental delving into an early draft of *Atlas Shrugged.* As was the case with many of the 1920S capitalists who placed themselves and their endeavors on the highest possible wrung of the hierarchy they created, Jaffray was very proud of his financial endeavors (actually, of all of his endeavors, including his golf swing). His tone throughout his memoir, a unique genre that is less about establishing historical truths and more about telling a truthful self-narrative as one remembers it, is one of self-aggrandizement that never admits fault or failure——

when the Soo Railroad stops doing well while he is in charge, he frames his decision to leave his post as president as a logical step since the company had outlived its usefulness. He even talks about his first job delivering newspapers in heroic terms, as if this boyhood endeavor ought to be marked as a first step on his journey to Capitalist Sainthood. His haughty persona, while amusing at times, more importantly showcases the belief of mid-1920s capitalists in America that knowing how to make money gives them a right to shape the society in which the rest live, particularly since few are likely to have his "gift" for finance—and especially not farmers.

Jaffray lists his many accomplishments in mostly chronological order and includes the formation of the Agricultural Credit Corporation, an organization whose questionable dealings would eventually bring him to the attention of President Roosevelt because of a highly critical letter drafted by New Deal field reporter and friend to Eleanor Roosevelt, Lorena Hickok. Jaffray says in his memoir that the idea for the organization came after a meeting with President Coolidge in Washington (sometime between 1920 and 1925, the date is not clear) during which the Twin Cities bankers asked Coolidge for help stabilizing the banking crisis in the Midwest. After the meeting, Jaffray and several of his Twin Cities banking friends were gathered for some after-dinner conversation at the house of Eugene Mayer, (one of the authors featured above) who would later become president of the Federal Reserve Bank, during which time “a discussion arose as to the best way of securing help without depending on the government” (1956, 42). It is interesting to note that despite the gathering following meetings with President Coolidge, Jaffray frames the discussion in terms of finding ways for business to work without help from the government, further illustrating the narrative shared with his peers in which government-free financial success is so strong that any conflicting reality is not pulled into the story in a meaningful way.

Jaffray continues his story, explaining that Mayer and a New York businessman suggested to the group that there might be a way to help the bankers and farmers in the Twin Cities area without involving the government: namely, that they could raise private capital which would be used to make loans to banks and farms as a means of stabilizing the economy. The New York businessman, Clarence Wooley, agreed to put up $5 million in capital if the Twin Cities bankers would do the same to get things started. They accomplished the $10 million goal in a matter of days and formed the Agricultural Credit Corporation, which sold ten-year income bonds (primarily to East Coast and Chicago investment firms) through its holding company, the Agricultural Securities Corporation (Jaffray). It is immediately clear that Jaffray frames the problem with farming as, first, a problem of banks lacking liquidity, and secondarily as a problem of a lack of investment income for farmers, a problem whose remedy is more lines of credit. Of course, those lines of credit are to be provided through private banking interests free of government interference or regulation.

Jaffray, working with cash raised largely through East Coast investors, reported that

> Work was then begun to help out needy banks by furnishing them money and keeping them from failing. In 1925, business began to improve, our crops were good, and as a result, we stopped lending money to banks. We then thought it would be wise to help *good farmers* [emphasis mine] diversify their operations by buying live stock. (42)

Jaffray goes on to say that this venture “proved very successful” (43), particularly for farmers in North and South Dakota as well as Minnesota. The moral implications are quite clear, as is the ideological framework. First, “good farmers” should be extended lines of credit so that they can “diversify,” or, in other words, treat their farms like any other industry, one that will benefit from diversified growth. Of course, neither crops nor livestock can be counted on for consistent production in the way that factory goods can be counted on to have consistent output; drought and economic hardship nationally made it impossible for farmers to pay back the loans to Jaffray’s company (at least until much later when government intervention would change the game, as will be discussed later).

Another glimpse into the framing of the problem by Jaffray and his class is present in the letter of praise Jaffray inserts into his memoir in response to the “success of the company,” a letter written by then-Secretary of Treasury Andrew W. Mellon. In the letter, Mellon writes in response to a copy of the annual report of the holding company:

> I have read this report with interest. I think you and your associates are entitled to the greatest credit for the effective assistance which you have rendered in allaying the disturbed agricultural condition in the northwest. To be able to do this on a business basis, with private capital and without calling upon the National Treasury for subsidies, shows that the American banker and businessman can handle problems as they arise without Government aid. Your work has been a distinct contribution to the argument that economic ills should be cured by economic remedies, and not by socialistic legislation. (43-44)

Mellon goes on to close the letter by thanking Jaffray and his associates for their accomplishments on behalf of “the Treasury,” “the Administration,” as well as “those interested in sound government.” The problem of the “disturbed agricultural condition” is a frame that practically erases the farm and the farmer, or at the very least reduces the farm to just another industry that can only benefit from the insights of businessmen and bankers. Further, by the use of the phrase “socialistic legislation,” Mellon is defining as un-American government policies that might legislate banking and finance industries. Obviously, that which is “un-American” in this context is bad; therefore non-interference is good.

In both the memoir and the letter from Mellon the shared narrative of an abundant future in which the “industry” of agriculture thrives, particularly for “good farmers” and the bankers who fund them, is evident. It is particularly interesting that this narrative was powerful enough for Jaffray to hold onto even with the benefit of hindsight. Although he dictated and donated his memoir three decades later and almost 25 years after the federal government had stepped in to bail out farmers and the bankers who made poor bets on agriculture’s financial future, still he holds to the frame that the free market is good, government interference is bad, and farming is an industry made strong through better banking and business practices. Jaffray's choice to tell a tale that completely writes out the considerable conflict surrounding his Agricultural Credit Corp also illustrates the power of his shared narrative and framing of a government-free farm credit system in that had the Agricultural Adjustment Act not passed some years later, his Agricultural Credit Corp likely would have been a complete loss.

Although it is not particularly surprising that Jaffray chooses not to address any negatives about the Agricultural Credit Corporation, it is striking to read so much detail about a company and then to have the author abruptly stop discussing it. For example, he lists the precise dollar amounts of the initial capital investment by city: New York City, $2,247,000; Boston, $155,000; Philadelphia, $330,000; etc. (42). Yet, after his reprinting of a *Minneapolis Tribune* story praising company, he moves right into his railway conquests of 1926 and 1927, then jumps ahead to 1933 but only to discuss railways (44-45). No further mention is made of his capitalist endeavor to financialize farm debt. Of course, if he did explain how the company’s existence ended, even without the scandalous part thrown in, it would undermine his pro-capitalist, positive narrative substantively. The company ceased to exist in 1933 when government-backed loans (courtesy of the Emergency Farm Mortgage Act of 1933) were used to repay all of the *private* loans issued by Jaffray’s group. Had the company not been able to get its paper refinanced with government money, Jaffray himself would have to have taken substantial losses instead of passing those on to the investors from other cities.

To summarize, the dominant frames surrounding farming and finance in the mid-1920s in Minnesota were those established by bankers and the mainstream press. Those voices primarily framed problems as a lack of lines of credit, framed causes as insufficient business savvy on the part of farmers, passed moral judgment on “good farmers” as those who pay their debts, and framed the best remedies as increased lines of credit provided through private (meaning non-government) means to enable diversification and improved production and sales. While undoubtedly the dominant narrative of the time envisioned a bright future in line with those frames, a different, competing narrative was gaining in strength amid the farmer class. In this competing narrative, the problems, causes, remedies, and moral judgments are quite different and all point to a need for the involvement of the state in agriculture.

Emergent Frames

The Farmer Labor Party is arguably one of the most important organizations to consider when tracking the framing of “farm crisis” in the 1920s and 1930s as it stands as a powerful counter to the dominant frames represented in the mainstream press and its related oligarchy.[6] In the 1920s, the party, formed at the end of the prior decade, was effectively using education, organized protests, and politics to push its ideology. To situate the movement so that it is clear how and why its rhetoric had such force despite its members’ low ranking on the social and economic hierarchy I will begin here with a brief introduction of the Farmer Labor Party. Although its own organization, the Party’s mission was rooted in the goals of the Working People’s Non-Partisan League platform of 1919, which called for: “the eight hour day and forty-

[6] Millikan refers to the bankers of this period as the oligarchy of the Twin Cities, specifically including Jaffray, Decker, and Chamberlain, among others.

four hour week; the establishment of cooperatives; state compensation for injured workers; equality of men and women and equal pay; abolition of unemployment; public ownership of railroads, banks, terminal grain elevators, and public utilities" (O'Connell 1979, 10). Beyond pursuing what was then considered a socialist platform, the Famer Labor Party marked the beginning of one of the longest-lived and most successful third-party state governments in Minnesota.

The FLP is the stuff of legend and even song. Sung to the tune of "Wabash Cannonball," "Farmer-Labor Train" is among my favorite Woody Guthrie tunes from the Asch collection recorded in 1944, and its lyrics do a terrific job relating the spirit of this complicated social movement while at the same time exposing some of the dominant frames evident in the rhetoric surrounding the party, frames that point to the need for legislative remedies to farm problems:

> Farmer-Labor Train (by Woody Guthrie)
> From the high Canadian Rockies to the land of Mexico,
> City and the country, wherever you may go,
> Through the wild and windy weather, the sun and sleet and rain,
> Comes a-whistlin' through the country this Farmer-Labor train.
>
> Listen to the jingle and the rumble and the roar,
> She's rollin' through New England to the West Pacific shore.
> It's a long time we've been waitin', now she's been whistlin' 'round the bend,
> Roll on into Congress on that Farmer-Labor train.
>
> There's lumberjacks and teamsters and sailors from the sea,

There's farmin' boys from Texas and the hills of Tennessee,
There's miners from Kentucky, there's fishermen from Maine;
Every worker in the country rides that Farmer-Labor train.

There's warehouse boys and truckers and guys that skin the cats,
Men that run the steel mills, the furnace and the blast,
Through the smoky factory cities, o'er the hot and dusty plains,
And the cushions they are crowded, on this Farmer-Labor train.

Listen to the jingle and the rumble and the roar,
She's rollin' through New England to the West Pacific shore.
It's a long time we've been waitin', now she's been whistlin' 'round the bend,
Ride on into Congress on that Farmer-Labor train.

There's folks of every color and they're ridin' side by side
Through the swamps of Louisiana and across the Great Divide,
From the wheat fields and the orchards and the lowing cattle range,
And they're rolling onto victory on this Farmer-Labor train.

This train pulled into Washington a bright and happy day,
When she steamed into the station you could hear the people say:
"There's that Farmer-Labor Special, she's full of union men
Headin' on to White House on the Farmer-Labor train. (2009)

The song clearly frames the movement in moral terms and suggests it as a powerful force for bringing about a governmental remedy (though for what is not explicitly named, considering Guthrie's established reputation as a labor and union activist and the naming of groups known for being exploited, the inferred problem is one of exploitation/lack of care for the working class). It is a fitting tribute to an organization that consistently framed the farm crisis as a problem rooted in lack of governmental oversight and a failure to recognize the importance of agriculture/food and farms/houses as basic rights of humanity. Also in the song one of the most important elements of the mythos surrounding the Farmer Labor Party is visible, and that is its ability to cross class and labor divides, bringing together factory laborers, miners, and agricultural workers. In singing about the crossing of false divides, it is clear that the lyrics work to frame the party as a morally sound one in which people from all walks of life, all regions, all colors are riding side by side with the power of a multi-dimensional union to enact change at the level of the federal government. That solidarity is key to the party's efforts to improve society by demanding increased state involvement in agriculture.

Also present in the song is a common narrative theme that further illustrates the solidarity of the FLP by at once illustrating difference between members and then breaking down those differences. Just as Guthrie differentiates farmer from factory worker by contrasting "the smoky factory cities" with "the hot and dusty plains," he simultaneously expresses their similar plight by evoking the idea of hard labor in the heat and foul air, be it from the furnace and soot or the sun and dirt. It is a narrative that commonly appears in the mythology surrounding the Farmer Labor Party, especially the story of its origin. When writing of the initial formation of the Farmer Labor

Party, a favorite story that is usually told as a colorful anecdote is about a meeting that was held in Minnesota in 1918 when many voters were quite upset with the failure of Republicans and Democrats to respond to difficult economic times (Valelly 1989).

Gathered together through the efforts of Socialist activists, union members from the urban workforce were seated in one half of the room; farm owners and laborers were on the other side. When the problems the state was facing and the failure of the existing political parties to meet those problems were brought to the fore, it was quite clear that both groups were being hurt by the status quo. When asked in a rousing speech if they would stand up and support their brothers across the aisle, the union members stood and shouted their support. Then, when asked if they would support the unions, the farmers, too, stood and waved their hats in boisterous support of their urban compatriots. With the entire meeting hall standing and whooping, it is said, the Farmer Labor Party was born.

It is, undoubtedly, a pleasing tale and a wonderful image. Whether or not that is how it happened, what matters is that it is this particular narrative that has been accepted and is repeated by group members across time and place. It is particularly interesting that the divide between farmer and laborer is expressed as such a clear differentiation, as it surely aids in the narrative quality of the story despite its lack of grounding in reality. In fact, for farms situated near urban centers, workers often took jobs in factories when farm work was light, and factory workers often took jobs on farms during harvests. Additionally, it was not uncommon for unemployed factory laborers to exchange room and board on a farm for menial farm labor until they could get work in the city again. Further, the classification “farmer” can mean many things: owner of land on which farm goods are produced, agricultural worker, tenant farmer, wife, child, etc. But in this persistent narrative, farmer is classified to some extent as the opposite of the city worker. Regardless of the complexity of identity construction, however, of most importance is the idea that all those of a lower economic class have more power when they work together. Therefore, coming together is framed not only as morally right, but it is framed as an important part of the remedy to the problem of economic hardship faced by most working class people during the interwar. And, again, through that solidarity it is possible for a once non-dominant idea to gain increasing strength, promoting strong government involvement in the affairs of the farmer and worker classes.

The Farmer Labor Party had national success and, although its life as a national movement was short lived, it lasted at least 25 years in Minnesota and it achieved political reform at the local, state, and federal levels. As described by the Minnesota Historical Society (MNHS), which also shares in the romantic notion of opposites coming together to fight for a better society, the Farmer-Labor Movement “is an unlikely coalition of two seemingly disparate groups, rural and urban, that found common cause and united in pursuit of their goals” (Minnesota Historical Society, 2014). Referring to the period from 1910-1945 as a “turbulent” one in Minnesota, the MNHS points to the severe economic stressors that at once effected farmers and city workers in the state as it describes the origin of the Farmer-Labor Party:

> Drought and the Great Depression brought havoc to wheat farmers of the region: prices for their product plummeted, and farm foreclosures meant ruin. In the city, jobs were scarce and wages low. Laborers—those fortunate enough to have work——fought for fair wages and against unfair laws that prohibited unionization. Out of that ferment, a coalition of reformers and radicals formed the “Farmer-Labor Party,” a designation it used on the ballot for its candidates who were neither Republican nor Democratic.

The MNHS concludes its report with a nod to the longevity of this unique third party in Minnesota, referencing its roots in the 1910s as the Nonpartisan League (an openly Socialist reform group), its ability to win elections over the Republican and Democratic candidates, and its final merger in 1943 with the Democratic Party to create the Democratic-Farmer-Labor (DFL) Party of Minnesota. It is noteworthy that the MNHS describes the Farmer Labor Party in a way that so reflects the powerful narrative of solidarity of divergent peoples leading to political change, as, again, that solidarity would help to make pro-agriculture legislation a reality.

Among traditional historians, the movement is generally discussed as a political one, which was started on a national scale about 1916 and in Minnesota in 1918 (Holbo 1963, Minnesota Historical Society 2014). Among populists, so successful do they view the movement in Minnesota that rather than seeing its merger with the Democratic party in 1943 as an end, they name it a continuation in a slightly different form and point to its influence on politicians today, including Al Franken (The Progressive Populist). Marxists, however, see the movement as a glorious rise of Socialist values in the face of the insidious growth of Capitalism, a rise that was destroyed from within as early as 1930 by the lower middle-class membership (petit bourgeoisie) and their Stalinist leanings toward state control (Creel 1946). It was in 1930 that Floyd Olson, who grew into politics in the 1920s as a Farmer Laborite and called himself a “radical,” ran for Governor on the Farmer-Labor Party ticket—and won. Olson is often described as a skilled politician and a “people’s” governor; many believed he would have been President of the United States had he not died at 44 from cancer (Holbo 1963, Minnesota Historical Society 2014, Creel 1946, Mayer 1987).

However, far from being the death of the party mourned by Marxists, I take the more positive view that Olson’s prominence on the local and national stage, as well as his own radical political views, helped him to carry forth the message of the Farmer Labor Party that the farm crisis is a problem rooted in lack of governmental oversight and a failure to recognize the importance of agriculture/food and farms/houses as basic rights of humanity. It is the successful move into legislative power, in this case at the gubernatorial level, that helped make possible the change in debt relations between farmers and creditors. The following is from the Farmer Labor Association's constitution, ratified in 1924, and gives early insight into what the organization and its followers would come to define as the problem:

> We aim to rescue the government from the control of the privileged few and make it function for the use and benefit of all by abolishing monopoly in every form, and to establish in place thereof a system of public ownership and operation of monopolized industries which will afford every able and willing worker for opportunity to work, and will guarantee the enjoyment of the proceeds thereof, thus increasing the amount of available wealth, eradicating unemployment and destitution, and abolishing autocracy. (O'Connell 1979, 134)

Clearly, the party chose early on to define, generally speaking, the problem faced by society as one rooted in the failure of a government they need "to rescue . . . . from the control of the privileged few" and an economic system that favors the few over the many, all problems caused by monopolies and private ownership of industry. The moral frame is also quite clear: the people have a right to work and to be paid for that work for the benefit of society (aka public ownership); monopolies and autocracies are wrong. The overall remedy is strong government involvement in industry and guaranteed fair pay for workers, a frame that will be repeated for many years, thus moving into the realm of possibility a radically different system.

The Farmer Labor Party was quite effective in getting heard its message promoting government involvement through unification of the people. Beginning with something as simple as the first article of the FLA’s constitution, one of the goals of the movement was to unify formerly disparate groups in the name of economic independence, as its stated objective was:

> to unite the members of all farmer, labor and other kindred organizations, and unorganized elements which support independent political action by economic groups, into a political association; and to carry on an intensive program of education and organization incidental to participation in the political campaigns of the Farmer-Labor movement. (Holbo 1963, 302)

The focus of the movement was three-fold: education, organization, and political action, all of which worked together to place the Farmer Labor Party in a position of power to rhetorically frame the “farm crisis” as a governance problem caused by too much power held by too few people, all of which could be made morally right through the remedy of government policies that put the welfare of humanity above profit, especially in relation to credit and debt structures.

The educational rhetoric component was particularly important on many levels. First, evidenced by the framing of the farmer in the mainstream press, there was an assumption that those who work on farms are not in an intellectual or social position to have a voice. That much farm labor was comprised of recent immigrants helped to fuel this preconception, as did the isolation of many farms throughout the state (and the country). Changing not just that perception, but also influencing the farmer class by introducing the idea that through solidarity there is political power, was a primary goal of the party and one that it had tremendous success achieving in the 1920s.

By educational rhetoric, I mean the movement's extensive educational program, which included driving speakers all over rural Minnesota to speak at various granges and churches and meeting halls. There were also numerous printings of newspapers, which were produced at the cost of the party, that were distributed all over the state on a "pay if you can" basis. Rooted in Socialist Party traditions, these efforts were grounded in the belief that education and knowledge are prerequisites of bringing change. Through knowledge, not only will farmers become better advocates for themselves and their communities, but they are more likely to come together and work for a different societal structure, one that privileges the many over the few and one that requires government oversight in the management of key areas such as agricultural credit and production.

In addition to the speakers and newspapers, the Party also printed leaflets with the latest news and announcements about upcoming protest efforts that needed support. The leaflets would be distributed where farmers came to unload their milk and cream every other day. Such distribution efforts give a window into the dedication of those involved in the movement as well as the organizers' true understanding of their target audience's needs, as illustrated by Clara Jorgensen in an interview about her time as a dairy farmer, Farmer Labor and Farm Holiday activist, and member of the Communist Party in the 1920s and 1930s:

> People went, see they had these local creamers for one thing you know and so people hauled in their milk. . ., you could always leaflet that . . .the day before and this happened in every little town; they had these people come in with sleds. They liked to read a little bit waiting to get their cream unloaded you know, but this is what happened and that's one of the ways that it was very quick [to get the word out about protests]. (Jorgensen 1974, 5)

Jorgensen continues to explain that word of mouth was also very important for sharing the latest news and ideas; not only was it enjoyable to discuss politics at the creamery, but "you've got kids . . . and you could walk, use your feet, you know, which people did, so it wasn't that much . . . a problem, especially when you were young," and the "kids" would help spread the word from farm to farm.

Through the newspapers, pamphlets, speakers, and message walkabouts, the educational rhetoric of the movement was always ongoing, both preceding the physical enactments of solidarity and working through them to the end. As such, they played an important part in crafting both the frames through which events and policies related to farming were viewed as well as providing a shared narrative through which the desire for a more just system of government is imagined.

Among the many messages shared through such methods is a parable of sorts that illustrates the collapsing farm economy; costs for production were some 35 percent higher than prices in the mid to late 20s, a figure that would turn doubly bad after the crash in 1929 (O'Connell 1979, 164). Hence the tale of the cow, here told by Oscar Torstenson, a Dawson farmer, when reflecting upon the 1920s[7] price drops:

> You see, the price, it was nothing for what you had to sell. I know one fellah, he shipped a cow, and he told

[7] Specific years were not provided, however the conversation was about the worsening situation for agriculture in the mid- to late-1920s.

> me about it. He was on the same school board with me. He asked a trucker to pick up the cow he wanted to ship. When he got the returns, in place of getting a check, he got a statement that the cow hadn't brought enough to cover the freight commission and handling charges. So when he met the trucker in town the next time he says, "I plan to ship another one. If you take it, you let it ride as long as she's got anything to ride on. After that you stop and kick her out. (165)

While it is surely possible that Mr. Torstenson did in fact know the man with the cow and the sardonic wit, considering the similarity of this story to one told by Clara Jorgensen it is far more likely a shared narrative that has spread out across farms and time. From a framing perspective, it is surely noteworthy that the farmers who talk about the economic situation in the 1920s do so with concrete examples of production costs and price paid for goods; it is quite a different frame than the more generalized economic theories visible in the rhetoric of the bankers. It is such frames, grounded in specificity, that help lay the groundwork for the changes in debt relations to come. Jorgensen begins her cow tale like this:

> I know one of our friends, he has a check, he saved it, a check stub or whatever, for a cow, a big cow, $7 and something, some people they had to pay money and you heard this over the radio just recently, of a guy that shipped a calf and by the time everything was deducted he got 66 cents. Another one, that was on the radio, another one sold a couple of calves and ended up with 25 cents. (4)

Her husband finished the story, adding “And then we have, somebody out here that sent the calf down, he got a bill, when he got down there, there wasn’t enough to pay transportation” (4).

The point, of course, is not whether or not the story is a true one but that it defines a serious problem of the time: it costs more to produce farm products than can be redeemed with prices that were being paid. Further, in these scenarios, everyone makes out *except* the farmer: the trucker gets paid for making the haul and the buyer gets a cow on the cheap while the farmer takes a loss in time and money. In the context of the party’s goals overall, the remedy to this morally wrong scenario is organization in the form of the Farmer Labor Party, organization that will lead to government intervention in the form of price stabilization and reduced overhead (namely, reduced taxes). The narrative shared through this repeated scenario works double time, both illustrating the economic crisis on the farm (a powerful motivator to take action) while providing for the possibility of an entirely different scenario unfolding. In the unspoken scenario, a fair price is paid for the cow (or the wheat or corn or hog). To get that fair price would require government intervention, which can be achieved through solidarity, education, and organized action. The party gives the potential for the narrative having a different ending.

Finally, the Farmer Labor Party's rising influence (despite its lack of dominance in the main stream media in the 1920s) can be observed in the election and radical work of Minnesota Senator Henrik Shipstead. Shipstead, a dentist who had unsuccessfully run for Governor in 1920 as an Independent (against Preus, to whom he had lost the Republican primary), ran for Senator in 1922 against Frank B. Kellogg. Shipstead, who ran on the Farmer Labor Party ticket, was noted for driving from town to town in an old Ford. Once there, he would talk to voters about economics generally and "the depression in farm prices" specifically, framing the problem as one rooted in the immorality of war and suggesting as remedy improved legislation that favored the farmer and labor class. He would also take up a collection to pay for tires and gasoline to get him to the next town, which worked rhetorically to situate Shipstead as a true representative of the people whose vote he was soliciting. Compared with the wealthy corporate lawyer Kellogg, who traveled by "a chauffeur-driven Pierce-Arrow," Shipstead was an obvious choice amid growing unrest among farmers and laborers who were facing an increasingly difficult economy and anti-union efforts that were supported by the judicial system in the Twin Cities (Stuhler 1973, 78).

A *Minneapolis Morning Tribune* story from the campaign trail makes clear Shipstead's rhetorical identity as one in line with farmers and laborers with the headline "Shipstead Calls for 'New Deal[8]' to Agriculture" and the subheads "Farmer-Labor Senatorial Candidate Makes Keynote Speech" and "Monopoly of Coal Operators Should Be Taken Away, He Affirms" (1922, 4). The story's lead and second paragraph drive the point home:

> Dr. Henrick Shipstead, candidate for the United States Senate on the Farmer-Labor ticket in Minnesota, declared in his keynote address here [Detroit, Minnesota] today that 'we must establish a definite, practicable policy of legislation for agriculture and labor so that the farmer and laborer can feel as assured of a livelihood from their occupation as are the mine owners, railroad owners and makers of war material.'
> Dr. Shipstead said that he, if elected, will participate in the work of the 'farm bloc, the labor bloc, the business men's bloc, the soldiers' bloc, and the mothers' bloc.

[8] Note that the call for a "new deal" precedes by a decade the adoption of the phrase by FDR. Commonly used by the *Farmer-Labor Leader* when calling for change, the Oxford English Dictionary points to scant usage of the phrase before 1932. Until becoming associated in the U.S. with the FDR administration, it used to be used metaphorically, drawing upon its meaning in card games (a quite literal meaning—as in a new hand of cards) (2014).

The direct quotes continue, creating a narrative in which Shipstead points to the problem of an overly strong legislative representation of oil, mining, steel, railroad, and Wall Street interests. As such, the framing of the problem by Shipstead is quite clear: there is too much power held by the large “monopolies,” a power that corrupts and leaves too many citizens without needed representation and legislation. The remedy is framed as targeted legislation at the federal level that will provide a “new deal and new leadership at Washington” to improve the status of farmers, laborers, and soldiers. Part of that legislation, although not specifically described in this article, is visible in his call for the elimination of the existing problem of a few powerful interests being in control of “the people’s money and credit.” Rather, the people, as represented by their elected officials in the federal government, should be in control of the structure of their lines of credit; this is an important idea that links legislative representation to debt structures, paving the way for government intervention. Shipstead promises, in essence, to shift the balance of power in the federal government in favor of farmers and laborers, a move that will include improving access to funds; in other words, government oversight or involvement in farm and labor finance.

Shipstead, the first non-Republican since 1863 to take the Senate seat for Minnesota, did so with a strong margin. His victory was just one feather in the cap of the Farmer Labor Party that year. Although Preus, the incumbent, succeeded in holding his gubernatorial post against the FLP candidate that year, voters nonetheless smiled on the party, sending three FLP legislators to Congress, electing 24 to the state senate, and 46 to the lower house of the legislature (Stuhler 1973, 78-79), a sound beginning to the party’s influence on state and national politics in the 1920s. With such strong entry into political office, it becomes evident that the three-pronged approach of education, organization, and political change was working to prop up this third party, which would give it greater voice as the decade progressed and give these new ideas the strength to effect change in debt relations on a federal legislative level.

Although Shipstead was known for his radicalism in the areas of “agrarian interests and foreign affairs” (he served on the foreign relations committee)[9], he was also a proponent of pro-labor efforts, namely union organizing, which was of course a vital goal of the Farmer Labor Party and also fit his worldview as union organizing was vital to making secure the entire infrastructure that surrounds agriculture. In 1926 and 1927, the Citizens Alliance, a brutal union-busting organization founded by local Twin Cities businesses and banks and supported by local judges they helped put in office, took a number of successful steps to criminalize and combat union organizing. A series of injunctions by the courts first severely limited protesting by making it illegal for strikers and organizers to have any contact with scabs and open-shop workers and then going so far as to make it illegal to even hold signs peacefully and a respectful distance from the business in question. Commenting on his first legislative move to fight labor injunctions, in 1927, Shipstead is quoted as saying,

> The extension to which equity jurisdiction has gone robs the average working man . . . of his right to be governed by law as distinct from being governed by judicial discretion, which is another name for the absolutism of kings by divine right (Millikan 2001, 192).

[9] Among his more radical stances were his opposition to the League of Nations, his belief that the treatment of Germany after the war was sowing the seeds of another world conflict, his opposition to conscription, and his steadfast belief in Jeffersonian ideals of agriculture as the cornerstone of Democracy (Stuhler 1973, 79-82).

Shipstead’s criticism is a biting one and reflects his party’s belief in representation of and fairness toward the working class as well as a harsh view of anything smacking of absolute power in the hands of a few. By defining the problem in terms of the “divine right” of kings, he makes a moral judgment that points to the cause of an out-of-balance judicial system that requires a legislative remedy if the “working man” is to be restored to his rightful place as a law-abiding citizen with the right to organize and protest.

When that first pro-labor organizing bill failed to pass (despite his eloquence, Shipstead was still in a minority position as the sole member of the Farmer Labor Party in the U.S. Senate), he introduced another one in 1930, the Shipstead Act, specifically aimed at protecting organizers. Although that one, too, failed to pass, it did set the stage for a pro-labor bill that would be passed into federal law soon after (the Norris-LaGuardia Anti-Injunction Bill). “A Mankato paper commented: ‘For a long fight for this law, Senator Shipstead has made a name for himself that will live on long after he is gone. His work will be a tangible factor for the common good in the age-old struggle against special privilege” (Millikan, p 193).

Indeed, Shipstead’s voice was but one to rise from the chorus of Farmer Labor Party members--from farmers to factory workers, labor organizers to politicians--who would continue to work for a different future, refusing to be tied to the dominant frame of the decade and instead insisting upon significant changes in debt relations through federal government involvement. As the next chapter unfolds to cover the period after the stock market crash and until the Agricultural Adjustment Act was passed in 1933, the shift in the dominant frame will become evident in the election of the first Farmer Labor Party governor as well as in the main stream press coverage and the legislative efforts to provide government intervention to stabilize farm prices.

Chapter 3

Farmer Activist Narrative Shifts Rhetoric of Farm Debt

The emergent narrative of the “farm crisis” in the 1920s framed the problem of farm debt as one caused by a reckless and selfish oligarchy, a problem that required a remedy in the form of government intervention. That once emergent narrative begins to evolve into a position of dominance in the early 1930s, providing powerful rhetorical means to shift the financial paradigm away from regulation-free financialization and toward federal government management of agricultural finance. As we grow closer to the passage of the Agricultural Adjustment Act of 1933 and the Farm Credit Act of 1933, the worsening economy surely played a role in the positive reception of demands for stronger government; however, that role is too often used as a catch-all excuse to explain the radical changes in policy. The consistent work of organizations like the Farmer Labor Party to educate, organize, and change policy made familiar the remedy frame that governmental intervention would be necessary to solve the farm crisis. By 1932 this once emergent frame would warrant the dominant national narrative represented by the passage of the farm bills in 1933.

This chapter focuses on an analysis of the rhetoric that frames the “farm crisis” predominantly from the perspective of this new financial paradigm. The focus is primarily on Minnesota’s Famer Labor Party, which came to its height of power in 1930 with the election of Floyd B. Olson as Governor on the FLP ticket, as well as some related mainstream news coverage and other farm radical rhetoric. The powerful and vast Northwest agricultural and banking region, well represented in Minnesota press and politics, played a vital role in the arguments for the new financial paradigm. In this chapter it is particularly important to note the role of the highly successful Farmer Labor Party in shifting the rhetoric of the “farm crisis” through its educational programs, protests, and direct involvement in local, state, and federal government. The consistent and effective rhetorical pressure of the Farmer Labor Party began to change the national narrative, moving the farmer’s relationship to debt toward a model of federal oversight, helping make ready legislators and voters to accept the New Deal’s agricultural interventions that would arrive in 1933.

As is well established, the 1920s came to a harsh finish. Noted historian David M. Kennedy (1999) puts it in quite dramatic terms, comparing the October 1929 stock market crash to an earthquake that “cracked startlingly across the United States, the herald of a crisis that was to shake the American way of life to its foundations” (1999, 10). As bad as things were for the country at large as 1930 shepherded in the Great Depression, things were worse for agricultural areas that had not shared the same 1920s boom as industry and Wall Street. In Minnesota, nonfarm earnings dropped by 6 percent from 1929 to 1930 while farm earnings dropped 17 percent in the same period. Nonfarm earnings dropped another 44 percent from 1930 to 1931 while farm earnings fell 53 percent in the same period. By 1933, compared with 1929 levels, the drop in nonfarm earnings in Minnesota was 41 percent—an astonishing figure—but one that is dwarfed by the 78 percent plummet in farm earnings in the same period (United States Department of Commerce, 2010).

What those figures meant for the people living in rural Minnesota in the early 1930s was unprecedented unemployment, homelessness, hunger, rampant foreclosures, fear and unrest. As bad as those things had been in the middle of the 1920s, the stock market crash intensified financial woes, leading to the collapse or freezing of banks; the problems were especially bad in rural areas. Although Floyd B. Olson himself asserted in later years that "his success depended on hard times" (Mayer 1987, 42), arguably his success was equally dependent upon his five solid years of cultivating voters both within his Farmer Labor Party and among small business leaders (both Republicans and Democrats). In the November, 1930, gubernatorial election in Minnesota, both Olson's substantial skills in the political arena as well as the decade of rhetorical work put in by the Farmer Labor Party would win out. Minnesota voters gave Olson 473,154 votes to the Republican candidate's 289,528 and the Democrat's 29,109. And so began a new decade in Minnesota, with a Farmer Labor Party governor given a mandate from the people of his state.

The Olson Years

Regardless of his mandate from voters, Olson faced an uphill battle as Governor his first year in office. The legislature was still largely controlled by Republicans, who even went so far as to strip Olson’s Lieutenant Governor, Henry Arens (FLP), of his power to decide upon the make-up of the Rules Committee. With so many Republicans in power, combined with former Governor Christianson (R) appointees in some key posts, Olson at first had some difficulty getting Farmer Labor party faithfuls in key positions of power. However, he did manage to get enough FLP representatives in place to avoid too strong a backlash from the party. His time in office was known, though, for his efforts to strengthen the party through alliances with Republicans and Democrats, a departure from the typical patronage of newly elected Governors, which was visible in his appointments. Often those appointments were given to his supporters from other parties (such as Jean Wittich, a Republican who campaigned for Olson) or even to well-connected individuals who hadn’t campaigned for him (Mayer 1987, 61-67; Valelly 1989, 57-59; *Farmer-Labor Leader* 1930a). Key among his new alliance is a group that not only broadened his constituency, but also strengthened the reach of the Farmer Labor Party into the realm of the middle-class.

A political cartoon that ran on the front page of the *Farmer-Labor Leader* on December 17, 1930, titled “THE CLEAN

SWEEP!” does much to illustrate and define the new face of the Farmer Labor Party as well as its growing constituency and the promise of a new financial regime (*Farmer-Labor Leader* 1930b). Olson is drawn in a vest and tie, his sleeves rolled up, indicating that he is ready to get to work using the broom in his hands to clean up a number of issues that are framed as problems, including “favoritism and laxity in the bank dept.,” “irregularities in rural credit bureaus,” and “old ‘special privilege’ himself,” all of which work together to cause a failed system that favors the few over the many. Olson has an expression of critical determination and confidence with his arched eyebrow and slight smile and clear satisfaction with his upright posture, framing the new governor’s opposition to the old guard as the remedy to the problems featured. Further, the clean-up suggested in the cartoon clearly frames the Governor as morally just in his actions while those being swept into the trash are immoral. Besides the obvious reference to cleanliness being close to Godliness, his placement above the dust cloud with his clean clothes help drive home the point that he will clean up the mess at the State House.

Fascinating as the portrayal of Olson alone is, the two most important elements of the cartoon, as they reflect the vital work of the Farmer Labor Party the past decade, are the men supporting Olson and the representation of a Wall Street elite crumpled up in the trashcan labeled "Minnesota [tr]ash can for special privilege." First, the three supporters are all clearly labeled in both the way they are drawn and explicitly with words. On one side is the "Minn. Bench, Bar, School and Church;" On the other side are the "Minn. Farmer" and "Minn. Labor." It wouldn't be necessary to be able to read the labels, however, to know what is represented in the images. The "bench, bar, school and church" representative, standing behind Olson's right shoulder on which he is resting a supportive hand, has many signs that indicate education and status—but not wealth. His suit is traditional, not flashy, with a rounded collar. He wears a top hat, but not an extravagantly high one, and he has plain glasses.[10]

[10] The middle class, specifically the "business man," became an increasingly important part of the FLP in the early 1930s. The front page of the July 16, 1931, *Farmer-Labor Leader* featured under the banner headline "FARMER-LABOR PARTY DEMANDS NEW DEAL FOR BUSINESS MAN AS FOR FARMER AND LABOR" featured multiple stories about the importance of "business men" joining the FLP as the party that "must primarily represent the farmers and the workers of brain and hand" as opposed to the Republican and Democratic parties that "are unfit to govern" with their policies "dictated by the special interests" as "the political expression of large industrial, banking and public utility groups."

Behind Olson's left shoulder on which he, too, rests a supportive hand, is the Minnesota farmer, clearly recognizable by his suspenders and work shirt, bandana, straw hat and scraggy beard. Continuing the chain of support is the representative of labor, recognizable by his overalls, work shirt with rolled sleeve to show a muscular arm, and factory worker cap. All eyes are turned to Olson with approving smiles as they say, "Go right ahead, Gov'nor! That's why we voted for you! We saw you use that broom in the Minneapolis City Hall! We don't mind th' dust." So, yes, Olson in the Governor's seat is part of the remedy, but not Olson alone; it is the entire party (as represented by its key constituents of Farmer, Labor, and Middle Class worker) working together with Olson to enact change that empowers this clean-up of the state.

That vision of solidarity, which is carried forward into the 1930s from its strong roots in the 1920s, becomes an even more important narrative as the party grows in strength and purpose.[11] The cartoon's message that Olson's

(Wefald, Knud 1931; Williams, Howard Y. 1931) Eventually this alliance would wane, but it was an important part of the shift into dominance of the idea of Government intervention into finance.

[11] While in 1930 the Farmer-Labor Association counted 7,500 official members, that year was the start of a building of membership that would lead to 20,000 to 30,000 members after 1933 (Valelly 1989, 62). Keep in mind, too, that membership does not equate to reach; only those who

supporters had witnessed him "use that broom" before is referencing Olson's prior years as Hennepin County Attorney, during which time he garnered a well-deserved reputation for taking down corrupt Aldermen; the message at once indicates faith in his skills and frames his supporters as willing to endure the uncomfortable parts of the demanded changes. After all, each of them have experience with "the dust" in their own right, and sacrifice is a morally just path to follow.

The morally upright, solidarity and sacrifice elements of the cartoon are particularly important when thinking about the ways the Farmer Labor Party's narrative has moved into a more dominant position by 1930. Part of the organization's success is that even when this cartoon was drawn, more than a decade after the Party's founding, there is still considerable repetition of the importance of the unique solidarity that makes it strong. This time there is the fascinating addition of the educated man who is of service to his community (as either a judge, a teacher, or a pastor), an addition that still fits within the Farmer Labor Party goal of creating a better world through a

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could afford to pay dues were counted as members, but many more in farming communities were readers of the *Farmer-Labor Leader* and participants in grass-roots organizing and protesting.

government that puts the welfare of its working class people above the profit of a few. The farmer and labor representatives stand so close they are almost one. And all three of them have Olson’s back, so to speak. So while the rest of the country was reeling in fear of the continuing economic distress, the Farmer Labor Party envisions itself coming together and, through solidarity and government intervention, enacting positive change that will right financial wrongs.

The righting of financial wrongs is particularly vivid in the illustration of the fancy banker/Wall Streeter in the garbage. Here the caricature of the banker is linked causally to the many problems being swept up as those problems belong in the trash with the corrupt, selfish profiteers who must be among the first targeted in the clean-up. That clean-up, led by Olson with the solidarity and support of the Farmer Labor Party (as represented by the men behind him), is framed as the remedy to the problems caused by Wall Street. It is clear that the defeated man who has been swept into the trash is a banker or a representative of Wall Street because of his fancy black and white shoes with their prominent buttons, his very tall hat (which, although crushed like an accordion, is almost the same height as the “bench, bar, school and church” representative), his distinctly white shirt cuffs, and his gloves. Further, as his new place in Minnesota is in a “trash can for special privilege,” we see the enactment of the new financial paradigm in which government works with the support of a political alliance of farmer, laborer, and small businessperson to restore balance and limit the power of Wall Street.

In his January 7, 1931, first inaugural address to the legislature, Olson’s rhetoric is illustrative of the ongoing transition of Farmer Labor Party political and economic beliefs from the earlier phase as emergent into their increasingly dominant position. As Raymond Williams (1977) notes, there is not always a clear-cut epochal separation point when assessing periodization (121). Rather, from a rhetorical perspective, we can see in the Governor’s address a blending of some of the dominant and emergent frames with a clear move toward the more radical perspective that called for government intervention into economics.[12] After the standard inaugural opening in which

[12] Interestingly, Olson biographer Mayer devotes little space to this address, describing it as a disappointment to the Farmer Labor Party for its lack of radicalism, an opinion that gets repeated on numerous websites that cite Mayer. However, The *Farmer-Labor Leader*, which runs the entire address in its January 24, 1931, issue, describes his

he calls for nonpartisan camaraderie for the benefit of Minnesota, he immediately frames a key problem for the state:

> We are confronted at this time with an acute unemployment situation. It is the duty of the state, as the guardian of all its citizens to do everything possible to alleviate the situation. The most practical means of helping is in the carrying on of public work, which not only will provide employment for persons now idle, but will tend to encourage and stimulate private industry. (Olson 1931, 2-3)

Here the problem is clearly labeled as unemployment. The remedy suggested is one of direct intervention by the state in the form of a public works program, which he sells not just as a benefit for the unemployed but also as a stimulus plan that will help private industry as well.

In addition to suggesting the public works plan, he makes it clear that the old financial regime, as represented here by the prior administration, failed the people of Minnesota with its focus on "economy" (read very little government spending). Because of the lack of spending in the past, Olson explains that expenses will

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proposals as "practical measures designed to meet the immediate and pressing problems confronting the people and the state," and frames the address overall as "concise" and presented in a "forceful manner." While perhaps not an introduction overwrought with partisan joy, nor does it express disappointment.

have to go up now to meet the needs of things that have been neglected, such as new buildings and infrastructure:

> Let us meet the situation frankly and courageously, and provide for these improvements, not only because they are of an immediate necessity, but also because they will assist the people of Minnesota in our unemployment situation. (4)

Here he frames his suggested remedy of a public works project as both urgent and morally just, as “they will assist the people.” His framing rhetorically situates the increase in government spending and state oversight of building projects as a moral and immediate need, which is a strong position from which to counter reduced or flat spending levels.

Specifically, Olson argues for the expansion of the state’s road paving program as an important part of the overall plan to relieve unemployment. In this section, the remedy is framed again in terms that call for state intervention not just in unemployment, but in this case in the setting of hours and wages as well through his clear call for strong wages, consistent hours, and locally employed (Minnesota) laborers:

> Leading American economists of both conservative and liberal tendencies agree that wages must be kept up to a high standard.
> A law should be passed providing that the wages paid on public work carried on directly by the state, or by

> contact with the state, must be equal to the highest prevailing scale of wages paid for the particular kind of work performed. (4-5)

The working hours he ties to “accepted standards prevailing at the time the work is performed in public work carried on by the federal government,” a move that frames the remedy as one that should be guided by the federal government. His choice to lead off this section with a reference to “economists of both conservative and liberal tendencies” frames the remedy as one that is wise and nonpartisan. The statement is also accurate—both President Hoover on one side and labor activists on the other promoted the importance of maintaining or increasing wages, both to prevent a further degradation of living standards as well as to restore the economy through consumer spending.

Further illustrating the shift toward a dominant narrative that values the financial affairs of the farmer, not just the Wall Street class, Olson also indicates a significant shift regarding farmers and taxation. In a brief comment on tax reforms, he makes this call:

> You will undoubtedly earnestly study and consider the problem of the re-classification of property so as to remove the present inequalities of our tax system. I especially urge you to consider the farming population in the matter of tax equalization and reallocation, not only because of the shrinking of farm income, but particularly because the farming population is

> carrying a disproportionate share of the total tax burden.

Here Olson frames the farm problem as the burden of a “disproportionate share” of taxation on farmers in the state. The cause of this imbalance is framed from two sides; from the government side it is one of “inequalities” in property classification and an overreliance on property tax. From the farmer side the cause is “shrinking of farm income,” a phrase that implies the income is going to continue to get smaller. The remedy, framed as morally just as it will fix the unfair “burden” placed on farmers, is to reallocate taxes and better classify farmland. Under Olson’s leadership, two years later the legislature would change the state to an income-tax based system and would pass stricter regulations about what classifies a property as a farm, a move that would eliminate misuse of lower property taxes by corporations that would buy “farmland” but not actually use it to produce agricultural goods (MN House 1933, H.F. 104; Mayer 1987, 139, 267-272).

Additionally, while not as relevant to a consideration of farm finance, it is worth noting that Olson also argues for federal control of power plants and expanded state oversight of utilities, both of which clearly point to the shift in the dominant narrative toward the intervention of the state in matters related to access to basic human rights. This not only reflects the emergent narrative of the 1920s discussed in the last chapter, but contrasts sharply to the prior decade's dominant narrative that favored private control of all industry, including utilities and power plants. Finally, in a nod to the new business-class component of the Farmer Labor Party, Olson includes a brief statement in favor of "the independent merchant," framing the merchant as a class that is suffering from the problem of a worsened financial situation caused by the "monopoly" of "the so-called Chain Store system;" Olson calls for a remedy in the form of the "passage of appropriate legislation" to eliminate "inequalities which injure the independent merchant." Although somewhat vague, what is important in this suggested remedy is the visible shift toward a dominant narrative that favors government remedies to the financial problems of the lower and middle classes in opposition to the once dominant narrative that favored big business and industry in a free-market system.

It is not just in Olson's first inaugural address that the now-dominant narrative's focus on government involvement in finance and protection of basic human rights is visible. By the summer of 1931, the suggestion that government should intervene in the needs of daily life, considered dangerously radical ideas the prior decade, was not limited to the Governor's speech. The newspaper generally frames such ideas in natural terms as the depression deepens. For example, an August 23, 1931, page one story about the 46th annual convention meeting of the Minnesota Federation of Labor is clearly in line with the now dominant narrative. Though titled "Labor Favors Shorter Days" with the subhead "State Session Reaffirms Opposition to Radicalism After [*sic*] Bitter Fight," the article actually covers what is framed as the following reasonable ideas to solve unemployment:

> establishment of the shorter working hours, increase of wages, abolition of child labor, unemployment insurance and old age pensions to be paid for out of income taxes, establishment of community eating houses in which needy would be served with food upon presentation of a card from municipal welfare boards, institutions of a great amount of public work and enactment of a new inheritance tax law so that the greater portion of huge estates would revert back to the public.

The resolution, read by Secretary George W. Lawson, continues with criticism that frames the cause of the economic turmoil in the U.S. as essentially reaping what it sows as a capitalistic country, suggesting the need for “a greater return to the worker from the products of his toil, and taxation upon capital to return to society the accumulated wealth." Such ideas were, just six years earlier, framed as dangerous in their Communist leanings, illustrating an interesting shift in what is considered “too radical.”

The remedies suggested here are for policies put in place to take care of everyone, including those who cannot take care of themselves (children, the aged, those without enough money for food). Again the shift toward a rhetoric that favors a system of government-based caretaking of the most vulnerable in society as well as a “fair” system for the working class is the dominant message here; it is significant that it is reported in the mainstream press without the snide commentary or alarmist communist warnings that accompanied such stories in the 1920s. Also present in the framing of these remedies to the problem of unemployment is a moral frame that suggests it is just and right to take care of the elderly and children (those who cannot protect/provide for themselves), that the “needy” should be provided with the basic human right of food, institutions should be established to take care of the public, and the rich should be required to share their wealth through a tax system that benefits the public rather than wealthy heirs. Taking care of those who cannot take care of themselves and sharing wealth with the community as morally right are ideas that fit the now dominant narrative that government should play a more direct role in the structure of society, including its financial distributions.

Interestingly, the “opposition to radicalism” referenced in the subhead is actually to the minority report from the organization, presented by “radical leader” Julius F. Emme, which suggested that basic human needs including food, clothing, and shelter must be “socially controlled instead of privately owned.” While clearly framed as being too radical even for the radicals, still the ideas are explained in this article not as the ravings of a lunatic Communist (as any suggestion of public ownership used to be), but as a minority viewpoint worthy of report. In a narrative that includes as worthy of consideration the idea of the state providing for basic human needs (or rights) including housing, we see the paradigm shift in financial regimes from the prior decade. In the 1920s, the dominant narrative called for private ownership and management of everything, including mortgages. Now it is valid to consider public management of all human needs, including housing, which moves financial management of mortgages within this new paradigm.

By late summer of his first term, facing some backlash in the conservative press for his government expenditures, Olson has his Budget Commissioner[13] frame the problems of the state (including the farm problem) in terms of greed, unfair policies (especially taxation), lack of cooperation for the sake of the community, and failure of government in the past. The overall narrative here becomes one that again reflects the now dominant place of a once emergent narrative: basic human rights must be provided by society, a society that is structured through the state. In her radio address on the evening of August 27, 1931, on WCCO[14] Jean W. Wittich begins by explaining in great detail how

[13] Olson's Budget Commissioner, Jean W. Wittich, was the first woman to hold as high an office in the Minnesota government. A Phi Beta Kappa, former Republican, and vice president of the League of Women Voters, she was an Olson convert who campaigned actively for him from a non-partisan standpoint (Mayer 1987, 42; Gieske 1979, 144).

[14] WCCO is the oldest radio station in the Twin Cities. At the time owned by Washburn Crosby Company (which would become General Mills), the station was a leader in radio technology, giving it a tremendous broadcasting range, even as far as Hawaii when the weather cooperated. The Floyd B. Olson Papers files at the Minnesota Historical Society contain many telegrams sent by listeners from all over the Midwest, including the Dakotas. The station was bought by CBS in 1932 (CBS Minnesota).

the state budget works, where the money goes, and how many people/institutions it helps. As she moves into the closing of her address, Wittich underscores the importance of the state expenditures:

> Minnesota is the victim of a great many economic ills at present. . . .particularly the farmers who are already staggering under heavy taxes and the inequalities resulting from tangible property being so heavily burdened where again agriculture suffers most.

Here the problem, especially bad for the farmer, is framed as “economic ills.” The problem is caused by a tax code that relies overly on property tax instead of a fair income tax, which results in substantial difficulties for farmers who have lots of property but not a commensurate income. Implied is the remedy already suggested by Olson and covered in the press: a new tax system that favors the farmer. The framing used by Wittich also has a moral component, in that the suffering of the farmer class seems almost biblical in proportion with one “economic ill” after another piled on to this “heavily burdened” “victim.” So a government remedy here is framed as economically wise and morally just.

Next, in her final statement, Wittich really brings home Olson’s message that special interests cannot rule; to solve the problem of economic insecurity, we must all work together under government guidance:

> So long as the bankers huddle together in larger and larger mergers, placing service charges on checking accounts and refusing to loan money for enterprises that bring new industry to us; so long as the public utilities continue their rates above depression levels for other saleable commodities; so long as industry retrenches by lowering wages and letting out men and women to join the unemployed; so long as labor refuses to help work out a constructive program and looks with suspicion on almost every cooperative measure; so long as agriculture allows itself to be exploited by tariffs, high transportation rates and unfair taxes, we shall never improve our present condition. The economic salvation of the state will be effected when every group will honestly face the facts of which it is now fully aware and decide to give up some of its own advantages and contribute the value of its experience toward maintaining an economic balance by a unified program worked out under the leadership of the government.

In addressing the problem of economic insecurity, Wittich provides multiple causes in her frames: bank liquidity issues following banks choosing to focus on their own mergers and profit margins rather than on their place in the community, which in turn hurts the state's chances to enjoy new growth in business; utilities charging too much for services in a depression economy; unemployment, made worse by industry responding to hard times by lowering wages and adding more workers to the unemployment line; the farm crisis, caused by exploitation in the form of tariffs, transportation costs, and “unfair taxes.”

All of these problems and causes are framed in moral terms, as it is wrong to: put your own wealth above the health of the community, to overcharge for services, to lower wages and hours in hard times, and to treat one sector of the economy (farming) unfairly. Using a moral frame to describe these problems makes the suggested remedy of government intervention with the goal of a more fair society more attractive. Also, by directly naming the industrial habit of responding to hard times by lowering wages and adding more workers to the unemployment line, there is some moral justification for the frustration of labor. By providing that moral justification, while Wittich certainly is critical of labor being too “suspicious” to find a constructive solution to the problem of unemployment, her criticism is couched in understanding.

Finally, there is the farm problem, caused by exploitation in the form of tariffs, transportation costs, and “unfair taxes.” In the case of the farm problem, unlike the others in which the characters (bankers, factory owners) play some active part in worsening their own problems, here the farmer’s role seems to be a passive one in allowing his or her own exploitation; if the cause is allowing exploitation, then the implied remedy is not allowing exploitation, which can only happen through organized action, solidarity, and policy change. To attain such policy changes, the farmer is called upon to continue to protest and insist upon better policies. The moral overtones of the address hit their highest note in the last sentence, when “economic salvation” is called for through sacrifice of all for the greater good of “economic balance,” which can only be achieved through cooperation, solidarity, and under the guidance of government. Again we see the now dominant narrative that through solidarity and strong government, we can have a better society. This will be a world with generous bankers, fair leaders in industry and labor, and sound agricultural policies that allow that key sector to thrive, all thanks to the leadership of the state.

In a call to action and solidarity at a Labor Day picnic, the Olson administration continues to rhetorically frame a new financial regime in which the economically weak must be protected. Just a few days after the radio address, at a Labor Day celebration in Powderhorn Park on August 30, 1931, laborers enjoyed “cool, crisp, autumn weather” and “light hearted participation in a program of sports and novelty contests and to serious discussion of the problems of labor, particularly unemployment,” according to the Page 1 *Minneapolis Tribune* article titled “Labor Picnics; Asks Week Cut” with the subhead “Five-Day Working Period Urged by Speakers at Powderhorn” (*Minneapolis Tribune* 1931). Unlike the anti-union coverage in the paper from the 1920s, the reporting on this “organized labor” celebration clearly reflects the now dominant position of the ideas of the Farmer Labor Party. Overall, the story is one of well-deserved respite and rational presentations from a series of speakers who “stressed the importance of the five-day work week as a means of combating unemployment.” An important part of the framing of the problem of the economy overall is the unemployment problem. While in this story the focus is on labor, it is relevant to the overall message of the Farmer Labor Party both for the importance of solidarity, but also because of an increasing focus on citizen as consumer; if factory workers are unemployed they cannot buy farm goods any more than struggling farmers can buy factory goods. The *Minneapolis Tribune* article frames the economic problem primarily as unemployment, but by suggesting the remedy of a more humane work week that would spread the same amount of labor among more workers, the unemployment problem is defined in terms of unfair labor practices, which can be helped by state involvement.

At the Labor Day Celebration, among the speeches that ran from 2 in the afternoon “until late in the evening” was the key address, drafted by Governor Olson. As he was too sick to attend himself, Olson had another of his appointees, Secretary Vince A. Day, read the speech. After making apologies for his inability to be there in person, Olson’s words continued, beginning with a succinct expression of the dominant narrative that solidarity will help fuel societal change:

> Organized labor has cause for celebration because of its constant contributions toward making the world a better place for all the people to live in. It must present a united front and in conjunction with unorganized labor and the farmer must militantly demand that millions of citizens of this great nation shall not suffer from periods of depression and distress. That result can be accomplished by law, but as a means of temporary relief I urge adoption of the five-day week and the six-hour day.

For Olson, then, the problem is framed as something greater than unemployment, rather it is a more generalized suffering of farmers, organized laborers, and unorganized laborers all hurt by the cause he defines as cycles of “depression and distress.” While he expresses general support for the reduced work week and day as a solution, he frames it as a “temporary relief” for a problem too big to be solved through a singular change in the working model for labor. What he frames as the remedy here is continued solidarity and militancy in demanding systematic and legal solutions to their problems.

That warms him up to frame a highly moral remedy as one based in government and the law:

> The theory of American law is to protect the weak. That includes those who are economically weak. The theory has never become an actuality. That is because government, including the law making bodies, has been responsive to the needs of the few and not to the needs of the many. The doctrines of equality of opportunity and individualism have served largely as an excuse for exploitation. There is no equality of opportunity when millions of people desiring to work are unable to secure it.

First, Olson defines the problem of unemployment in relation to the cause of a failure of American government, including its “law making bodies,” to live up to the promise of protecting the weak, including the poor (or, as he phrases it, the “economically weak”). Instead of taking care of those it should, rather “the needs of the few,” namely those with wealth, are served by government and law makers. The new financial paradigm is increasingly visible in such rhetoric, in which the free market is described in negative terms while speech that is openly critical of the old regime moves to the fore.

Olson then makes a powerful rhetorical move when he draws upon two key qualities of the American dream and redefines them. When he talks about "equality of opportunity and individualism," he does so not as a positive thing, but rather as an avenue to exploitation. Yes, unemployment is a problem here, but it is fueled by an immoral twisting of what is supposed to be a core American value, for there is no equality in a country where so many who want to work cannot.[15] The speech closes first with a moral chastisement of the old system followed by a call to co-create a better system of governance:

> Individualism is but a relic of the law of the jungle that the strong shall survive and the weak shall perish. Let us all join together in securing laws which will substantially remove unemployment, provide relief from its consequences, and which will insure a fair price to the farmer for the products produced by him.

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[15] It is difficult, if not impossible, to give accurate unemployment numbers from this period as the Federal Government did not keep reliable data on unemployment until 1948. However, based on anecdotal evidence and study of legislative records, many historians peg the number somewhere between 20 to 24 percent unemployment. If accurate, that is nearly one in four people unable to find work, a stunning figure. For more specific examples from around the country, see Irving Bernstein's *The Lean Years: A History of the American Worker, 1920-1933*.

Rather than frame individualism as a positive trait, he frames it as “a relic,” metaphorically renaming the free market a “jungle” in which “the strong shall survive and the weak shall perish.” This is a significant shift from the dominant narrative of the 1920s when the leaders of banking and industry touted their system as the best to ensure a wealthy and prosperous future under rule of providence. Now the same ideas are framed as problems leftover from the primitive and immoral “relic of the law of the jungle.” Olson’s remedy is one that will be brought about not by individualism and fierce competition for resources, but rather by solidarity of farmer, laborer, and business person to bring about changes in the law. In other words, the remedy to economic ills here is state intervention/governance with the support of the masses. What is needed is legislation that will create a strong government that protects and provides for all its citizens, including those with the least power and wealth.

Whether it was Olson’s repeated calls for continued militancy on the part of the people as a means of securing legislative changes, the worsening economic situation (especially for farmers), a the shift toward the new financial paradigm, or a combination of all of them, the time was right in 1932 for farmer activism to become increasingly radical. While in the 1920s, the pricing of farm goods was framed in terms of “providence” or market forces, by the time the Farm Holiday movement began both farmers and legislators (primarily in agricultural states) were viewing pricing as something that could be controlled either through legislative means or direct farmer action.

Radical Rhetoric and the Farmer Activist

Farm Holiday Association, while officially a movement started by Milo Reno of the National Farmers Union and popular among Farmer Union members in many Midwest states, its calls to action were made to all in the farming community, including Farmer Labor Party activists. The Jorgensen family (referenced in Chapter 2), in their interview about the 1920s and 1930s, often conflate the two, which is not surprising considering the Farmer Labor Party’s open and loud support of the Association (Valelly 1989, 91-92). Regardless, Farm Holiday was a separate organization from the Farmer Labor Party, each with its own press and leadership; however, when analyzing the rhetoric of the period related to farm activism, it is important to also incorporate the more radical offshoots such as Farm Holiday as their work influenced the larger understanding of the farm crisis in the period and was well received as high up in the Farmer Labor Party as Governor Olson[16].

Although the problem of low prices for farm goods is primarily what the Farm Holiday movement sought to fix, it often frames its message in highly moral terms, as this poem published in a radical farm paper illustrates:

> We can't continue longer now
> Upon our weary way
> We're forced to halt upon life's trail
> And call a "holiday."
>
> Let's call a Farmer's Holiday
> A Holiday let's hold
> We'll eat our wheat and ham and eggs,
> And let them eat their gold.
> *Iowa Union Farmer*, Feb. 27, 1932. (O’Connell 1979, 163).

Indeed, the wealthy who profit while those who grow their food suffer would find it most difficult to sustain themselves if required to eat the gold in their coffers.

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[16] In addition to Farm Holiday, The Tri-County Council of Defense and the United Farmers League are just two of the related activist cells named by Valelly (1989, 92). There was also a great deal of shuffling about of activist leaders from one group to another and even across state lines, as covered by Valelly, Millikan (2001), and Mayer (1987) throughout their texts. Reading through the memos from Vince Day to Governor Olson in the MNHS Vince Day Collection as well as various *Farmer-Labor Leader* issues, repetition of activist names at different times and places becomes visible. As I am tracking the rhetorical movement of ideas rather than people, I will not chart the movement of the leadership specifically here.

The image of the wealthy trying to live on their gold frames the problem of inadequate payment for farm products (prices lower than the cost of production) in terms that evoke numerous morality tales, all of which end with the same lesson: cruelty and greed toward others for selfish gain carries the price in the long run of misery and suffering. Here the farmers are framed as the protagonist to the wicked banker antagonist. The remedy to this immoral problem is direct action.

Further, by referring to the withholding of food from market as a “holiday,” the organization is re-appropriating the “bank holidays” called in many states after the crash in 1929 to prevent the total collapse of the banking system. However, while a bank holiday closed access to banks as a means of calming investors to prevent uncontrolled runs on withdrawals that could destroy banks (especially the smaller banks in rural areas), the “farm holiday” was actually more akin to a strike in that it withholds product much in the same way a labor union would withhold labor. Regardless, the choice of the word “holiday” does evoke the farmer taking control of a quickly degrading financial situation. The “farm holiday” was very practical in purpose: by ceasing shipment of food to market, reserves could be cleared and the farmers could “reset” prices at appropriate levels to cover the cost of production. The problem, then, is framed as inordinately low prices for farm products; the immediate remedy is organized protest and control of the commodity to raise prices while the long-term remedy is government price fixing. The holiday is framed as morally just because it is an act in opposition to the profiteers.

Another radical action first called in the early 1930s by Farm Holiday and later supported by multiple farm activist groups, including the Farmer Labor Party, is the Penny Auction. As a form of protest, the penny auction demands solidarity and willingness to protest the old financial system that could take away a farmer’s home and livelihood over unpaid debts. The Penny Auctions do significant work to solidify the new paradigm that shifts the meaning of debt and how farmers can change their relationship to that debt through organized action. The first goal of a Penny Auction is to stop a foreclosure on a farm. This is achieved by mobbing the sheriff’s sale and bidding mere pennies for property (which will then be returned to the farmer who owned the collateral before it went up for sale). Besides the direct bidding, intimidation was used as a tactic to prevent anyone who intended to use the auction to actually acquire goods for their own use to be shamed (or frightened) out of doing so.

John or Peter Jorgenson (which man is not specified in the oral history transcription) described a protest in Pine City, Minnesota, sometime in the early 1930s:

> We were called down to stop the foreclosure and I can't remember now how many we were but we were a hell of a lot of farmers, it was all blocked all the way around the courthouse and the halls were packed with farmers and the sheriff was in his yard and he couldn't get out because he's out for screwing the people. . . . 10 o'clock he came on and he couldn't come out and sell the farm and that's the way it went down. (Jorgensen 1974, 5)

Such acts of protest not only succeeded in showing solidarity, but also shamed any potential profiteers and made it impossible for the banks to proceed.

Although the Penny Auction form of protest was utilized some in the 1920s, it really spread as a viable form of protest after the crash. When farm mortgages were at risk for foreclosure in the 20s and 30s, largely because of outrageous mortgage constructs, based on highly inflated land values, that with their balloon payments and expectations for refinancing every five years eerily resemble the recent subprime loans, banks attempted to sell off the farms to recoup losses. (I use the word "losses" cautiously, as the banks and Rural Credit Bureau, which was established in 1923 in Minnesota, were responsible for giving loans on inflated values, so the “losses” were really gambles that did not pay off.) By 1930, just seven years after the formation of the Rural Credit Bureau in Minnesota, 27 percent of the loans made the first two years of the Bureau had been foreclosed; in Northwestern districts, which were at higher risk both because the farms were on unproved land and because of the inability of farmers to get supplemental work in the cities, the overall foreclosure rate was 30 percent in 1930 (True 1933).

To be clear, the rising foreclosure crisis, while absolutely vital to understand from a financial and debt perspective, carries a particularly layered meaning: it means the loss of a home, the loss of a business, the loss of a livelihood, the loss of personal possessions, the loss of an entire extended family’s existence, and, of course, the loss of a food producer. The Penny Auction as a remedy helps frame foreclosure as an issue of not just finance, but also morality. By interrupting the normal defaulted debt-to-foreclosure cycle, the Penny Auction played a part in forcing bankers to stop and reconsider the foreclosure route as a remedy to defaulted loans. The FLP and Farm

Holiday activists stood together to stop the auctions by ensuring carloads of members (including labor union activists) would attend, a solidarity that shifted the balance of power toward the farmer and away from the banker. Clara Jorgenson speaks of the taking back of power in her reminiscence of the Penny Auction protests:

> These land companies, they sold the land up here for a high price for the type of land when it was bought, and then of course the people couldn't pay. Then [they] take it back again. Just about every farm would have gone if it wasn't for the Farmer's Holiday.

By framing the actions of the banks as immoral and defining the problem as one of poor valuation, not negligent debt holders (which had been the dominant narrative in the 1920s), members of the Farmer Labor Party and Farm Holiday stood in solidarity against the banks and were eventually rewarded not just with short-term results (individual sales being blocked) but with first state and then national legislation. On April 18, 1933, Olson would sign the Minnesota Mortgage Moratorium and, less than a month later, the Emergency Foreclosure Act of 1933 would be passed as part of the federal Agricultural Adjustment Act of 1933.

Farm Finance and Foreclosures

The massive foreclosures, which illustrated profoundly the failure of the old financial regime, took a terrible toll all over the country, but especially in agricultural states like Minnesota. Besides the demoralization it caused in a large part of the population and key sector of the economy, the state investment in the foreclosures was adding to budget woes already hurting from the inability of so many to pay their taxes. Of $10 million in original loans made through the Rural Credit Bureau, the State’s investment by Dec. 30, 1930, was more than $12.6 million (True 1933, 170). So, rather than making money on the farm mortgage business, or even breaking even, the state was spending millions to deal with the foreclosure problem. Ernst Arndt, a professor of economics at the University of Pretoria in South Africa, was funded by Carnegie Mellon to visit Canada and America in the early 1930s to study agricultural finance. He wrote a report on his findings in a tone that is fairly detached as he describes some of the financial methods used to expand farming. Despite his generally detached style, however, Arndt clearly frames the situation in a way that not only defines problems but also makes moral judgments about some of the common practices of Minnesota bankers.

Before delving into his moral judgments of bankers assigning value to livestock, fields, tractors and farmers, it is important to note that this scholar's framing of the old regime's remedy for the foreclosure as completely illogical, mainly because bankers taking over ownership and management of farms is the inevitable next step after foreclosure. He cites in his report numerous examples of banks foreclosing on farms, after which they had to hire people to run the farms, pay for new equipment, fix dilapidated buildings, just to be able to sell the property. "In many instances, I was informed, the banks obtained only 50 to 60 per cent [*sic*] of the *amount they had advanced* several years ago," [emphasis his] he writes (Arndt 1933, 2-3). "In many areas land values during the past ten years had dropped 50 per cent," and with the bizarre structuring of the loans the farmer could be advanced as much as 90 percent of the value of the farm in loan form, "on the basis of valuations which are generally considered to be very liberal," a situation Arndt describes as "nothing but suicidal." While his colorful criticism of the old system is interesting, it is also noteworthy that he frames the problem with farm mortgages as a combination of inappropriate land values, poor lending practices, and generally bad business decisions. Those frames place the problem squarely on the shoulders of the bankers, reflecting the new paradigm that is critical of the old financial regime; again, this illustrates the shift away from blaming the farmer who doesn't pay back debts, which was the dominant narrative in the 1920s.

Arndt also has a chapter on chattel mortgages that illustrates his discomfort with the idea of assigning a monetary value to living things—including the farmers themselves (in that their ability to produce crops or animals for slaughter is rated). The invasive quality of the chattel mortgage he describes as such:

> Personal property commonly mortgaged by farmers includes livestock, farm machinery, automobiles, furniture, and musical instruments. In certain sections of the country, it is common for the merchant to take a chattel mortgage on the machinery and furniture sold on credit, while general family supplies are often bought on the security of any or all of the above forms of personal property. (17)

Importantly, he frames the foreclosure problem again as one caused by poor lending practices, particularly the use of equipment bought on credit as collateral. And in case his readers find his above statement to be an unlikely happenstance, especially the concept of accepting as collateral machinery already bought on credit, he assures them that “the above quotations by no means give an exaggerated picture of the use of the chattel mortgage in American finance. They are to be found in possession of the ordinary banks.” Arndt’s report reflects the growing discomfort with the prior financial regime’s practices in relation to farm debt.

As the financial paradigm shift becomes increasingly dominant in discussions of farmer debt, so, too, does a call for a legislative solution to the problem. In a June 1932 speech Olson made to the League of Minnesota Municipalities at Red Wing, his framing of the problem is obviously rooted both in his coming up through the Farmer Labor Party and the shifting momentum toward government remedy:

> The old pioneer idea of government as confined to police power has passed off the stage. We have now reached the socialized state. Just how far it shall extend its functions and services is no longer a matter of theory but a problem of practice and expediency. The present economic system has shown its inability to provide employment and even food or shelter for millions of Americans. Only government can cope with the situation (Mayer 1987, 108).

The rhetorical move toward a legislative remedy is crystal clear. The “present economic system” is a failure. It has caused problems of unemployment, lack of food, inadequate shelter for millions. Once again evoking and redefining the American Dream, Olson reminds us that the United States is no longer a Wild West frontier in which the only function of government is to keep the peace. He expresses urgency for enactment of his remedy, one that will extend government's functions into the economic system. His words push forward the idea of the new financial paradigm that rejects what was the dominant narrative of the 1920s.

Olson's comments came at a time when "Hoovervilles," or shantytowns, were springing up outside many urban areas, providing rudimentary cardboard or scrap-heap shacks for the many Americans made homeless by the Great Depression. And while Americans were not dying of starvation, daily hunger and even malnutrition were growing problems. Hoover himself had begun to try to find some solutions to the problem, stepping outside his non-interference ideology, but by then his actions were considered too little, too late (Kennedy 1999, 93-95). It is important to note that his framing of this issue directs attention to *government* forces and the *economic system* rather than other plausible frames (such as the farmer's mismanagement of resources or failure to adapt to changing markets, the once dominant frames of those in power). In this powerful speech, one of many he would make with a focus on the national issues related to the Great Depression as he campaigned for reelection (Mayer 1987, 107-113), the remedy for financial problems is one that ensures basic human rights including employment, housing, and food.

The idea of the old financial system being the cause of the current economic crisis, particularly among the farmer class, was also evident in a radical farm publication first published in 1932 in Washington, D.C., where it would be published sporadically until becoming *Farmers National Weekly*.[17] The publication reflects a similar frame that defines the farm crisis largely in terms of unfair labor practices, poor economic policies, and greedy profiteers (often labeled “middlemen” and “Wall Street fat cats”). While not directly related to the Farmer Labor Party, the publication is worthy of consideration as further evidence of the growing rhetorical chorus that empowered the farmer class to enact change. Consider the

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[17] This particular publication is part of a Microfilm collection of agrarian activist publications donated to the MNHS by agricultural historian Lowell K. Dyson and Lem Harris, a writer of farm and labor issues and Communist activist (Effland, Anne 2008; Alarcon, Evelina and John Pappademos 2002). It contains very little information about the publication, other than it was not regularly published and it was distributed in mimeographed form.

publication’s stated mission, as published just beneath the “Farm News Letter” title on the front page of its first issue:

> FARM NEWS LETTER is issued weekly to supply farmers and farm workers with a critical analysis of official reports, farm relief proposals, farm legislation, etc. It gives timely accounts of the struggles of the farm population against those agencies responsible for the chronic agricultural depression. It aims to get at the kernel of the deepening crisis by supplying vital facts which are too often beautified, ignored or actually distorted. (*Farm News Letter* 1932a)

First, it clearly frames the problem as “the chronic agricultural depression” and “the deepening crisis,” something made worse by, apparently, agencies who fail to provide truthful information about the depth of the crisis and its causes. That is a frame that clearly excludes the farmer’s action (or inaction in the case of debt default) as the problem and focuses instead on structural issues that must be addressed. One need look no further than the first article on the page to be sure that the problem is clearly framed in terms of the failure of the prior financial regime:

> Headline: Ruin of American Farm Calls for Action!
>
> Lead: In a news letter addressed to business men, Roger Babson (the doctor for sick business) tells them to “go into the woods, rest, think and pray.” Farm News Letter is addressed to farmers, and it will <u>not</u> advise them to “rest, think and pray.” When farmers

> are losing their homes to the sheriff and tax collector, when their year's crop is being swallowed by the banker and the food industries, it is no time to talk about resting and praying. It is time for thinking, of course, but especially it is time for action. (*Farm News Letter* 1932b)

The problems, then, are framed as foreclosures and unfair practices by bankers and food industries. Interestingly, although advising against praying as a course of action, still the moral judgment is one that favors the farmer taking action to stop the "sheriff and tax collector," "the banker and the food industries" from causing further harm to the farmer. The farmer is on the morally correct side in working to end injustice.

The article then goes on to point to the following problems caused by the old financial regime:

- Farm prices falling below 50% of pre-war levels.
- Farm taxes more than double pre-war levels.
- Freight rates higher.
- Farm mortgages on the rise along with foreclosure, which "increases tenantry and sharecropping".
- Tenantry on the rise.
- Wages for farm workers in decline or now nonexistent (room and board often the only pay).
- Unemployment generally, which removes buyers from the

market.

So the problems are defined here as structural/societal/ economic failures: pre-war prices for farm goods, foreclosures, unfair taxation. The moral judgment remains clear in the publication as it implies the farmer is being abused and misrepresented, and is not being protected by society. The remedy, then, is to take action to change the system.

Systemic Problems Demand Legislative Remedies

The first issue of *Farm Holiday News*, published February 28, 1932, is even more direct in its framing of the problem being a systemic one that privileges wealthy Wall Streeters over farmers to the detriment of society. Directly under the *Farm Holiday News* title is the slogan: "A Fight to Save Civilization." To its left is a box saying: "The Farmer Feeds the World and Deserves His Pay;" to the title's right is a box reading: "Agriculture is the Foundation of All Industry" (*Farm Holiday News* 1932a). The front page headlines of this publication are particularly enlightening:

- "A National Meeting of Farmers to Be Called in March for Outlining Proposed Plans of Future Action”

- “High American Tariff Has Been a Doubtful Blessing to United States Farmers”[18]
- “Farmers of America Are Fighting for the Homes They Are About to Lose: The Disparity Between Prices Received and the Cost of Things They Buy Makes It Impossible for the Farmer to Carry the Full Burden”
- “Sold to the Highest Bidder—But Suppose There Are No Bids?” (an article about the Penny Auction protests to stop foreclosure sales)
- “This Farmer Strikes Back With the Money Lender’s Own Weapon”
- “As Falling Prices Have Deflated the Southland Farmers”

The paper does double work, both encouraging further activism by illustrating its effectiveness in enacting change and pointing to problems caused by structural failures, such as unstable prices and a corrupt mortgage market. In this narrative, the farmer is far from

[18] To be clear, I have intentionally left the tariff disputes out of my project. While tariff issues certainly have the potential to affect farm prices, they were not commonly discussed in the farmer-labor press except for the occasional calls for “better tariff protections.” In a project more focused on Washington D.C. debates and the global market, research into the tariff would be vital, but it is not needed here.

powerless, however, as activism and fighting back against the corrupt lenders is a remedy that has results. So once again we see criticism of the old financial regime and a setting up for a new relationship with debt, one that will be, at least in part, on the farmer's terms.

In the center of the front page is a particularly eye-catching article titled "Buzzards Pick the Carcass of the Dead Very Clean" (Farm Holiday News 1932b). It is eye catching because it includes a political cartoon of two buzzards in top hats and smoking cigars (caricatures of Wall Street profiteers) hunched over a human skeleton labeled, "Remains of Foreclosure Sale." In the speech bubbles above the vultures, the one on the left, who is drooling while talking and smoking his cigar, asks, "Is there anything more satisfying than an after-dinner cigar?" to which his friend on the right answers, "Yes, the dinner." While the cartoon is universal in its message of exploitation, a nearby article makes its activist stance personal, naming a Chicago Trust company that was benefiting from farm foreclosures. The repeated defining of the problem of foreclosures as one that devastates farmers, hurts society, and benefits banks is a consistent message across farmer-activist publications. It is a message that prepares its readers for a new debt relationship that will take some of the power away from Wall Street.

By January 1, 1933, the paradigm shift in debt relations becomes increasingly visible in the mainstream press in Minnesota. It is *Minneapolis Tribune* reporter Orwin Folwick who best accesses the dramatic change in the framing of the issues in the past decade. In his cover story, "Olson, F.-L. Face Crisis in Fight on Legislation," he discusses the opening of the Minnesota legislature’s 48th “fling at lawmaking” by saying, “It [the legislation] will consider and be asked to pass laws that 10 years ago would have been thrust aside as radical dreams.” Among those “radical dreams” under consideration: “a statutory income tax, unemployment insurance, revision of the gross earnings taxes, and proposals to place the state in the electric power business". Two days later, the *Minneapolis Tribune*’s Washington Correspondent, George Authier, writes one of the first news stories in which the influence of the Farmer Labor Party’s educational, organizational, and political campaigns can be seen in the framing used. In “Dairy Allotment Aid Denied,” Authier very clearly defines the problem as poverty and unemployment in the farmer class hurting the economy everywhere as the poverty of farmers means not only that they cannot work effectively, but that they cannot buy goods (Authier 1933a).

A week later, an AP story run on the front page of the paper, for the first time includes a moral evaluation of various remedies under consideration at the federal level when the article considers fairness, especially regarding who should pay for farm aid and as it relates to foreclosures (Associated Press 1933a). To be clear, the foreclosure crisis was not in Minnesota alone; it was a national issue and one that was brought to the table by the Senators from Tennessee and Florida. Another issue that was heavily debated in the early part of 1933 was the issue of which commodities would be included in the push for federally-backed aid. Minnesota Senator Andresen led the fight for several Midwest and Northeast states to include dairy/butterfat in the aid bill, framing that particular problem as one that would affect all industry if not included and would unfairly burden the dairy farmer through higher costs of feed grain with no payoff in higher prices for dairy. The issue of “fairness,” then, is again a way to morally frame the legislative debate.

By January 12, 1933, the debate about farm aid has clearly taken shape in the House and Senate, defining the problem as one upon which the nation’s prosperity depends, as without a prosperous farmer, the U.S. cannot thrive (Authier 1933b). Further, the moral stance once expressed primarily by the Farmer Labor Party becomes increasingly visible, as the debate now frames the remedy as the responsibility of the nation and the government to help the farmer. Although the allotment bill under debate on January 12 would not pass, it was but a precursor of Roosevelt’s larger Agricultural Adjustment Act that would be presented as soon as he took office. It is interesting to note, however, that he played a part in the drafting of the allotment bill even though he was not yet sworn in. This quote from William G. McAdoo, senator-elect from California and a political associate of then President-elect Roosevelt, makes clear the importance for the nation and, therefore, the federal government, that the farm problem be fixed:

> If this measure fails, I can see nothing except to return to war time price fixing for the principal farm commodities, wheat, cotton, hogs and tobacco. There can be no return of prosperity until the purchasing power of the farmer is restored. The prosperity of 30 states rests directly upon their crops. The prosperity of the nation rests primarily upon the prosperity of these states. (Authier 1933b)

The problem could not be more clear; farmers must be returned to a state of prosperity, and the only way to make that happen is through federal legislation.

As what would eventually become the Agricultural Adjustment Act continues to be debated, more and more the problems defined include the need for farmers to get higher prices for their goods and the need to have the foreclosure problem addressed:

> In a day of renewed discussion of the agricultural problem, hearings were opened on a measure . . . under which the Reconstruction Corporation would be authorized to lend the owners of mortgaged property sufficient money to pay their taxes for the next two years. . . . Senator Harrison, describing the farm mortgage situation as most acute, told the banking committee the enactment of such a measure at the present session is imperative. (Associated Press 1933b)

Interestingly, while the influence of the Farmer Labor Party and Farm Holiday message regarding the need for intervention in the foreclosure crisis is present in this debate, the problem is defined as “foreclosures,” not as a banking failure. As such, while the rhetoric moves closer to a government remedy to the problem, it is a remedy that does not entirely free the farmer of debt. It rather enables the farmers facing foreclosure to stay in their homes, but also to stay in debt.

Also interesting is Roosevelt’s open participation in the debate as president-elect, even as lame-duck Hoover threatened to veto any action taken toward federal government intervention. Roosevelt made it clear that it was vital that the relief bill provide 1933 crop production loans to get farming back on track. He also added to the framing of the problem as one of foreclosures: “Mr. Roosevelt has notified congressional leaders that he considers most imperative the need for legislation to keep farmers from losing their homes and thus becoming embittered or broken” (Associated Press 1933c). In this quote from Roosevelt it is clear to see the moral judgment inherent in the statement that we cannot allow farmers to become “embittered or broken.” Here it is not a question of industry or of economics; it is a question of soul. Keeping up the spirits of the farmer is important, which means that a depressed farmer class is clearly defined here as a problem.

Another AP story, “Rush Farm Debt Relief Bill: Democrats to Push Plan for Mortgages Aid,” not only defines the problem as impending foreclosures, but right in the subhead frames this issue as a moral one. The subhead reads: “Robinson Draws Up Plan to Give Farmer Latitude in Working out Salvation.” The use of the world “salvation” is fascinating, as is the proposed legislation that relies upon third parties to help work out a debtor/creditor relationship that is fair. The lead of the story, too, does interesting work framing the problem in moral terms that recognize the humanity of farmers in new ways: "The powerful Democratic leadership in congress Friday night threw the full force of its support behind a mammoth plan for adjusting the debts of the nation's farmers on a basis of their ability to pay" (Associated Press 1933d). It is new to see “ability to pay” as a consideration.

Finally, by the end of the heavy legislative month of January, 1933, the defining of the problem is threefold: 1. Foreclosures, 2. Lack of buying power for farmers, and 3. Lack of payment for products. In a January 26th article, the subhead, "Proposal Designed to Give Agriculture Ready Cash. Would Postpone Mortgage Payment and Lower Rate" (Associated Press 1933e) hints at the ready acceptance now of what would have been out of the realm of possibility less than a decade earlier by any but the most liberal Farmer Laborites, who were often written off as kooky Communists in the 1920s. Additionally, the lead states that the legislative proposal has “the backing of the powerful Democratic leadership and organized agriculture,” indicating in this front page article that it is important now to have the approval of farm groups if legislation is to be passed. Also important is the suggested threat of revolution by the farmer class, which is placed in the third paragraphs of the story. The “revolution” is discussed less as a threat and more as an inevitable occurrence unless farm groups are in support of the agreed-upon legislation:

> spokesmen for the big farm organizations who helped to frame this and the other major farm relief proposals were telling a senate committee that revolution in the rural regions impends unless adequate steps are taken.

Later in the story the reporter specifies that it was Edward A. O’Neal, president of the American Farm Bureau, who said that, “unless something is done for the American farmer we will have a revolution in the countryside in less than 12 months” (Associated Press 1933e, 2). John A. Simpson, president of the Farmers Union, was quoted as saying that “the biggest and finest crop of revolutions you ever saw is sprouting all over this country right now” (Associated Press 1933e, 2). After more than a dozen years of activism, farmers at last have a voice and the ability to strike fear into those with the power to enact change.

From here we will see this newly recognized coalition continue to frame the problem as a failure of the financial regime of the 1920s and the remedy as federal government policy that restructures the farmer’s relationship to debt and creditors. In the next chapter this now dominant frame, once emergent, will shift as the Roosevelt administration blends both frames to move toward a remedy that will indeed structure farm debt under the guidance of the federal government in a way that, it is hoped in 1933, will help both farmers and their bankers.

Chapter 4

New Financial Paradigm Enacted

The term “farm crisis” perhaps is one that has been used so often in past decades that we have become calloused to its meaning, or have come to think of the phrase as meaning general difficulties on the farm. But in the 1920s and early 1930s, there can be little doubt that there was, indeed, a crisis in agricultural sectors, one brought about by a failure of profit-seeking bankers, investors, and farmers to successfully incorporate farming into industry like any sector. In this failed regime, bankers, without interference from lawmakers, had attempted to treat agriculture and farming as an “industrial sector,” failing to recognize the many complexities inherent in food production. By trying to encompass the farm into standard industrial growth models that rely upon expansion, increased production, and improved technology without consideration of the farm as home, family, and producer of primary goods relied upon by all humans for existence, these bankers and investors failed. Mortgages and related taxes went unpaid, debt-addled farmers fled their properties, private banking firms and joint-stock land banks lost money trying to fix farms acquired through foreclosure. The failed efforts made by these anti-government-intervention financiers to profit through investment on loans backed by tenuous future farm earnings would help to end an era and shift financial regimes.

Governor Olson describes the period as the third of three eras in business development in the U.S., the era of “big bank control not only of credit but of industry itself,” one that has led to “the concentration of wealth and the concentration of the control of our money and credit,” a concentration that, as it “has been steadily accelerated, [so] the misery and distress of the farmer and the wage earner who make up the majority of the population has been steadily increasing” (Olson 1933). So great is the “distress of the common man and woman” that it cannot be cured “until we tear down this structure of concentrated control of wealth,” which can only be done through intentional, multifaceted intervention of the federal government into finance.

Nothing could be less in line with the anti-government interference thinking of 1920s capitalists like Clive Jaffray than Olson’s remedy. And yet, when the farm crisis of the 1920s spiraled out of control amid the Great

Depression, when farm foreclosures were rampant and farm debts unpaid to the point of completely frozen banks across agricultural regions, even hardline, anti-government intervention bankers like Jaffray accepted the New Deal's intervention into farm finance in the form of the Farm Credit Act of 1933 and the Emergency Farm Mortgage Act of 1933. These acts, which worked in conjunction with the extensive Agricultural Adjustment Act of 1933 that stabilized prices, would essentially form the structure of farm finance as a sector requiring federal oversight and involvement, a policy that still largely defines farm credit today. This marks the coming of a new financial regime, one monitored by the federal government and accepted by banking officials, even those once morally and practically opposed to government intervention. Witnessing the birth of a new regime is the point of this chapter.

As has been analyzed in past chapters, this move to bring farm finance under the purview of the federal government emerged after more than a decade of steady rhetorical efforts to promote strong government in the economy of food production. In this chapter, the acts themselves will be discussed as well as the ongoing coverage in the news, some of the debates about the new structure in Congress, and FDRs comments on the proposed actions as well as those accompanying his executive order that created the Farm Credit Administration. By analyzing the framing of this solution, we can observe the culmination of this crisis in capitalism made possible by the decade long effort of farmer activists to reframe the farm crisis to promote federal government intervention.

FDR’s Message to Congress: Executive Order 6084

On March 27, 1933, President Roosevelt issued an executive order that created the new Farm Credit Administration (FCA). The FCA organized all the existing agricultural credit agencies of the United States, which included the Federal Land Banks established in 1916 as well as the Agricultural Credits Act of 1923 that had spawned such disastrous facilities as Minnesota’s state-run Regional Credit Corporation (the agency responsible for the close to 25% foreclosure rate on Minnesota farms by the time of the crash). With the executive order, Roosevelt abolished the much-criticized Federal Farm Board and declared that its replacement, the FCA, would be headed by a Governor appointed by Roosevelt, and moved any government functions, powers, and funds related to agricultural credit under the purview of the new FCA administration (U.S. President 1933).

In addition to the executive order, Roosevelt also sent a message to the House and Senate both summarizing the order and justifying it, first by promoting uniformity of programs related to agricultural credits, then by naming specific and immediate savings of $2 million as well as anticipated future savings. Of more interest for this project, however, is his concluding paragraph that sets the stage for the new financial regime he is just beginning to institute with this order:

> Important as are the foregoing, of greater and controlling importance is the maintenance of the long-standing policy of the federal government to maintain and strengthen a sound and permanent system of cooperative agricultural credit, subject to federal supervision and operated on the basis of providing the maximum of security to present and prospective investors in bonds and debentures resting on farm mortgages or other agricultural securities—all for the purpose of meeting the credit needs of agriculture at minimum cost. (U.S. President 1933)

Although Roosevelt justifies the FCA remedy in the executive order by tying it to the March 3 congressional declaration “that a serious emergency exists by reason of the general economic depression; that it is imperative to reduce drastically governmental expenditures,” in the first part of the long quote above, Roosevelt downplays the savings he has just named. Rather, he frames the remedy's "greater and controlling importance" as that of federal government intervention and supervision of agricultural finance. Interestingly, he implies that such federal intervention is "long-standing policy." That is hardly the case. While it is absolutely true that the federal Farm Loan Act of 1916 established federal Land Banks and the Agricultural Credits Act of 1923 was intended to provide short-term credit, intervention was minimal and left largely to the state agencies and farm bureaus who interacted directly with farmers. Nothing as centralized, credit-focused, and supervisory had existed prior to the implementation of the executive order. Even the Farm Board created by Hoover in 1929 in an attempt to fix the agricultural problem was largely advisory and encouraged formation of co-ops, dealing only minimally with direct purchase of commodity surpluses.

Next in his statement Roosevelt frames the remedy as a "permanent system" through which the federal government will "maintain and strengthen" agricultural credit through its supervisory role. Because of the government supervision, Roosevelt writes, investors will have the “maximum of security,” making it safe once again to buy bonds and mortgage-backed securities related to farming. Through his framing of the remedy, Roosevelt surely implies that part of the spiraling problem with agricultural finance, a problem so vast that it has led not only to farm foreclosures on a massive scale but also to frozen banks in agricultural areas, is that there was not sufficient supervisory and operational oversight from the federal Government. Once that is in place, he argues, banks and investors can once again extend credit to farmers with the knowledge that those investments have the might of Washington behind them. Clearly, Roosevelt is displaying the benefit of this radical move even for those in the banking industry who had balked at such ideas in the past. He ends, though, with a pro-farmer statement that “the purpose” of the creation of this new administration is to provide needed credit to agriculture “at minimum cost.” In essence, he has framed his remedy as the best solution for bankers, investors, and farmers. By giving up the notion of free market finance and relying instead upon governmental intervention, farmers will get the credit they need to put agriculture back on the sound footing necessary for the country to recover financially while those involved in agricultural finance from the provider side will benefit from guarantees backing their investments.

In this small bit of presidential rhetoric what is visible is a kind of finality or culmination of the shift in financial paradigms. We have observed a shift in dominant narratives since the early to mid-1920s, leading to this moment when the man at the seat of power is able to activate the language and law needed to change the financial regime as it relates to agricultural finance. After a decade of thought, debate, and various rhetorical expressions related to this idea, it is perhaps not surprising that the newspaper coverage of the creation of the FCA, both in Minnesota and in the *New York Times*, is mild and positive, focusing more on the specifics of refinancing plans than on the structural shift in the way agricultural finance will now function. The *Minneapolis Tribune*, using Associated Press coverage for its main story, ran a banner headline of “Farm Debt Aid Plan Offered” followed by the headline “Wallace Gives Congress Way for Refinance” (Henry A. Wallace was then FDR’s Secretary of Agriculture). The subheads, “Proposal Comes on Heels of Order to Consolidate Agricultural Credit Agencies” and “Morgenthau Heads Successor of Farm Board--Policy Sound

But Lenient," frame the FCA formation as lesser news than the farm mortgage refinance proposal that followed it (Associated Press 1933e).

The story's lead is simple, straightforward, and non-critical in a way that positions the news as an ordinary governmental function worth knowing about but not something that should elicit concern: "The scattered federal farm credit agencies, including the farm board, were tied into a single unit Monday by President Roosevelt in the first of his reorganization moves." The lead of this front page story frames part of the problem of agricultural debt issues as related to the cause of "scattered federal agencies" and frames the remedy as bringing the agencies into "a single unit." Rather than judge this shift, the lead simply frames it as the first of Roosevelt's "reorganization moves;" readers would have understood from heavy newspaper coverage at the time that Roosevelt was expected to reorganize government as that was part of his election platform and, even before taking office in March, he had been working with government leaders and soliciting opinions from a variety of experts and laypeople from around the country to formulate the changes he would enact (Stuckey 2013, 37-38).

Unlike the *Minneapolis Tribune*, the *New York Times* does point first to the consolidation of agencies and then to the Wallace proposal, but again the focus is more on government structure than it is on a shift in the financial paradigm, illustrating the acceptance of this move toward government intervention. The page one headline reads “Roosevelt Saves Millions by Union of Farm Agencies,” which is followed by the subheads: “Orders Farm Board Abolished in Consolidation Under New Credit Administration,” “Morgenthau ‘Governor’,” “Red Cross Will Take Over Last of Stabilization Wheat and Cotton,” “Plan to Cut Farm Debt,” and, finally, “Wallace Outlines Refinancing Proposals to Congress—Burden Estimated at $12,000,000,000” (*New York Times* 1933a) With the order and content of its headlines and subheads, the *New York Times* positions the news as a story of consolidation, cost savings, and correction of the failed Farm Board effort to fix the agriculture problem. This double-barreled news item also covers the next steps of the Wallace proposal regarding the farm mortgage problem, but secondarily. Hence, the primary problem, by implication, is framed as one of inefficiency in government, a problem in the case of agriculture that was caused in part by the Farm Board. The remedy is the consolidation of farm agencies, the elimination of the Farm Board, and the appointment of a New York favorite and friend of Roosevelt, Henry Morgenthau Jr.

The lead of the *Times* story, which details the headlines and subheads just examined, is followed immediately with news of the Wallace proposal:

> Coincidentally with the receipt of the message and order, Secretary Wallace of the Agricultural Department sent to Congress in response to a resolution an outline of a broad program to help farmers readjust their burden of debt through a governmental refinancing plan. The Secretary estimated the total farm debt at $12,000,000,000.
>
> Refinancing of mortgages under the Wallace program would be the province of the Federal Land banks and the Regional Agricultural Credit Corporations, which would come under the jurisdiction of the new Consolidated Farm Credit Administration. (1933a)

Of particular importance when tracking the emergence of the new financial paradigm are some turns of phrase in the above passage that frame governmental intervention and oversight of a finance problem as natural. Note that through “a governmental refinancing plan” farmers will get help to “readjust their burden of debt.” Here the problem is framed as a “burden of debt,” one that will be remedied through readjustment planned by the government. Specifically, the existing Federal Land Banks (initially designed for long-term debt such as mortgages) and

Agricultural Credit Corporations (initially created as short-term credit facilities for seasonal seed loans) will be the avenue for readjustment, but now "under the jurisdiction of the new Consolidated Farm Credit Administration." The writer for the *Times* clearly has an understanding of the way the new system will function, namely under centralized leadership of the federal government; yet, the coverage of this shift is rather matter-of-fact, which does important work to frame the remedy as acceptable.

The article goes on to explain that "refinancing of mortgage principle would be handled through the Federal Land banks." In order to do so, funding would be provided by the Reconstruction Finance Corporation, which would either buy existing mortgages outright or they would be "exchanged for Reconstruction Corporation securities." Further, loans with the purpose of paying interest and past-due amortization installments as well as back taxes would be arranged through the Regional Agricultural Credit Corporations. The aim of these loans was not to increase farmer debt, but rather to lessen the existing debt by shifting it to government-backed securities, essentially taking farm mortgages out of the free-market banking system. Wallace is quoted as saying that:

> These plans represent an outright reduction in indebtedness through providing credit facilities, which will induce existing holders to scale down the principal of their mortgages, and the shifting of loan obligations from existing mortgage holders to the federal agencies, which will defer foreclosures.”

The quote is left to stand without discussion, being followed immediately by a partial comment from Mortgenthau that he made after a meeting with Roosevelt:

> Mr. Morgenthau, leaving a conference with President Roosevelt, declared the credit administration would be directed ‘in the interest of the farmers and along sound lines.’ The aim, he said, would be lower and more uniform interest rates. (*New York Times* 1933a, 2)

The combination of the Wallace quote, which clearly frames the farm foreclosure problem as one that will be remedied by direct federal government involvement in farm finance, and the Morgenthau quote, which frames the remedy as one that privileges farmers, does overall work to frame this new financial paradigm as desirable and natural.

It also gives the federal government’s primary agricultural representatives—Wallace as Secretary of Agriculture and Morgenthau as Governor of the new FCA—space to make some radical claims: first, the existing structure of farm mortgages through private facilities and with high interest rates is not a workable system; second, deferment of foreclosures is important and will be prioritized; and third, the welfare of farmers will be put first. Additionally, the Morgenthau phrase, “along sound lines,” which is also quoted in the *Associated Press* story, combined with the Wallace claim that principals will be “scaled down,” clearly alludes to the farm mortgage problem in causal terms of poor financial management by private firms who have *not* used “sound” judgment and who have used inflated assessments of properties, leading to high principals on existing mortgages. The framing of the issue by Roosevelt’s appointees, while surely implying criticism of the prior system, is not strong enough to alienate the mortgage-backed security holders who the administration will rely upon to exchange their high-interest, unstable loans for low-interest, government-backed loans. Additionally, the *New York Times* clearly gets the administration’s message that the new system being instituted is best for everyone, as it inserts a subhead in its reprinting of FDR’s executive order consolidating the farm agencies: “For Sounder Farm Securities.”

Emergency Farm Mortgage Act of 1933

One week later, on April 3, 1933, Roosevelt would address the farm mortgage issue directly in a message to Congress. The opening of that message is rich terrain rhetorically:

> As an integral part of the broad plan to end the forced liquidation of property, to increase purchasing power and to broaden the credit structure for the benefit of both the producing and consuming elements in our population, I ask the Congress for specific legislation relating to the mortgages and other forms of indebtedness of the farmers of the Nation. (Roosevelt 1933a).

First, he opens by framing what will become the Emergency Farm Mortgage Act of 1933 as part of the larger remedy being implemented in a number of legislative moves broadly grouped under the Agricultural Adjustment Act of 1933. More specifically, he frames “forced liquidation of property” as a problem that must be addressed by Congress. Partly that is important because of the lack of available “purchasing power” for the “the producing and consuming elements in our population;” in other words, when people lose their homes and farms, they cannot play the vital role of consumer of industrial goods any more than they can continue to produce needed food products.

Tracey Deutsch (2010), in *Building a Housewife's Paradise: Gender, Politics, and American Grocery Stores in the Twentieth Century*, reperiodizes state involvement in the food business, particularly the Federal Emergency Relief Administration's interactions with food retailers (80-81). When adding to that perspective the reach of the New Deal into the realms of food production and farm finance, the shift is indeed profound. Roosevelt's rhetoric regarding consumerism here is part of a shift in perspective regarding the federal government's economic approach described by Deutsch as "a crucial change" influenced by Keynesian thinking in which "fostering purchasing power would now be as important as fostering production" (97). Politicians increasingly celebrated "the consumer" in their rhetoric while federal officials showed growing interest in Keynesian-influenced policy making that would fuel consumerism.[19]

[19] In a Saturday night radio address about farm relief made by Secretary of Agriculture Wallace on March 18 that same "farmer as consumer" rhetoric is clear in his description of what the farm relief bill aims to achieve: "Its basic purpose, first of all, is to increase the purchasing power of farmers. It is, by that token, farm relief, but it is also by the same token, national relief for it is true that millions of urban unemployed will have a better chance of going back to work when farm purchasing power rises enough to buy the products of city factories" (Wallace 1933).

Roosevelt’s message continues, reminding Congress “That many thousands of farmers in all parts of the country are unable to meet indebtedness incurred” when crop prices were considerably higher, or, as he puts it, “crop prices had a very different money value,” a problem he defines as “known to all of you.” Then, referencing the omnibus agriculture relief bill that includes crop price stabilization measures, the message readies readers for his request:

> The legislation now pending, which seeks to raise agricultural commodity prices, is a definite step to enable farm debtors to pay their indebtedness in commodity terms more closely approximating those in which the indebtedness was incurred; but that is not enough.

Here he is doing two things. First, he is expanding the frame of the farm crisis as partially caused by the abysmal prices now received for commodities, prices far below the pre-World War I value, but also as a larger issue that cannot be solved by price correction alone. Second, he is diagnosing the cause in terms of the larger economy rather than laying it at the feet of farmers who have failed “to pay their indebtedness.” The implication is clear in the choice of the phrase “unable to meet indebtedness;” the farmer *would* pay back debts if it were possible to do so.

Therefore, the farmer is not the cause of the problem, the economic situation is the cause.

In answer to his set up that price stabilization “is not enough,” Roosevelt explains the need to intervene in the farm mortgage crisis using a highly moral frame that at once indicates the immorality of the current situation from a humanity standpoint and concurrently from an economic standpoint:

> In addition the federal government should provide for the refinancing of mortgage and other indebtedness so as to secure a more equitable readjustment of the principal of the debt and a reduction of interest rates, which in many instances are so unconscionably high as to be contrary to a sound public policy, and, by a temporary readjustment of amortization, to give sufficient time to farmers to restore to them the hope of ultimate free ownership of their own land. I seek an end to the threatened loss of homes and productive capacity now faced by hundreds of thousands of American farm families.

First, the moral framing is evident in his use of words such as “should,” “equitable,” “unconscionably,” and “hope.” What Roosevelt is saying “should” be enacted by the federal government is the means to refinance debt in a way that repairs both the principal and interest rates. The principal on the mortgage debts is not “equitable” primarily because of outdated or predatory loan structures based on an idealized farm value of WWI years. The accompanying interest rates “are so unconscionably high as to be contrary to a sound public policy,” meaning that not only are interest rates morally unjust, but they are not acceptable from a social and economic standpoint as they should be under the terms of “sound public policy.” Finally, not only is it important to enact the suggested public policy to provide a more just system for farmer debt, but it is also necessary to give time to farmers to adjust to this new world order, one in which “hope” will be restored—hope not just for sound economics but for a piece of the American Dream in the “ultimate free ownership of their own land.”

Through the moral judgments in the paragraph, Roosevelt frames his proposed “sound public policy[20]” as a needed remedy to the problem of “the threatened loss of homes and productive capacity.” It is a problem caused by immoral and unjust debt structures that put undue and unfair demands on farmers. In his final sentence he further defines the problem’s multifaceted dimensions and moral thread by mentioning three key facets: the who (American

[20] “Sound” is a word that both Roosevelt and his FCA Governor Morgenthau repeatedly use to describe the newly proposed government interventions. It is an interesting way to contrast their new, Keynsian-inspired ideas to the prior administration’s “unsound” public policy.

farm families), the what (loss of production <u>and</u> homes), and the how much (hundreds of thousands). By naming “the who” as farm families, he illustrates that the agricultural sector cannot be classified in the same terms as other industries; when a farm is lost, it is not the same thing as a business shutting its doors. When a farm is lost, that means a family loses its home. Similarly, with “the what,” he shows that with each farm lost, we lose not only a home but also the associated production of that farm. Since what a farm produces is foodstuffs for the rest of the country, it is especially important that production continue. Finally, the “how much” is a reminder of how widespread this problem actually is. Pegging the number as “hundreds of thousands” makes it clear that this is a problem of immense proportion, which helps to justify the need for federal intervention.

The message closes out with two more arguments for the moral righteousness of this remedy along with a note that the proposed legislation “will not impose a heavy burden upon the national Treasury.” The lack of burden follows from the plan’s location of enactment in “existing agencies of the Government,” namely the Farm Credit Agency and the federal banks now under its purview. As for the continued moral framing, the statement continues:

> the farm owners of the Nation will be enabled to refinance themselves on reasonable terms; it will lighten their harassing burdens and give them a fair opportunity to return to sound conditions.

So in this frame farmers will be empowered to take control of their own finances, but on “reasonable terms,” as opposed to the existing terms which, by contrast, must be unreasonable. The righteousness of providing an avenue for independence for the farmer combined with the elimination of “their harassing burdens” has a nearly biblical ring to it. This frame allows a new vision of the farm family, one in which the “harassing burdens” of an unfair financial system can be cast off, replaced with “fair opportunity” and “sound conditions” provided by federal government policy. To drive home the moral frame, Roosevelt next gives a brief preview of his plan for “extending this wholesome principle to the small home owners of the Nation, likewise faced with this threat.” His legislative proposal, then, is framed as “wholesome” and an answer to a “threat” to the entire nation, farmer and small homeowner alike. Through these frames we can see the larger acceptance of the new financial paradigm in which substantive government intervention is necessary, just, and required for the stability of the nation.

New York Times coverage of the emergency farm mortgage plan ran on the front page both as a preview on the day of Roosevelt's presentation to Congress April 3, 1933, as well as the next day with full details of how the legislation would function. The preview carried the following headline: "Roosevelt to Ask Huge 4% Bond Issue to Ease Farm Debt" along with these subheads: "Special Message to Congress Today Will Propose Wide Mortgage Refinancing," "2 to 3 Billion Required," "Enabling Measure Drafted for Rider to Expedite Agricultural Relief Bill," "Sentiment is Favorable" "Bonds Would Be Exchanged for Farm Mortgages and Also Sold to the Public" (*New York Times*, 1933b). The headline and subheads immediately frame the Roosevelt remedy both in terms of its magnitude as well as its necessity for pushing forward the larger farm relief bill on which it would ride. When compared with the Federal Farm Loan Act passed under Hoover in 1932, which invested $125 million in the Federal Land Banks, it is clear that the investment in farm finance being proposed is, indeed, a radical departure from the status quo with its expected cost of $2 billion to $3 billion. That departure is further marked with the *Times* lead:

> A gigantic flotation of government bonds to refinance the mortgage indebtedness of the farmers will be proposed by President Roosevelt in a special message which he will transmit to Congress tomorrow. The bonds will carry an interest rate of 4 per cent, and between $2,000,000,000 and $3,000,000,000 will be required, it is estimated.

Indeed, $2 to $3 billion in government bonds could reasonably be described as “gigantic,” a fairly colorful adjective for a paper not known for its dynamic language choices.

As such, it is particularly interesting to note that the story frames the act as necessary in terms of the larger agricultural relief efforts and that “Sentiment Is Favorable.” Further down in the preview story, the writer pairs the magnitude with a possible explanation for its acceptance:

> While the proposal is regarded as one of the most daring yet offered by the administration, sentiment in Congress appears to favor its acceptance. This is due, it is said, to the promise that the President will later recommend similar legislation to take care of home mortgages. Pressure for the proposed legislation providing for the exchange of government bonds for farm mortgages has been brought to bear upon Washington of late, particularly by insurance companies and savings banks.

First, this passage, in connecting the farm legislation to the promise of similar legislative intervention for home owners, frames the proposal definitionally as a remedy tied to a greater plan to help the entire population. The support of varied congressional representatives supports that supposition. Further, in suggesting that legislators have been under “pressure” from “insurance companies and savings banks,” the story frames the remedy as one with wide appeal, even by those who have in the past opposed government intervention in their lending models.

Finally, after explaining the scale of the problem being addressed as farmer debt exceeding $12 billion and frozen farm mortgages amid farmers being “unable to meet their obligations and a vast majority of those whose property is encumbered face foreclosure,” (1, 5) the article moves to contextualize the legislation as a move that should have been expected. It does so by quoting some of Roosevelt’s campaign rhetoric:

> he said that ‘much work was done in the last Congress to extend and liquefy and pass on to the federal government a portion of the debts of the railroads, of banks, of utilities and industry in general. Something in the nature of a gesture was made in the financing of urban and suburban homes. But practically nothing has been done toward removing the menace of debt from farm homes.’ Mr. Roosevelt said that he could see no reason why the farmers had not been succored in the

same manner as bankers and industrialists. (1933b, 5)

Beyond framing the legislative proposal as a fulfillment of a campaign promise, the passage also points to the important role that Roosevelt's understanding of agriculture as a key American sector played in his election. Roosevelt understood early on the importance of stemming the tide of farm foreclosures, a problem he framed as systemic in nature, which justified his promise "to direct all the energies of which I am capable to definite projects to relieve that distress," namely federal involvement in banking and the farm mortgage business (*New York Times* 1933b, 5). So the Emergency Farm Mortgage Act represents a clear move to keep a promise for the institution of a new financial regime in which the federal Government sets interest rates on loans and guarantees them with Treasury and bond-issue funds.[21]

Similarly to the *New York Times* story, the *Minneapolis Tribune* preview coverage, run on the front page April 3, 1933, focuses on the magnitude of the Roosevelt proposal with the banner, "Billion Farm Debt Asked," followed with

[21] While the focus here is on Roosevelt's programs specifically as they relate to banking and farm finance, it is important to note that he did fully understand the need to stabilize the economic wellbeing of all people (not just bankers or farmers), as the Works Progress Administration most famously illustrates.

the headline, “Congress Will Get Roosevelt Scheme Today” (Associated Press 1933g). However, the next deck of headlines points immediately to the benefit to holders of farm mortgages and the likelihood of rapid relief: “Executive Calls for Certificates at 4 1/2 Per Cent to Replace Present Mortgages” and “President Hopes to Add Proposal to Commodities Bill Now Pending.” The accompanying Associated Press story lead, too, frames the legislation primarily in terms that define it as a remedy to the problem of farm debt: "Legislation to reduce the overbalanced debt burden on American farmers by a billion dollars and more will be proposed to congress Monday by President Roosevelt." The phrase “overbalanced debt burden” further frames the remedy as morally just as it will right a wrong endured by the farmer class. The story continues, naming the legislation “one of his [Roosevelt’s] most ambitious attacks on the economic crisis,” before explaining that the proposal will enable “a swapping of present mortgages for new certificates of indebtedness to be based on a greatly reduced interest rate.” Specifically, “instead of the present rates of 6 and 7 per cent on agriculture mortgages a maximum rate of 4 1/2 per cent will be provided." The frames are clear. The debt load of farmers is a problem caused, at least in part, by high interest rates on mortgages; the remedy is federal legislation that will reduce those rates substantially.

The article continues by explaining that "the gigantic task of refinancing government and private mortgages held by farmers" will fall under the purview of "existing agencies," namely the federal land banks. It also names Henry Morgenthau as the official responsible for the drafting of the legislation of the program that will largely fall under his control as Governor of the Farm Credit Administration. Here again there is a clear understanding of what is happening with this legislation—the federal government is planning to relieve the farm mortgage crisis by directly intervening. The Federal Land Banks are slated to take over a much larger share of the farm mortgage market using interest rates far below the current commercial rates. Coverage the day after the legislation was proposed details the hope that commercial lenders will “join in the general plan” by exchanging loans for bonds as well as by lowering their own rates to get in line with the interest set by the federal government. It also clearly states that the legislation “provides for special loans to be made by the Farm Loan Commissioner from funds supplied by the Reconstruction Finance Corporation, at 5 per cent interest, to permit farmers to protect themselves from immediate foreclosures and to recapture their property" (*New York Times* 1933c, 1-2). That the office of the Land Bank Commissioner, which formerly functioned as the regulator of the Federal Land Banks, will now be authorized to make direct loans for the first time, is included as just one more detail in the overall report on the legislation. The lack of fanfare accompanying a significant change in government involvement in the farm mortgage business indicates an acceptance of this new financial paradigm.

Agricultural Adjustment Act of 1933

On May 12, 1933, the Agricultural Adjustment Act was passed and signed into law; it included Title II, better known as the Emergency Farm Mortgage Act of 1933. As for Title I, the "Agricultural Adjustment" portion of the legislation, it opens with a "Declaration of Emergency" that defines the farm emergency problem as part of the larger "acute economic emergency" that we now call the

Great Depression. It frames the cause of the agricultural contribution to economic distress as:

> in part the consequence of a severe and increasing disparity between the prices of agricultural and other commodities, which disparity has largely destroyed the purchasing power of farmers for industrial products, has broken down the orderly exchange of commodities, and has seriously impaired the agricultural assets supporting the national credit structure. (Agricultural Adjustment Act of 1933, 31)

In other words, the prices paid to farmers for their goods is so low as to cripple the farmer financially, a situation that both prevents the farmer class from contributing to the economy as consumer and undermines the credit stability of the entire nation. As such, the government is justified in enacting a policy that will "establish and maintain such balance between the production and consumption of agricultural commodities" by re-establishing prices at pre-WWI levels "by gradual correction of the present inequalities" (32). Said correction will be achieved through government oversight of production levels and marketing as well as through taxation of processors (as a means of protecting consumers).

As there is no shortage of scholarship and analysis of the legislation's Title I role in the New Deal efforts for economic recovery, I will not focus on it overly here

(Kennedy 1999; Stuckey 2103; Valelly 1989). It is important, however, for the purpose of unpacking the justification for Title II (the Emergency Farm Mortgage Act portion of the bill) and the upcoming passage of the Farm Credit Act, to note that the new policy put the Secretary of Agriculture in charge of determining appropriate production levels of commodities. When Hoover had attempted to fix the farm problem with the Federal Farm Loan Act of 1932, his program failed in part because it set aside limited funds to buy up surpluses from farmers without setting limits on production; therefore, his relief program was unable to keep up with the surplus purchase demands. Under the Roosevelt program, commodity production had extensive government oversight, largely funded by the tax on processors, who had been heavily criticized for the past decade by activists who argued that such “middle men” were profiting by paying too little to farmers for their raw goods and charging too much to consumers for the processed products.

Because of this new system of oversight and taxation, it was fully expected that farmers would be returned to a “sound” financial position. From that sound position, it would be possible to re-enter a balanced financial order in which farmers could once again pay their debts, including those in the form of farm mortgages. Hence, to fully understand the justifications for the passage of the Emergency Farm Mortgage Act, or Title II of the Agricultural Adjustment Act, it is important to keep in mind that the expectation was for Title I to stabilize the farmer financially, which helped bolster the argument for the unique mortgage bailout proposed.

The Emergency Farm Mortgage Act of 1933 called for a bond issue by Federal Land Banks to the tune of $2 billion, bearing interest of 4 percent; the bonds could be issued at any time for the next two years. The funds raised with the bond issue were to be used for making new loans, for buying mortgages, or in a direct exchange of bonds for mortgages, all overseen by the Farm Loan Commissioner. The new or refinanced loans were to be based on the “normal value” of the property and not to exceed 50 percent of its value (plus an additional 20 percent based on the value of permanent improvements on the farm). By “normal value” the administration means the value of the land in the 1909-1914 period covered by the rest of the act; by so setting the “normal value,” ostensibly the overinflated assessments of the early and mid-1920s could be avoided while at the same time steering clear of a massive devaluing of real estate by relying on the current deflated environment. It further allowed for direct loans by the Federal Land Banks (at 4 ½ percent) as well as, for the first time, the Federal Loan Commissioner (at 5 percent) when the Land Banks were either unavailable or unable to lend; an automatic reduction of interest rates to no more than 4 ½ percent on all existing Federal Land Bank loans; and forbearance on principal payments for up to five years. Finally, it forced the liquidation of Joint-Stock Land Banks first by making it illegal for the privately held lending institutions to issue stocks or bonds based on their mortgages (thereby ending any future business) and by offering Farm Loan Commissioner-backed loans (made with Reconstruction Finance Corporation funds) for 4 percent bonds in exchange for existing mortgages. Any attempts by Joint-Stock Land Banks to foreclose upon farm mortgages were made illegal except by approval from the Land Bank Commissioner or when the farm was abandoned.

President Roosevelt’s statement upon signing the Agricultural Adjustment Act (or so-called Farm Relief Bill) focused not on the price and production stabilization components, but rather on the measures aimed at stemming the tide of foreclosures. It begins:

> I have just signed the Farm Relief Bill, which includes the refinancing of farm debts.
>
> The Act extends relief not only to farmer borrowers, but to mortgage creditors as well.
>
> Holders of farm mortgages will have the privilege of exchanging them for Federal Land Bank bonds, the interest payments upon which are to be guaranteed by the Treasury of the United States.
>
> Farmers whose mortgages are to be exchanged for these bonds will reap the benefit of lower interest rates and more liberal terms of payment. (Roosevelt 1933b)

From the outset, the signing statement frames the remedy essentially as a government-sponsored compromise, in that both sets of players involved in the farm mortgage crisis will find relief: the farmers struggling to make payments and hold onto their farms, and their creditors who are losing money in unpaid interest and principal and in the cost of foreclosures.

While it may seem an overreach to use the term “privilege” when describing the exchange of farm mortgages for Federal Land Bank bonds, indeed the backing of said bonds by the U.S. Treasury made them roughly equivalent to actual Treasury Bonds. When taking into account the volatile/collapsing farm mortgage market, the possibility of trading a farm mortgage, even one with a 6 or 7 percent interest rate, for a guaranteed interest payment of 4 or 5 percent was indeed a generous offer. Of course, it is an offer that shifts the financial paradigm toward government oversight of the immense farm mortgage market. For farmers, the lowered interest rates were undoubtedly a benefit, when taking into account the typical duration of these loans at 30 years, but of more help was what is referred to above as the “liberal terms of payment,” namely the federal government’s new amortization schedule that permitted putting off payments on principal without penalty for up to five years. The goal of that portion of the Act was to give the farmer time to reap the rewards of the new commodity pricing efforts and thereby to stabilize farm finances before requiring farmers to get back on schedule with the loan repayment. The compromise element of the Act is further evident in that delayed repayment plan, in that it assumes the farmer will, in fact, repay the mortgage debt; the insistence on repayment is in fact compromise when viewed in light of the radical farmer class that proclaimed existing farm mortgages to be immoral and based on unrealistic land valuations made by greedy Wall Street fat cats. So from the most radical viewpoint, the loans themselves should have been eliminated, not repaid. Although technically the bill also allowed for actual loan forgiveness on the principal based on new assessments, it hardly ever happened (Rose 2013, 14-16).

Roosevelt’s statement continues, at once reasserting the compromising nature of this act while making it clear that the federal government is taking control in the realm of farm mortgage finance, and as such it is vital to avoid hasty action:

> It is to the interest of all the people of the United States that the benefits of this Act should be extended to all who are in need of them and that none should be deprived of them through ignorance or precipitate action.
>
> For this reason, I appeal particularly to mortgage creditors and all others who have money claims against farmers. Every effort will be made to administer the Act promptly, considerately and justly.

The compromise frame is reasserted by describing the Act as being “to the interest of all the people of the United States.” All the people here includes farm creditors, farm debtors, and the entire country, as it has been repeatedly argued by Roosevelt and his administration that there cannot be an economic recovery without raising up the farmer class. And to achieve that goal, the financial paradigm has been shifted, giving the federal government the power to stabilize the farm mortgage market through direct intervention in the form of new loans and the refinancing of existing loans. In a frame of moral justness, Roosevelt asks creditors to recognize the federal government’s new authority and to not act in haste to “deprive” farmers of this opportunity to correct their financial situation.

He does assure creditors that waiting for the new structure to be implemented will not be an overly taxing sacrifice for them, as much advance preparation has been made “by officers of the Federal Land Bank system.” Regardless, the “applications cannot be acted upon instantly. Time for examination, appraisal and perfection of records will be necessary.” He continues:

> I urge upon mortgage creditors, therefore, until full opportunity has been given to make effective the provisions of the mortgage refinancing sections of the Farm Relief Act, that they abstain from bringing foreclosure proceedings and making any effort to dispossess farmers who are in debt to them. I invite their cooperation with the officers of the land banks, the agents of the Farm Loan Commissioner and their farmer debtors to effect agreements which will make foreclosures unnecessary.

This passage, perhaps at first blush a plea for leniency and an invitation for “cooperation,” is, more importantly, a moral framing of the new state of farm mortgages. By suggesting that creditors give the “full opportunity” for implementation of the new legislation by “abstain[ing]” from initiating more foreclosures or “making any effort to dispossess farmers,” a turn of phrase that evokes exile or a turning out, he is pointing to foreclosure proceedings as a choice. Creditors, in this moral frame, need not “dispossess” those indebted to them, not now that an alternative and better solution for both farmers and creditors exists.

Under this new financial paradigm, a refiguring of existing debt “will make foreclosures unnecessary.” And, just in case the creditors missed the point of the lecture, Roosevelt closes with, “This is in line both with public duty and private interest.” Not only does the new model of farm mortgage finance, as Roosevelt so succinctly states, benefit those involved on an individual level (“private interest”), but it is the morally correct path for society (“public duty”). That last sentence also circles back the framing of this remedy in terms of its brilliance as a compromise measure, one that incorporates into the newly dominant narrative just enough of the last decade’s dominant narrative to provide a smooth transition: “private interest” here applies to all of those involved in the farm mortgage crisis—creditors and debtors alike. Nobody wins outright in that farmers do not get their debts forgiven any more than creditors get payouts on the totality of the loans they issued; however, everybody wins as farmers have the opportunity to stay on their land and repay their mortgages under more reasonable terms while creditors avoid the costly foreclosure process, instead getting the equivalent of a Treasury Bond for their troubles. Even society wins as farmers will once again become consumers and investment firms will stop losing money.

In the *Minneapolis Tribune*, the coverage of the bill's passage is heralded not for the price stabilization measures, which Farm Holiday and Farmer Labor Party representatives had tried unsuccessfully to expand with an amendment that would guarantee the price of commodities cover the cost of production (Associated Press 1933h), but rather with a focus on the emergency farm mortgage measures. Running with the headline "Mortgage Aid for Farms to Begin Monday" and the subheads "Morgenthau Outlines Procedure to Put New Relief Act Into Effect" and "Will Seek to Have Insurance Firms Exchange Mortgages for Bonds," the staff written story leads with news that Morgenthau "will hold a conference Friday with representatives of the leading insurance companies relative to farm mortgages. The conference is to make effective the farm mortgage legislation in the farm bill" (Authier 1933c, 1). The framing of the farm mortgage remedy as primary marks the perceived importance for local readers of this new financial structure. The story itself is highly detailed, covering every aspect of the new farm mortgage system and also highlighting the main points of a May 2, 1933, news story that reprinted Wallace's letter to Olson with point by point instructions on setting up the local infrastructure that would handle the loan revisions (Authier 1933d, 1). Included in the details of the Emergency Farm Mortgage Act, under the subhead "Refinancing Debts," are the details of the new loans "to be administered by the farm loan commissioner of the new farm credit administration. This fund will be loaned by the commissioner's representatives located in the Federal Land Banks" (2). Again, it is clear from the detailed coverage of the Act and Washington Correspondent Authier's ongoing and nuanced reporting on agriculture-related legislation that the he knows this is a new and entirely government-run form of farm finance. Yet his focus is not on the increased reach of the federal government here but rather on the specific needs of farmers that will be addressed.

In contrast, the *New York Times*, in its May 13, 1933, front page coverage, does at last point to the far reach of the federal government with the passage of the Agricultural Credit Act, clearly showing an understanding of the new financial paradigm that is unfolding. Overall, the *Times* frames the news as an acceptable remedy for addressing the farm crisis. That acceptance comes through in the story even as it expresses some concern, as seen in the headlines and subheads, about an amendment regarding inflationary measures that was added on late in the process, giving President Roosevelt “an array of powers in his hands and left the manner and timing of their exercise to him alone” (Kennedy 1999, 143)[22]. The main headline, “President Signs Farm Bill, Making Inflation the Law,” is followed by the subheads “But He Is Silent at the White House Ceremony on Use of Broad Currency Powers,” “Asks Foreclosure Delay,” “Mortgage Creditors Are Urged to Grant Time to Make Measure

[22] Kennedy notes that while Roosevelt, in response to the upset of his economic counselors when he decided to allow the amendment stand, the President told his advisors that he was merely “yielding to the inevitable” to avoid “even worse mandatory inflationary measures” (143). However, Kennedy writes that actually Roosevelt had been “fascinated with inflationary ideas for months” and was pleased with the opportunity to take control.

Effective," and "Wallace Acts at Once." So even as the paper points to Roosevelt's silence on his new executive powers related to inflation, it still frames as most important the mortgage refinancing portion of the law.

In the story's lead and contextualizing second paragraph, we see the new financial paradigm fully displayed:

> Affixing his signature to the farm relief inflation act today, President Roosevelt not only made effective one of the greatest phases of his legislative program, but became empowered with the widest range of authority over the economic affairs of the nation ever granted to a President in peace time.
> In the one measure are included threefold powers authorizing unprecedented control over agricultural production and marketing, refinancing for billions of dollars of agricultural debts and a complete adjustment of the currency system of the United States. (*New York Times* 1933d)

The lead clearly illustrates the magnitude of the Agricultural Adjustment Act as legislation that grants the President unprecedented authority in regards to the economic system of the United States, especially at a time when the country is not at war. In the next paragraph, we see again the now dominant narrative that favors government intervention into economic affairs, a narrative that reflects the new financial paradigm in three parts: 1. Federal government control of the "production and marketing” of agriculture, 2. Direct refinancing by the federal government of “billions of dollars of agricultural debts,” and 3. A “complete adjustment” of the U.S. currency system by the President. The story also makes it clear that while there was some “vocal opposition in Congress” to the currency amendment, roll call actually showed widespread support for that measure and the entire Act. After more than a decade of working its way into the dominant position, the new financial paradigm is smoothly accepted and adopted into law.

Not long after the passage of the omnibus bill, on June 16, 1933, the Farm Credit Act of 1933 was passed into law. Passed essentially as drafted by the Farm Credit Administration’s Governor Morgenthau, who had the power to do so thanks to the April executive order that created the Farm Credit Administration, the Farm Credit Act’s purpose was “To provide for organizations within the Farm Credit Administration to make loans for the production and marketing of agricultural products” (Farm Credit Act of 1933, 1). To make such loans possible, Morgenthau was charged with chartering 12 banks (one in each city with a Federal Land Bank), each with a minimum starting capital of $7.5 million, with the express purpose of providing credit for cooperatives of 10 or more farmers. There would also be a Central Bank to be used by cooperatives whose needs were too large to be handled by the regional Banks for Cooperatives. He was also charged with using the Federal Intermediate Credit Banks to provide short- and intermediate-term lines of credit to Production Credit Corporations to help farmers with the types of loans used primarily for crops, feed, and infrastructure improvements. A June 1, 1933, story about the legislation in the *New York Times* carried little fanfare (1933e). Running on page 31, it is a short piece with few details but with a long quote from Representative Jones, chairman of the Agriculture Committee, who framed the legislation as a remedy to the "production and marketing problems of agriculture in so far as the matter of credit is involved." He further frames the remedy as a compromise, defining "direct lending by the government to farmers" as an "unsatisfactory system" except in times of extreme emergency, while also saying outright that allowing the same lending "to be done entirely by private agencies has proven equally unsuccessful." Therefore, the compromise:

> in the form of federal capital and supervision to the establishment of local institutions in which farmers are participants and owners, and through which

> necessary credit may be provided on a safe business basis and also at a reasonable rate of interest.

As such, the Farm Credit Act brings to the fore what was once an emergent narrative, one in which the farmers are insulated from the brutality of the free market through government intervention and controls in the much-needed area of credit.

It is important to remember that just a decade prior to the passage of the Farm Credit Act of 1933, the dominant narrative regarding farmers, bankers, and debt was one framed primarily by the bankers. It framed the farmer’s need for lines of credit as a problem best remedied in the domains of private finance, free of government interference and regulation. These early efforts at financialization in relation to agriculture held a place of dominance in the narratives of the press and politicians. In particular, the Coolidge administration encouraged independent bank finance of farm credit while Coolidge himself praised business and bankers while encouraging farmers to learn to be better business people. Even as the pro-free market framing dominated in the press and in the rhetoric of those in power, however, the emergent narrative of the Farmer Labor Party was gaining strength as it demanded a change in debt conditions of the farmer. Foundational in this emergent narrative was a call for a society structured by sound government policies that value the lives and worth of all citizens, not just the wealthiest few at the top. It is in those emergent narratives of the 1920s that the roots of the dominant narrative of the early 1930s is visible. By the time Floyd Olson is elected governor of Minnesota on the Farmer Labor Party ticket in 1930, the country has experienced its most dramatic financial downturn yet, helping to fuel the growing acceptance of the idea that government involvement in financial affairs, particularly as related to the farm, is the best path to follow.

From this study of the rhetoric of bankers, Farmer Labor Party and other farmer activists, and those in power at the level of the state and federal government, two important points help to contextualize the radical changes brought about by the Roosevelt administration in 1933. First, a social movement that uses a three-pronged approach (education, organization, and legislation) and maintains a strong and clear rhetorical message for many years can effect significant changes. In light of today's widening gap between rich and poor and increasing concerns about the domination of corporate rhetoric in society, taking note of a social movement that successfully lead a charge to change debt relations at a federal legislative level in a time with similar concerns is worth noting. Second, while it surely does not take away from the magnitude and shear breadth of FDR’s sweeping regulatory changes that prioritized the wealth of the nation over the wealth of the few, noting the shift in dominant narratives over a 10-year period helps to contextualize the acceptance of Roosevelt’s ideas at the time. Yes, his policies were radically different from prior models of governance. But, that paradigm shift in financial relations between bankers, farmers, and the government had been shouted for, first in the alternative press, and later from main-stream newspapers and legislative offices. Roosevelt’s brilliance was not just in his policies and politicking, but his keen insight that the citizens of the U.S. were ready for radical change. Although, of course, for some on the extreme left his policies failed to go far enough, and on the extreme right his policies were interventionist in the worst sense of the word, he did skillfully manage to lessen the immediate burden on farmers. Some of that burden was shared with bankers, yes, but largely his new debt structures helped the banker as well as the farmer, which in turn helped to stabilize the economy overall.

Chapter 5

Conclusion

Through exploration of the rhetoric of competing economic narratives from 1925 to 1933, this dissertation shows how a financial paradigm shift occurred in the United States, creating a long-lasting, structural change in the debt relations of farmers, bankers, and the federal government. In so doing, it begins to fill a gap in knowledge about the forces that led to a state-run agricultural finance structure becoming the preferred system instead of a privatized, free-market one. Insight into early rhetorical efforts to promote regulation-free financialization of the farm economy contributes to the growing scholarship of rhetoricians and historians who recognize the importance of understanding the role of capitalism in society, while examination of the more successful narratives of the Farmer Labor Party provides fresh perspective on a long-lasting movement that achieved changes in debt relations on a federal legislative level. And, finally, this dissertation helps to contextualize the New Deal’s agricultural interventions as concepts that had been in development for some time, enabling President

Roosevelt to activate familiar rhetorical justifications for leading the way down his “new and untrod path” (Roosevelt 1933c).

In Chapter 2, the dominant narrative in 1925 is first introduced, a narrative that promotes a free market, pro-banking America as the righteous path to a better and stronger economy and country for all. The rhetorical framing of farming and its relation to debt and credit is examined in the main-stream press and in a prominent banker’s memoirs. Analysis shows that the dominant narrative about farming framed it as an industrial sector with tremendous earning potential, potential that wasn’t yet realized because farmers hadn’t learned to properly diversify, to sell their products effectively, or to pay their debts in a timely fashion, which leads to liquidity problems for rural banks.

In this dominant narrative, among the issues framed as problems with farming are low prices, insufficient lines of credit, and delinquent debts. The causes of these problems are framed as poor crops and inadequate management (lack of marketing expertise, not enough diversification and modernization). The remedies to those issues are framed first and foremost as *not* requiring government intervention, but rather better crops, higher prices, and improved business skills along with harder work by farmers. Increased lines of credit from banks and private agricultural finance firms are also framed as part of the remedy to the farm problem. Finally, this dominant narrative often uses moral framing that judges the "good farmer" as one who works hard to bring to fruition the profit potential inherent in the Northwest agricultural sector. And a good farmer always pays his debts.

During the same time frame, rhetorical analysis of the alternative press and radical politicians shows the emergent narrative created by the Farmer Labor Party tells a very different story. The Farmer Labor Party, which was just beginning to move into positions of legislative and bureaucratic power in the state of Minnesota, created an emergent narrative that called for government intervention in farm finance as required for a stable and just future. The party framed the farm crisis as a problem of too much power and wealth with too few people, a problem caused by an oligarchy that put its own profit before the people. That problem could be remedied only through government policies that prioritized the welfare of the majority of the people over the profit motives of the few, especially in the area of credit and debt. The Farmer Labor Party consistently used moral framing to show the banker and profiteer as bad in contrast to the good farmers and laborers who seek government structures to ensure basic human rights (housing, food, power, water, etc.). The party’s focus on education, organization, and political action all worked together to help elevate this once emergent narrative to a position of dominance in the next decade.

In Chapter 3, the Farmer Labor Party’s once emergent narrative begins to move into a position of dominance, as is illustrated in the rhetorical analysis of the main-stream and alternative press, Governor Floyd B. Olson and his appointees, and federal legislators from 1930 to 1933. The consistent efforts of the Farmer Labor Party to educate, organize, and change policy made familiar the defining of the farm crisis as a problem of farm debt caused by a reckless, self-promoting oligarchy, that can only be remedied through government intervention. Together with like-minded activist organizations, the Farmer Labor Party would move this narrative into a position of dominance not just through its radical press, but through protest and, significantly, through the election of the first Farmer Labor Party Governor, Floyd B. Olson of Minnesota.

Among the problem frames prevalent as the Great Depression took hold were the problems of unemployment, unfair taxes, farm foreclosures, and suffering of the workers and farmers. The causes of these problems were framed primarily as inadequate government spending, policies that favor the rich, commodity prices too low to cover the cost of production, and unfair/under-regulated credit and debt structures. Thanks to highly visible protests such as Penny Auctions that stopped farm foreclosures and Farm Holiday members’ withholding of goods, the morality frames surrounding the farm crisis were increasingly dominated in ways that labeled Wall Street profiteers as bad and government protection of basic human rights as good. The broadening base of the Farmer Labor Party that now included middle class business people and pastors helped to move the party’s narrative into a position of dominance, as did the worsening economic condition. Through solidarity and consistent rhetoric for more than a decade, the Farmer Labor Party succeeded in framing the problem as a failure of the existing financial regime and the solution as federal government policy that restructures the relationship between farmer, debt, and the government in a new financial paradigm.

In Chapter 4, the enactment of a new financial paradigm is examined through rhetorical analysis of the Agricultural Adjustment Act of 1933 (which included the Emergency Farm Mortgage Act of 1933) and the Farm Credit Act of 1933 as well as the executive order that created the Farm Credit Administration, the main-stream press coverage of the legislative acts, and the statements of President Roosevelt. The Farm Credit Act of 1933 and the Emergency Farm Mortgage Act of 1933, which worked together with the price stabilization measures in the Agricultural Adjustment Act, shifted agricultural finance away from a free-market model and firmly established the long-lasting structure that still largely defines farm credit today. In this newly created financial regime, federal oversight and involvement is required to provide financial stability to the agricultural sector and, therefore, to the country.

Throughout this chapter, the rhetoric shows a framing of the farm crisis as a problem of foreclosures, lack of buying power of farmers, and inadequate oversight of farm finance. The remedy to these problems is always the same: government intervention and the installation of a permanent structure to manage and monitor the credit and debt of the nation's farmers. Also consistent in the narrative of the farm crisis in 1933 is a moral frame that points to the wrongness of farmers losing their homes and livelihood. That wrongness is magnified by the framing of the cause as an unjust credit and debt structure. Roosevelt is quite direct in asking for a respite for farmers through cessation of foreclosures; it is morally right in this dominant frame to do whatever is possible to save a family's home. The importance of restoring hope to farmers instead of continuing to batter them is a common moral frame that clearly privileges the farmer over the banker. Yet in both the rhetoric surrounding the legislation and the actual legislation itself, it is clear that the remedy here is one of compromise on a practical level: farmers must repay their debts, but they can do so on more reasonable terms; bankers, once faced with reams of bad paper, can now exchange those mortgages for government bonds and a promise of interest payments. Where the legislation is *not* a compromise is in its permanent institution of government involvement in farm finance, thereby ushering in a new financial paradigm.

Together, the chapters of this dissertation begin to fill a gap in knowledge about an important time in the development of the financial structure that ties farmer, banker, and the state. The dominant narrative in the 1920s of the capitalist banker elite that foresaw a bright future in regulation-free, financialization of agriculture would not ultimately be realized. Instead, the emergent narrative of the 1920s of the Farmer Labor Party that demanded government intervention in farm finance would come to dominate by the early 1930s. Through the long-lasting and consistent educational, protest, and legislative efforts of the Farmer Labor Party, a narrative calling for government structure of agricultural finance provided President Roosevelt the rich rhetorical foundation needed to activate and initiate the now accepted idea that it is indeed the role of the state to structure the financial system used by a vital segment of the U.S. economy: agriculture.

Regarding limitations and future direction for study, this project has intentionally used a wide range of rhetorical objects to trace a financial paradigm shift at an important time in the financial history of the country and of the state of Minnesota. While news stories, speeches, political cartoons, radio addresses, the

Congressional Record, memoirs and oral histories have indeed provided a broad pool from which to draw, more could be done in this area. Primarily, it is hoped that future studies can incorporate the voices of more women who were involved in the Farmer Labor Party, in politicking for various parties, and in managing or working on farms. It proved a challenge to uncover such voices in the archives for a number of reasons.

First, although the photos of the Farmer Labor Party clearly show that women were involved in the organizing and educating of the party, aside from a few mentions of the women members in the *Farmer-Labor Leader*, they are virtually invisible in most stories in both the main-stream and the alternative press. This invisibility conflicts with the mythos surrounding the party that it includes all people--men, women, farmers, laborers, immigrants, and people of color. Yet, with the FLP press run by men and the main-stream press outright hostile to women (Akerson 1922), evidence that those claims are true get lost in time. Second, most of the memoirs written by women who lived on farms are poorly described when in English and not described at all when in German or Swedish, making their recovery a project all its own. Finally, as many farm families abandoned their farms at the height of the farm foreclosure crisis, it is more likely that the women's diaries of interest to this project are located at archives in Kansas, the Dakotas, and the West Coast where many went in search of work. It would do a great deal to expand the understanding of the education and organization efforts of the party as well as to learn if credit and debt was a common concern to the women on the farm to be able to read their own thoughts on the subject.

Regarding foreclosures, that is a segment of the project worthy of considerable research and analysis. Part of the genesis of this project was actually research into the 2007 housing crisis; the goal in looking back to the New Deal era was to learn what was done in the past when the housing market collapsed. Not only is it important for scholars trying to make sense of the most recent crisis to have the historical context of past responses to foreclosure, but it is important for social movement scholars and practitioners as well. Surely, Occupy Homes Minnesota could benefit from a study of the Penny Auction protest. But more importantly, it is vital to understand how financialization has worked--or failed to work--in the past if we are to properly analyze its more recent incursions and keep perspective about the power limitations of the banking industry. Additionally, so little has been researched about the Emergency Farm Mortgage Act of 1933 that Jonathan D. Rose, an economics staffer at the Federal Reserve Board in Washington, had to conduct primary source research in his efforts to write a white paper on the subject in 2013[23]. With the continued cycle of predatory lending that targets the poor, the more we can learn about the history of mortgages, and government and banking responses to their failure, the better.

Finally, research into the farm crisis of the 1980s is called for here. A period of deregulation of farm finance played a significant role in the devastation of farmers in the U.S. at the time. The response was, eventually, stricter regulation that looked similar to that instituted by FDR in 1933. Of course, by the 1980s what it means to be a farmer had radically altered. With the large agribusinesses competing with the family farm, how was a solution reached that could help agriculture generally? Or was it not? While clearly there will be many differences in

[23] “Farm mortgage debt relief is a relatively unexplored area of the New Deal.” That’s how Rose opens his white paper. He footnotes that sentence with the following: “As far as I can tell, there is little secondary literature on federal mortgage debt relief programs of this era.” He is quite correct. That should be remedied.

the problems of the 1980s and the 1920s, looking for the parallels and the differences, both in the official documents and the rhetoric of protest, would be a worthy venture that would add more to social movement scholarship and rhetorical studies of public address and economic issues.

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