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So lots of farm loss during this decade.

[Music]

This is the Lawyers, Guns, and Money podcast.

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Hello and welcome to Lawyers, Guns, and Money podcast.

This is Eric Loomis,

And today I am very, very happy to be speaking to Pamela Ryanne Kerberg, who is a professor of history at Iowa State University, one of our leading agricultural historians, former president of the Agricultural History Society, among other things, and is the author of many books, a couple of which of the older books include Childhood on the Farm, Work, Play, Coming of Age in the Midwest, which was published in 2005.

The Nature of Childhood and Environmental History of Growing Up in America Since 1865, published in 2014, and even a kids book, which maybe we'll talk about a little bit, called Always Plenty to Do, Growing Up on a Farm Long Ago, which came out in 2011, which is really cool.

But today we are here to talk about Pam's relatively recent book published in 2022, titled When a Dream Dies, Agriculture, Iowa, and the Farm Crisis of the 1980s that was published by the University Press of Kansas.

Pam, thanks for joining us today.

Well, thank you for having me.

Could you start by talking about why you decided to write this book and just kind of lay some of the basics out for our listeners?

Sure, this book was a long time in company.

I've taught agricultural history to

graduate students for many years,

and we would touch on the farm crisis,

and then they would say,

"Why hasn't there been a book written?"

I would say, "Well, maybe it's not been long enough.

Maybe we need to think about this a little bit longer."

Then I started getting really interested

in rural communities in Iowa,

and wanting to do a project about

rural community decline and what's happening in the countryside,

and realized I could not do that

without going back to the farm crisis of the 1980s.

I decided that it was time to do it because there is

a book by Mark Friedberger called Shake Out written during the 1980s,

which does a nice job of talking about

farm decision-making and things like that.

But it was written before the crisis was over.

I really felt like I needed to do

a serious deep dive into what was happening in the countryside in those years.

So between pressure from my graduate students

and just looking at what was happening out there,

I decided I had to write something.

Makes a lot of sense.

And, you know, what is kind of like the layout of the book?

Like, what is the book's central argument?

The book's central argument is that Iowa farmers were plunged into a situation well out of their

control and somehow had to struggle their way through the 1980s. And, you know, the story follows

year by year, what happened during those years, and highlights some of the real problems that they

faced that nobody would even have thought of. In particular, one of the most important threads that

that I've followed throughout the book is food insecurity.

Nobody would ever think that a farmer

couldn't feed themselves,

but given the dramatic changes in agriculture

since World War II,

there were many Iowa farmers who couldn't feed themselves

and the use of food stamps soared.

And so this situation forced people

to think very differently about what was happening

to them what was happening to their communities.

And unfortunately, the outcome was that Iowa

had a quarter less farms by the end of the decade

than they'd had in the 1970s.

And what had happened was a combination

of what turned out to be decisions in the 1970s

that fit that situation, but didn't fit what happened

in the 1980s.

And then a government that really didn't seem to care

a whole lot about what was happening

and a state that was forced to scramble

and actually had some remarkable moments of bipartisan,

bipartisan caring in the middle of all of this

that may be looking back from a number of years past that we wouldn't have imagined.

Yeah, there's so much to build on here. But I think I want to start by almost reminding

everybody just how serious this was. You start the book with a suicide. And that's a really,

it kind of brings us immediately into just how terrible this is.

And I feel like to a certain extent, the farm crisis is not exactly forgotten

because I mean, it comes up every now and again,

if for no other reason than Iowa's traditional role in the primary process, maybe, but it's not something that is like very much part of our consciousness

today. And so could you talk about just like,

just the sheer level of tragedy,

I guess, that this is too forgotten episode

in American history created.

- It was huge.

And across the whole nation,

15% of farms disappear during the 1980s.

In Iowa, it's closer to 25%.

In the upper Midwest there are states like Wisconsin

and Minnesota that lose even more farmers.

So lots of farm loss during this decade.

And to put it in another way,

when you think about all the farmers in Iowa,

there were only a third of them who are really safe.

And these were largely older farmers, wealthier farmers.

They weren't in danger,

but there was another third that was teetering

and lived every day with the stress of not being able

of knowing that they were one, one drought,

one bad crop price away from real trouble.

And then there were a third who were in imminent danger of losing their land.

And they were living with just horrible stress.

And in Iowa, as a press the Midwest, there are these increasing incidences of suicide among farmers,

many of them in their late 40s, their 50s, even their early 60s, who have never done anything

else in their lives. They've never even ever applied for a job. They've never done anything

else in their lives. And they're suddenly being faced with the loss of their, their livelihood.

And so yeah, it does lead to some really tragic events.

- So I guess, you know, maybe it makes sense now

to kind of walk us through this a little bit more again,

you know, and sort of remind us of the history

because this really starts in the 70s

where you have this gigantic expansion

of incentives for farming.

And, you know, can you kind of talk about, you know,

how the, or sort of the background of how the, you know,

how farmers get into this trouble?

- It all, well, maybe it doesn't all go back to,

but a lot of it does stem from this really strong push

in the 1970s to get bigger, get out.

Earl Butts was secretary of agriculture,

and he was pushing farmers to get bigger, get out, and to farm from fence row, plowed from fence row

to fence row.

Part of the incentive for this is new markets opening up.

The United States was selling grain to the Soviet Union

and farmers could earn a lot of money if they expanded.

And there aren't a lot of disincentives to expansion.

There's this USDA rhetoric,

but there's also low interest rates.

And particularly in the Midwest,

their land values are skyrocketing.

So they have a lot of collateral.

And in this situation, a lot of them do

what they're being encouraged to do,

but also advised to do by their bankers,

by their extension agents, by everybody to get bigger.

So you've got young guys who are going out there

buying their first farm and putting all of their new

progressive farming ideas into their land.

And then you've got old guys who want to bring their children

in and they're buying land.

And all of this works just fine

as long as they have collateral, basically.

Well, what happens in 1979

is that the Fed raises interest rates.

There's a serious problem with inflation.

And so they decide the best way to fight inflation

that's going to cause the least political fallout

is going to be to crank up interest rates.

And there are points at which between 1979

and the early 1980s,

that interest rates go as high as 25%,

which is wonderful if you have money in the bank,

but it is rotten if you are a farmer

who's trying to manage a farm.

And what also happens when interest rates go up,

land prices begin to fall because investors look and they see that they can earn a better return

just on a savings account than they can on land. This land that had been gaining in value

suddenly loses value and by the middle of by '84, '85, land values in Iowa, and it doesn't

matter what county you're in have fallen by up between 60 and 66%. Farmers lose their collateral.

They still have to take out loans. They still have to pay their loans. But they suddenly have

no collateral for those loans. They are stuck. And those guys who on advice expanded in the 70s

are in desperate trouble, the ones who tried to bring their kids in to buy land for them

in desperate trouble. It's just this very sudden, very intense collapse.

Can we talk a little bit more about the Carter administration? Because you know, you talk about this happening in '79, obviously the interest rates are high, but the choices that Paul Volker at, who's the chairman of the Federal Reserve, the Carter administration's choice to issue an embargo on trade with Soviet Union after the Soviets invade Afghanistan. All of this has, it feels like the Carter administration is engaging in policies without actually thinking through very deeply how this is actually going to impact large percentage of Americans. I don't know if you feel that way, but that certainly is kind of what I was getting out of it.

Right. I feel like they were trying to choose the path that was going to cause the least political fallout in terms of interest rates. When it came to inflation, another way to fight inflation is to raise taxes. But you raise taxes, and every single person in America, well, maybe not every single person, most people are going to be a little bit upset with that. Whereas if you do the interest rate thing, then you are going to get a smaller percentage of the public upset about it. And that's what they decide to do. And you know, farmers by that point are 2% of the public. And you would think Carter being a farmer, he might have thought a little bit more seriously about what increased interest rates and debt means to farmers. But it seems like there's very little thought of that going on. On the issue of the embargo, at first it really upsets farmers because, you know, Carter had said he wasn't going to do that. He flat out told them he wasn't going to do that. And then he does it, which really upsets them. But fortunately, what ends up happening for farmers is that the United States steps out of the Soviet market, all kinds of other nations step in and then oversell and end up with deficits themselves. And so the United States ends up filling those deficits and we actually end up exporting a lot of grain. But in a lot of ways, I think of the whole embargo issue as being more of a shock, a feeling, and it gives people a feeling that nobody listened to them and that Carter actually

hadn't listened to what he said to them. They feel betrayed. And between that and the interest rate,

they really feel betrayed. And then we enter the Reagan years, right? And the

farm crisis peaks in the mid 80s, so we're talking about really the first term of the Reagan years,

and then slowly we could debate whether really how much it really improves. But

what is the Reagan administration's response to all of this, which seems like Carter's tremendously

inadequate. It's basically tough luck. Yeah. I mean the USDA goes until I think 1984 denying

that there is a problem and you know on the one hand okay yeah you can see that because you know

agriculture fluctuates radically and sometimes there are these short-term corrections but this

is just getting worse and worse and the USDA is saying there's not a problem.

Everybody in the White House, I mean, Reagan's response is basically to laugh it off, to

make jokes and to not take seriously what's happening in, you know, Main Street America.

And it's interesting.

You can watch various Republican politicians who have very large agricultural bases in

their states stepping back and saying, "This is nuts.

Why isn't Reagan listening?

Because he's not."

Yeah, I mean, I feel like and, you know, when I, you know, I'm of course labor historian

and environmental historian too.

And so, you know, and this part of the, which is part of the reason why I'm familiar with your work in the past, but what from the labor side, especially, you know, it feels like the same story, right?

It feels like a story of, you know, the American economy kind of stalling out a little bit in the mid-seventies having its first serious issue since the depression and the rise of neoliberalism and globalization and the responses that Carter makes which are terrible for labor and just he just seems indifferent to them walking in then to a Reagan administration that is openly hostile.

And you know, and I guess when I look at this period generally, whether I'm thinking of of labor, you know, or in the cities and, you know, de-industrialization, or I'm thinking about the farm crisis, I'm really struck by the indifference of leaders of both political parties about what's really happening to what had been the areas that were the core of the 20th century economy, whether rural or urban.

And I'm just wondering if you agree with that or see it that way, or if you see it a little differently.

I do see a lot of indifference. I mean in Iowa, they're getting a double-barreled, a double-barreled blast. The farm economy is absolutely destroyed by this, but it also destroys Iowa's industrial economy, which is really tightly tied to farms, of course, you know, John Deere and the like. And at the same time as farmers are losing everything. The John Deere plant in a tumbler is shutting down and industrial workers are being thrown out of work. And there doesn't seem to be, I mean until things get really bad, there doesn't seem to be much of a response. It's just the market has to work itself out. Things have got to work themselves out. Well, were they planning on things working out on this on this scale, you could say that the USDA has been trying to reduce the number of farmers and make everybody more efficient for decades, but did they really plan on doing it this way?

I have a hard time figuring out whether it was

either planned or indifference or malignant indifference. I don't know.

But one difference, I think, between the labor movement and the sort of situations in places like urban Michigan or Ohio and the things that you describe, and you get into this some, is the kind of ideology of individualism and self-reliance in the rural community.

Can you talk about how these ideologies impacted the ways in which farmers dealt with or really unable to deal with the economic crisis, losing their land and everything that meant?

Right. Individualism didn't work very well in this situation. And there's a lot of people who suffer alone. Where they do better, I think, is in communities where people decide, you know, I think we need to talk to each other. And I think that we need to work together.

And so you get, particularly among smaller farmers, particularly among

farmers who are more sort of New Deal Democrat, a real push to

cooperate, to protest together, to go to Washington together. And

it might not have pushed Washington very far, but it did

get the state to pay even more attention than they did. And it

gave them a way to think of all of this that allowed them to keep going.

I mean, if you're entirely wedded to the rugged individualism and things go wrong, then you tend to think of it as your fault.

And the mental health crisis was horrendous.

But if you can join together with other people and say, "You know, this isn't just happening and me, it's happening to a third of the farmers in the state, then maybe we're going to be

okay. Maybe we can get people to see what is wrong and to cooperate. And so there actually

was really good networking done between various farm organizations, between those farm organizations

and eventually the state. And the state was able to provide helpful measures and also eventually

to get a better year in Washington. But I think the farmers who could get past

the whole individualism thing did far better than the ones who just sat at home and stewed

about

the situation

you know one of the things that you do explore in you mention this in your

intro is the ways in which

uh... iowa begins to see you know

begins to see some pretty significant

uh... organizing over this and you know bipartisan solutions and you know this

kind of leads us into a whole other set of questions that maybe we can kind of

close with that

can you talk a little bit about how politicians in iowa across the aisle

managed to come together to an extent and create some policies that at least alleviated some of

these problems. I am really impressed by the way the governor, Terry Branstad, Republican,

worked with, you know, Chuck Grassley, Republican senator, but also Tom Harkin,

Democratic senator, to talk with more or less one voice on all of this. They didn't agree on

everything. But I'm thinking in particular of a public service announcement that the three of them recorded about food stamps and about food aid. And all three of them in one voice, in one ad,

told Iowans who were suffering food insecurity that A, it wasn't their fault.

B, that there was help, C, that they should take it. And I was more than a little bit surprised

when I found that in a box of documents. You don't think of that kind of work across the aisle

and that kind of speaking with a single voice that something had to be done. And, you know,

it was a pretty bold move. But by 1985, you know, Republican governor says, we're going to have a

moratorium on land seizures. And, you know, there was a 19, I forget 1930, oh, a Great Depression

law passed that said that, you know, if you want to take someone's land, here are the hoops you

have to go to. And they resurrect that. It's Democratic politicians pointing out that this

law is still on the books and that they can have a moratorium on foreclosures. Not a complete

moratorium but something that will slow people down. And, you know, they don't adopt it immediately.

By 1985 though, Branstad has done it.

And then we have Chuck Grassley getting in trouble

with the bankers because of a new form of bankruptcy.

I don't remember title 12 bankruptcy

that is specially written for farmers.

And basically, you know, says that you're not responsible

for the value of your land that was artificially pushed up

in the 1970s.

and that you have a right to some portion of your land to be able to try and recover some portion of your land,

even if it goes into bankruptcy.

So there's all kinds of measures

that you just don't necessarily think of as being things

that would be bipartisan efforts

that are in fact bipartisan efforts in the 1980s.

- Yeah, well, how does the, let me ask you this,

I mean, I think it's not totally clear.

First of all, does the farm crisis really end?

And secondly, of course, it at least alleviates,

but do you think that the farm crisis truly ended?

And if so, what leads to at least somewhat greater stability for those who are still able to farm?

No, I don't think it ever ended. You know, I end the book artificially at the floods,

the massive floods of 93 because it really is

it is a breaking point and I feel comfortable ending the book there. But for rural Iowa and

the rural Midwest it hasn't really ended because they go through crisis after crisis you know

whether it's a drought, a flood, whether it's agricultural embargoes on exports,

wherever they might be in the world. The economy is constantly up and down.

More and more people leave. There's more and more school consolidation, more churches that close.

it hasn't really ended. And, you know, there has been perhaps a

bit more stability because a lot of the smallest farmers lost

their land. A lot of people who are sort of middle sized, lost

their land, they're out of it. It's largely bigger farmers,
more capitalized, but that's just going to create a whole, a
whole new set of problems. Because, you know, rural Iowa is
old rural Wisconsin, rural Minnesota is old. And those people are going to quit farming.
And, you know, who's who's gonna feed us and what's gonna happen to all of those small
communities out there. And, you know, I drive through a lot of them on a regular basis. And
it makes me very sad to see how little is left in a lot of places. And you just wonder,
you know, how do we maintain a decent life for people in these places?
Yeah, which again ends up being, you know, a question that labor historians have also asked,
right, about places like Flint or Detroit or Youngstown, or, you know, some of these places
have come back, but some of them, including the ones I mentioned, have not. And I just feel like
the political climate over the last half century has really still not
been able to articulate an answer for either rural America or for the old industrial cities.
I think you're absolutely right. Yeah, and I think that we you know one way to close this then is to
think about Iowa now right I mean you know because where Iowa is getting publicity and
sort of the media is the fact that it has moved so far to the right in the last 15 years right
I mean you know of course you know it and I guess rural Minnesota and Wisconsin were
along with Vermont the last sort of white rural areas that voted for Democrats at least or at
or at least where Democrats were competitive.
And that has changed radically in all of these places.
Minnesota has Minneapolis, St. Paul big enough
to maybe cover that.

Wisconsin is very close, but of course,

Iowa now is an extremely red state.

And I'm wondering if what we can understand

about the farm crisis and the continued struggles

of rural America to maintain itself

and how maybe that has contributed to the growth

of far right politics in places such as Iowa.

- I think when people feel left behind and excluded,

which they certainly felt in the 1980s,

it leaves them flailing about for answers.

And I don't think the answers they found

have always been productive answers.

When I moved to Iowa in 2000,

it was definitely a purple state.

And that was one of the things I loved about it.

When you export so many of your young people,

which Iowa does, rural communities export

virtually all of their young people.

I think it becomes rather difficult for new ideas

and for change to take hold.

It's just a very difficult situation.

- Yeah.

Well, that's a great answer.

And I think that's an appropriate place for us to close.

And so I wanted to thank you again, Pam, for joining us today.

And thank you so much for having me.

Again, we've been speaking to Pamela Riney-Kirberg about her 2022 book,

"When a Dream Dies, Agriculture, Iowa, and the Farm Crisis of the 1980s,"

which you should all pick up if you have any interest in understanding some of the

important antecedents to contemporary politics.

And I cannot recommend it highly enough.

So we'll be back soon with another Lawyers, Guns, and Money podcast.

Thank you all very much for listening.

Thank you again for listening to the Lawyers, Guns, and Money podcast.

We would like to thank Elizabeth Nelson of the Paranoid Style for supplying as

our intro and outro music, I bet my lands and titles,

a track on the album for executive meeting.

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Thank you.

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