

CHAPTER I

RURAL CREDIT AND AMERICAN POLITICAL DEVELOPMENT

Introduction

The negative social, economic, and ecological impacts associated with conventional agriculture are widely acknowledged. Social and natural scientists, farmers, and consumers are joining with many students of agriculture to argue that current conventional agricultural practices contaminate surface and ground water, contribute to high levels of soil erosion, narrow genetic diversity, threaten marine and aquatic life, cause farm-worker poisonings, and induce weed and pest outbreaks.¹ There are also indications that modern agricultural practices are linked to a global decline in sperm count, as well as increases in the prevalence of certain cancers.² Interdisciplinary efforts to identify the sources of these problems

¹Tracy Irwin Hewitt and Katherine R. Smith, Intensive Agriculture and Environmental Water Quality: Examining the Newest Agricultural Myth [Pamphlet] (Washington, DC: Henry A. Wallace Institute for Alternative Agriculture, 1995); Angus Wright, The Death of Ramone Gonzales: The Modern Agricultural Dilemma (Austin, TX: University of Texas Press, 1990); National Research Council, Alternative Agriculture (Washington, DC: National Academy Press, 1989).

²Cotton, "Environmental Estrogenic Agents Area of Concern," Journal of the American Medical Association 274, no. 6 (9 February 1994): 414.

contribute to the ongoing social, political, and technical debates about the sustainability of modern agricultural practices.³

The debates surrounding conventional agriculture are complex and encompass several subthemes. One of the more intriguing for students of United States political history is the question of what specific influences led us to this point of evolution in the agricultural sector. Current federal policy supports large-scale input and capital-intensive, mass production agriculture. Regressive price supports, tax-shelter incentives, permissive farm labor policy, and the dominant research orientation of the United States Department of Agriculture (USDA) are often classified as institutional versions of the usual suspects; that is, these are politically determined factors contributing to the status of agriculture.⁴

Less attention, however, has been focused on the origins of federal policy in agricultural capital markets. Prior to the full industrialization of agriculture, political decisions about the availability of credit for farmers significantly influenced the development of the sector. Mass production agriculture in the United States is the product of numerous political

³Frederick H. Buttel and Stuart Shulman, "Introduction to the Special Issue on the Politics and Policies of Sustainable Agriculture," Society and Natural Resources 10, no. 3 (June 1997): 235-37; Miguel Altieri, "Ecological Impacts of Industrial Agriculture and the Possibilities for Truly Sustainable Farming," Monthly Review 50, no. 3 (July-August 1998): 60-71; Patricia Allen, ed., Food for the Future: Conditions and Contradictions of Sustainability (New York: Wiley, 1993).

⁴See, e.g., Herman E. Daly and John B. Cobb, Jr., For the Common Good: Redirecting the Economy Toward Community, the Environment, and a Sustainable Future (Boston: Beacon Press, 1989).

struggles, and the resulting design of federal policy that emerged from these politically determined choices.⁵ As Kenneth Finegold and Theda Skocpol argue, one "recurring lesson of policy history is path dependence: what paths are available now depends on what paths were chosen before."⁶ In other words, policy choices during the 1910s about who should receive subsidized credit, and on what terms, contributed to the rise of mass production agriculture. Lawrence Goodwyn asserted that the historic commitment of United States policy during the twentieth century has been primarily to meet the credit needs of an affluent class of commercial farmers and prosperous agricultural landowners.⁷ The legacy of this orientation was a set of politically derived economic institutions, which were necessary to sustain the early development of mass production agriculture. Defeated along the way were alternate paths of agricultural development, such as those featuring large numbers of diversified, small- to middle-size ecological farms, regional economies, and progressive forms of rural cooperation.

⁵Elizabeth Ann R. Bird, Gordon L. Bultena, and John C. Gardener, eds., Planting the Future: Developing an Agriculture That Sustains Land and Community (Ames, IA: Iowa State University Press, 1995).

⁶Kenneth Finegold and Theda Skocpol, State and Party in America's New Deal (Madison, WI: University of Wisconsin Press, 1995), 224.

⁷Lawrence Goodwyn, in The Populist Movement: A Short History of the Agrarian Revolt in America (New York: Oxford University Press, 1978), argued the federal policy choices that distributed subsidized credit first to large-scale, affluent growers, then to the agricultural middle class, while holding it back to the smaller, less affluent farmers, "had the effect of assisting large-unit farming interests to acquire title to still more land at the expense of smallholders" (269).

Successful farmers, following the incentives and advice furnished by the federal government and diverse agencies in the private sector, led the movement to industrialize agriculture between the 1920s and 1940s. Many farmers became parts of vertically integrated agribusiness firms, members of large, top-down managed commodity cooperatives, or else independent agricultural landowners with large enterprises.⁸ Federally sponsored agricultural credit institutions in the United States, much like the preexisting market conditions, favored solvent, large, well-established owners of farmland over insolvent, small, start-up, or tenant, farmers, thereby setting a federally regulated standard for creditworthiness, and for the distribution of subsidized farm credit along class lines.⁹ This policy came at a time when large capital flows into agriculture were increasingly important for the transition from traditional to industrial/scientific farm practices.

Scholarship in the subfield of historical new institutionalism has identified the political regulation of credit in capitalist systems as one of the most important factors in state and economic development. Theda Skocpol, for example, has argued that the financial resources of the government are a crucial measure of state capacity. In this view, the ability to channel credit to particular sectors or enterprises is fundamental to any state-sponsored effort at

⁸Marty Strange, Family Farming: A New Economic Vision (Lincoln, NE: University of Nebraska Press, 1988), 134.

⁹Stuart Shulman, "State Intervention in Agricultural Capital Markets: The Rural Credit Reform Movement," unpublished special field paper, Department of Political Science, University of Oregon, July 1996.

industrial reorganization. A state's financial resources, according to Skocpol, determine its capacity to create or strengthen organizations, employ personnel, co-opt political support, and subsidize economic development.¹⁰ Similarly, Gerald Berk has argued that state allocations of credit, made largely in contingent and political struggles over distributional rights, allow the imposition of particular solutions to technical or efficiency problems, where in fact a number of solutions may be feasible. Credit that targets a particular mode of production (e.g., mass production) determines whether a sector moves toward economies of scale or scope.¹¹ Other scholarship supports the conclusion that political decisions about who gets credit are fundamental to understanding the path to the development of industrialization in a particular sector of the economy.¹²

With the passage of the Federal Farm Loan Act of 1916 (FFLA), a portion of the agricultural capital markets in the United States initiated a new system of federal subsidy and regulation.¹³ The FFLA was the first extension of federal responsibility specifically for farm

¹⁰Theda Skocpol, "Bringing the State Back in: Strategies of Analysis in Current Research," in Bringing the State Back In, ed. Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol (New York: Cambridge University Press, 1985), 17.

¹¹Gerald Berk, Alternative Tracks: The Constitution of the American Industrial Order, 1865-1917 (Baltimore: Johns Hopkins University Press, 1994), 7.

¹²See, e.g., Marilyn Gates, In Default: Peasants, the Debt Crisis, and the Agricultural Challenge in Mexico (Boulder, CO: Westview Press, 1993).

¹³A condensed overview of the events leading up the passage of the FFLA is available in Robert B. Tootell, "The Federal Land Banks," in Great American Cooperators (Washington, DC: American Institute of Cooperation, 1967), 555-57. The best scholarly account from the period is George E. Putnam, "The Land Credit Problem," Bulletin of the

credit, and it would come to characterize the political and economic development of agriculture, particularly after the New Deal.¹⁴ According to one land-credit scholar, "the Federal Farm Loan Act of 1916 is most appropriately viewed as an expression of the Rural Life Movement and the belief of leaders in that amorphous host that cheap and safe credit would make a fundamental contribution to a stable and prosperous rural America."¹⁵

Scholarship, however, has left some of the more complex origins of this significant financial legislation largely unexamined. Descriptions of the law as the result of electoral manipulations by party politicians, or else as a triumph of an "agrarian-statist agenda," ushered

University of Kansas Humanistic Studies II, no. 2 (1 December 1916). Putnam concluded that despite the fact there was no need for federal legislation targeting the landowners with a special privilege, Congress "[has] given a subsidy to landowners, a subsidy that may aggravate rather than mitigate the problem of tenancy" (106).

¹⁴On the New Deal developments for agriculture and the federal government, see Finegold and Skocpol, State and Party in America's New Deal; Jean-Pierre Berlan, "Capital Accumulation, Transformation of Agriculture, and the Agricultural Crisis: A Long Term Perspective," in Instability and Change in the World Economy, ed. Arthur MacEwan and William K. Tabb (New York: Monthly Review Press, 1989); and Martin Kenney, Linda M. Labao, James Curry, and W. Richard Goe, "Agriculture in U.S. Fordism: The Integration of the Productive Consumer," in Towards a New Political Economy of Agriculture, ed. William H. Friedland, Lawrence Busch, Frederick H. Buttel, and Alan P. Rudy (Boulder, CO: Westview Press, 1991), 174-84.

¹⁵Allen G. Bogue, "Land Credit for Northern Farmers," Agricultural History 50, no. 1 (January 1976), 93. See also Ben Sunbury, The Fall of the Farm Credit Empire (Ames, IA: Iowa State Press, 1990), 4-5. On the social and economic composition of the rural or "country life" movement, see David B. Danbom, The Resisted Revolution: Urban America and the Industrialization of Agriculture, 1900-1930 (Ames, IA: Iowa State University, 1979). Danbom argued "Country Lifers" came from diverse backgrounds, including journalism, academia, business, banking, the clergy, and government.

in by politically influential dirt farmers, are provocative, but incomplete.¹⁶ Left unexamined are questions about the way latent political ideas became accessible to large numbers of individuals, or their representative interest groups, as they emerged publicly in the shape of competing policy proposals.

This dissertation presents a new analytical framework for understanding the origins of the FFLA. The interdisciplinary theory of agenda-setting can help explain why the particular path of state intervention enacted through the FFLA was the ultimate choice of Progressive Era policymakers. Agenda-setting theory augments earlier interpretations that focused instead on parties, electoral concerns of the President, voter alignments, or the United States Congress. The focus is instead on empirical evidence gathered from the period that supports an approach centered on the role of the print press. Here, the central organizing concept of agenda-setting, which is described in detail below, functions in two ways. First, agenda-setting theory guided the way primary historical data were gathered, manipulated, and analyzed. It also served, however, to aptly describe the role of elite journalists, and other important contributors to the press, as manufacturers, conduits, and editors of information about every major policy initiative during the Progressive Era.

¹⁶Arthur S. Link, Wilson: Confusions and Crises, 1915-1916 (Princeton, NJ: Princeton University Press, 1964), 345-49; Elizabeth Sanders, "Farmers and the State in the Progressive Era," in Changes in the State: Causes and Consequences (Thousand Oaks, CA: Sage, 1990), 183-205.

After the turn of the century, numerous and diverse attempts were made to ease the task of moving millions of traditional farmers to accept the logic of business and industry. One method suggested for accomplishing this was the conveyance of government-supervised and/or government- subsidized rural credit to finance the development of a better organized agricultural sector. During the 1910s, two competing demands dominated the policy debate. Farm organizations called for cheaper money through direct government lending, and eventually came to champion the idea that U.S. Treasury funds should subsidize agricultural development. Opposed to the farm organizations were most of the farm papers, and the business press, which voiced interest in a "sound" rural credit system, based on a selective appreciation of European examples that rewarded farmers once they were better organized.

Propaganda campaigns and editorial analysis during the period 1912-1916 emerged from several important stakeholders in the private economy, including the two largest farm organizations, urban and rural journalists, commercial clubs, and bankers' associations, to name only a few of the most prominent. Many complimentary activities were conducted by state and federal governments. These activities often took the form of information gathering and dispersion campaigns aimed at generating informed public discussion about the proper way to organize both the public and private sides of the agricultural economy. Participants on all sides openly declared that they sought to educate, and thereby transform, public opinion about the purpose of, and responsibility for, farm credit. For many of these actors, efforts at shaping public opinion through a mass media, agenda-setting strategy were premised on the

belief that an effective federal policy on rural credits would be a critical part of the program designed to turn the best farmers into community leaders, and industrial, cooperating businessmen.

A number of interrelated concerns provoked a broad cross-section of journalists, writing for the business, farm, and farm-organization press, to describe the interrelationships between many of the same predicaments. News of agricultural capital market failures, changing rural-urban relations, and the sharpening tone of the debate about public/private responsibility for sustainable rural development, whether along economical or ecological lines, dominated the editorial columns that focused on agricultural policy issues. Many contributing to the debates admitted that battles for public opinion were being fought in the news columns and press editorials.¹⁷ A particularly influential role was assumed by those editors in each of the presses considered "honest" or otherwise straightforward, as quite a few were. This established an elite level of discourse easily distinguishable during an era in journalism history better known for the effects of "yellow" journalism, which plagued urban dailies.

¹⁷See, e.g., "What Can a Farm Paper Do?," The Prairie Farmer 85, no. 3 (1 February 1913), arguing that the farm paper is not an "oracle"; rather it "keeps you in touch with the most important bills before congress and the state legislature that may affect your interests. It gives you reliable facts about those bills and helps you to fight for or against them most effectively" (12). Another farm paper pointed out that well-prepared urban editors "can do much to aid agriculture if they handle news in an accurate, thoughtful and respectful way." "On the Right Track," The Orange Judd Weekly Farmer, 27 November 1915, 12. One account in the business press attributed the general rise in farm consciousness to publicity found in newspapers, books, and magazines. Consider James B. Weaver, Jr., "Iowa's Farmers the Ruling Class," The World's Work 23, no. 1 (November 1911): 85-95.

As early as 1907, National Grange leader N. J. Bachelder, while denouncing the yellow press, wrote that for the farmers, "weekly and monthly publications of national circulation are factors of great weight and good weight in our progress."¹⁸ Of course, amongst the farm organizations, there were always more radical or dissenting views:

Public Opinion, made-to-order and disseminated by Press Bureaus through the great daily, weekly and monthly magazines and the country newspapers, has so conveyed misinformation and distorted facts and true conditions--has so moulded and shaped and formed opinion that an inherent prejudice, based upon positive ignorance of the truth, will rebel and become mad and violent if the truth is really presented.¹⁹

Periodization and American Political Development

The task of periodization continues to provoke important questions for political scientists and historians interested in the building of the American state. According to Karen Orren and Stephen Skowronek, finding points of interface between order and change in social, economic, and political institutions represents one of the distinctive challenges of periodization. Once we empirically locate or create theories about the boundaries of a shifting political-institutional order or governance regime, the task is to find causal links between

¹⁸N. J. Bachelder, "American Agriculture Leads," National Grange Official Organ 1, no. 7 (18 December 1907): 5-6.

¹⁹"Public Opinion," Wisconsin Equity News 2, no. 19 (10 February 1910): 4.

stability and evolution or disjuncture.²⁰ Critical to the process of establishing periods is the basic analytical proposition that a researcher can systematically extract and compare data using a few key variables, and offer a parsimonious account. This systematic organization of data is the first step in the social scientific method, given that the broad parameters of a study are in place.²¹

According to Walter Dean Burnham, periodization schemes imply a schedule of priorities. A periodization is a set of generalizations emerging from available data that allows a researcher to present a causal argument about a segment of history.²² For political historians, periods are experimental hypotheses used to generate and test a number of observable implications of a particular theory of institutional development. Valid periodizations produce general knowledge that is more widely, though never universally, applicable. Flawed periodizations either settle in the dustbin of history, or remain prominent in scholarly discourse as foils from which the next generation of historians may depart.

²⁰Karen Orren and Stephen Skowronek, "Order and Time in Institutional Study," in Political Science in History, ed. James Farr, John S. Dryzek, and Stephen Leonard (New York: Cambridge University Press, 1995), 303-9.

²¹Gary King, Sidney Verba, and Robert O. Keohane, Designing Social Inquiry (Princeton, NJ: Princeton University Press, 1994), 35-36, argue that social science gets beyond the particulars to produce more general knowledge, avoiding interpretation and seeking scientific inference instead. Interpretivists, they argue, merely compile accurate summaries of historical detail. Science requires a systematic approach to observation, simplification, and hypothesis testing.

²²Walter Dean Burnham, "Periodization Schemes and 'Party Systems': The 'System of 1896' As a Case in Point," Social Science History 10, no. 3 (fall 1986): 265.

Political scientists rely on a wide variety of periodization schemes to lend coherence to past events. Presidents, business cycles, and voters are examples of the key variables at the center of prominent periodizations.²³ Diverse types of periods serve as temporal guideposts for scholarly access to political history; they set operational boundaries and often explicitly state the hypotheses for historiographic research projects. Existing periodizations are challenged, and occasionally replaced or modified, by bringing new questions to bear on old political debates.

Political historian Martin J. Sklar favors the process of periodization, and offers several compelling reasons for doing so. Periodization does not merely label an era; rather, it allows the constructive definition of the society type in question, "the system of its social relations, with its historically evolving requirements, capacities, pattern of authority, and structure of power, in its general formation and its more historically specific circumstances and stage of evolution." A clearly defined periodization, according to Sklar, "imposes discipline upon inquiry that acts as a control against presuppositions." It sets up "historical knowledge whose meaning is subject to verification, or more precisely falsification, and at the same time

²³Stephen Skowronek, The Politics Presidents Make: Leadership from John Adams to George Bush (Cambridge: Harvard University Press, 1993); William D. Nordhaus, "Alternative Approaches to the Political Business Cycle," Brookings Papers on Economic Activity 2 (1989); Walter Dean Burnham, "The Appearance and Disappearance of the American Voter: 1978," in Current Crisis in American Politics (New York: Oxford University Press, 1982), 121-142.

the ground of its own validation, alteration, or discard."²⁴ The methodological advantages of periodization are, foremost, that it establishes reasonable parameters for historical research, and that periodization prepares the way for a theoretical or conceptual shift in the way we understand an aspect of American political development.

Existing Periodizations

Several well-known periodizations frame the debate among political historians about the legislation of the Progressive Era. Political scientist Elizabeth Sanders has argued that the expanding national state during the years 1910-1916 was the product of grievances expressed by remote farmers.²⁵ Specifically, Sanders attributed the origin of sixteen federal laws enacted between 1910 and 1916 to the alignment of electoral strength in Congress behind a "statist-agrarian agenda." Her argument overturned an earlier periodization by Gabriel Kolko. In his best known work, Kolko characterized the Progressive Era reforms, particularly financial reforms, as conservative, sharply class-skewed triumphs for big business and financiers, which he suggested constituted powerful economic interest groups that favored stability through the rational ordering of the market economy.²⁶

²⁴Martin J. Sklar, "Periodization and Historiography: Studying American Political Development in the Progressive Era, 1890s-1916," Studies in American Political Development 5 (fall 1991): 181.

²⁵Sanders, 183-205.

²⁶Gabriel Kolko, The Triumph of Conservatism: A Reinterpretation of American History, 1900-1916 (New York: The Free Press, 1963), 2-3, 222-43.

Sanders rejected the idea that the impetus to rationalize the market process was part of a coherent business or financier-backed reform agenda. Instead, she maintained that party and congressional politics, determined in large part by sectional economic distributions, culminated with the expansion of state capacities on behalf of the farmers, or in her words, "the last hurrah of old populism."²⁷ On the basis of a regional industrialization theory, empirical evidence drawn from congressional voting patterns, and secondary accounts of the political struggles of the period, Sanders countered Kolko and other business dominance theorists by arguing that Progressive Era state expansion responded to remote agrarian interests to a far greater extent than to business demands. Agrarian reformers during the period 1910-1916, according to Sanders, were part of a populist movement rooted spatially, electorally, politically, and historically in the congressional representation of the periphery and semiperiphery of a regional economic voting map.

An earlier periodization by the historian Richard Hofstadter identified Progressive Era farm credit reform as "evidence of the long-range power of Populism." Hofstadter found that many of the Progressive reforms were part of the substantial list of once-derided Populist proposals which came to fruition in the first decades of the twentieth century. For evidence of

²⁷Sanders, 202.

the enduring sway of Populism on the legislation of the era, Hofstadter pointed to the enactment of the FFLA.²⁸

Earlier studies have sought to explain entire legislative periods with general theories, either about the supremacy of business, or the electoral power and policy influence of rural agrarians. This dissertation narrows three key periodization boundaries. First, it examines a short time frame, focusing primarily on the period of rural credit reform issue emergence between 1912 and 1914. These dates are not rigid boundaries of the study. The advantage of a short time frame is that greater detail can emerge on how rural credit moved from obscurity to the center of the national reform agenda. Second, the study looks at change in a single variable: the print press. It does so by tracking the influences of the press on agenda formation, documenting the changes in that agenda over time, and making comparisons across different press categories. Third, the dissertation focuses on the momentum leading to a single legislative act: the FFLA. As a result, some nuanced historical detail captured by the press explains how multiple agendas converged in the framing of the first national farm credit law.

²⁸Richard Hofstadter, The Age of Reform: From Bryan to FDR (New York: Vintage Books, 1955), 94, 118. The debate over the lingering influences of Populism during this period continues to be unresolved. Hofstadter's argument suggests Populism constituted a wellspring for the later design of rural credit reform. An alternate argument is that the aftereffects of the agrarian uprising necessitated Progressive Era state intervention not to institutionalize Populist ideals, but rather to prevent radical ideas from becoming law. See Stanley P. Caine, "The Origins of Progressivism," in The Progressive Era, ed. Louis Gould (Syracuse, NY: Syracuse University Press, 1974), 19. On Hofstadter's problematic contribution, see Jeffrey Ostler, "The Rhetoric of Conspiracy and Formation of Kansas Populism," Agricultural History 69, no. 1 (winter 1995), 20-22.

Whereas Hofstadter looks at the FFLA and concludes it is the result of lingering populist sway, and Sanders finds it is evidence of tangible electoral strength coalescing in the hinterland, this study suggests there were antipopulist alliances of urban interests at the forefront of the rural credit reform movement. However, this is not to suggest that business interests ran roughshod over the policy process, winning every battle in the manner suggested by Kolko's "triumph of conservatism" thesis. In the case of the FFLA, the final legislation was neither the last hurrah of old populism, nor the triumph of conservatism. Rather, as this dissertation suggests, it was some of both. The legislative outcome was a compromise between two competing agendas, with no clear victory for any interested group.

This study contributes to general theory by presenting a close study of a critical aspect underlying the rural credit debate. It examines in historical detail the role of the print press in shaping one of the most prominent and protracted policy debates of the prewar period. Through the farm, business, and farm-organization presses, a complicated policy network of agrarian reformers presented their arguments--thereby setting an agenda--that subsequently became the basis for legislative debate, and the design of the FFLA.

Agenda-Setting and American Political Development

This dissertation offers a new periodization centered on the role of the Progressive Era print press in the formulation of national agrarian finance policy. A diverse rural credit reform movement sought to transform public opinion by using the most efficient mass medium

of the day, the print press.²⁹ Rural credit reform was a product of a protracted debate about fundamental principles of the political economy. The surviving print press from the period provides robust sources of primary historical data revealing how journalists described the issues associated with capital market failures and American political development.³⁰ Much of this press coverage during the 1910s noted how rural credit was an issue that rose suddenly from post-Populist political dormancy about rates and terms for rural credit, becoming an issue very much at the forefront of public concern beginning roughly in 1912.

Changing patterns of authority marked the emergence of a new period in American political development and the history of American journalism. During the 1910s, the rising status of the press was apparent to many observers. It became more than simply a medium through which others acted to influence public opinion. Increasing professionalism called for elite journalists to be active players in the creation, framing, and legitimation of competing policy agendas. Three press surveys presented later in this dissertation illustrate the changes

²⁹As one writer put it, public opinion is a marriage of predisposition and information based on "elite leadership cues that enable citizens to form conceptions of and, more importantly, opinions about events that are beyond their full personal understanding . . . as much research has shown, even simple story counts are sufficient to show a close relationship between elite discourse and mass opinion." See John R. Zaller, The Nature of Mass Opinion (New York: Cambridge University Press, 1992), 6, 14.

³⁰The Appendix of this dissertation describes the scope of the empirical research done on the Progressive Era print press, and the methodology that produced the issue codes used in the surveys.

in the 1910s that define this period as one of both increased business agrarian activity and widespread agenda-setting efforts captured by the press.

The press surveys demonstrate the growth of a semi-autonomous journalistic function. There was a recognition that the press was to be more than just a mouthpiece for the economic interest of a particular group or sector, and at the same time not remain a neutral or independent observer. On the one hand, the press was an institution premised on the belief that journalists and outside contributors should be known for independence of thought, leadership ability, and their agenda-setting aspirations. Yet the press also was perceived as a form of public tribunal. Journalists were responsible for reporting, and editors for commenting on, various movements in public opinion, many of which were manifest in the form of conflicts between group and sectoral economic interests.

The origin of the FFLA, therefore, is an historiographic problem that is well suited for studying the relationship between issue emergence in the press, the formation of public opinion, and the policy process that contributed to American state-building at the national level. Analysis of the articles in the print press during the years leading up to the passage of the FFLA revealed that authors tended to draw readers' attention to particular constellations of issues. An empirical basis exists for developing an historical agenda-setting framework, focusing on how issue salience, content, and framing operate in the print press.³¹ Fortunately,

³¹The trope "agenda-setting" has been receiving quite a lot of scholarly attention. Constructive critics have warned, "the literature on agenda-setting has been stunningly successful in telling people what data to collect but it has not been very successful in telling its

an historical agenda-setting approach is particularly effective for explaining the creation of a quasi-public set of national farm finance institutions. Drawing on political science and mass communications scholarship, an interdisciplinary agenda-setting approach presents a good fit with the data sources used in the dissertation research. In this dissertation, the three qualitative, over-time surveys of issue salience, content, and framing in the print press show the relationship between issue emergence in the press, agenda-setting, and (re)framing processes during the Progressive Era.

Agenda-setting occurred early in the policy cycle that turned latent Progressive Era preferences for an improved agricultural economy into the focus of national public policy efforts centered on rural credit reform. Agenda-setting hypotheses look for evidence that through the institutions of mass communication, the press agenda becomes the basis for the public agenda, which in turn affects the policy agenda.³² The assumption is that the smooth

readers why the data matter." James S. Ettema and others, "Agenda-Setting As Politics: A Case Study of the Press-Public-Policy Connection," Communication 12 (1991): 76. Others have suggested existing methods are "insufficient to answer the question of *who leads whom*." See Gregory Bovitz, James N. Druckman, and Arthur Lupia, "Stop the Presses: When Can the Media Lead Public Opinion?," paper presented at the annual meeting of the American Political Science Association, Washington, DC, August 1997, 9.

³²David L. Protesse and Maxwell McCombs, "The Public Agenda," in Agenda Setting: Readings on Media, Public Opinion, and Policymaking (Hillsdale, NJ: Erlbaum, 1991), 1-15; Maxwell E. McCombs and Donald L. Shaw, "The Agenda-Setting Function of the Press," in The Emergence of American Political Issues: The Agenda Setting Function of the Press (St. Paul, MN: West, 1977), 1-18. One variant of this research paradigm suggests media credibility leads to greater reliance on information contained in media messages. Consider Wayne Wanta and Yu-Wei Hu, "The Effects of Credibility, Reliance, and Exposure on Media Agenda-Setting: A Path Analysis Model," Journalism Quarterly 71, no. 1 (spring 1994), 90-

operation of any print press requires a schedule of priorities producing a selection mechanism that invariably leads to the traditional media gatekeeper role. Assumptions about the importance of "pre-decisional processes" and the "mobilization of bias" often make the focus of agenda-setting analysis the early stages of issue emergence, when the range of legitimate alternatives takes shape in the various concerned media.³³

An agenda-setting framework forces us to theorize about press autonomy and capacity in state-building the same way that others in the subfield of American political development focus on state autonomy and capacity, party politics, class mobilization, and technological or social change.³⁴ Focusing on the press as an agent in the formulation of a national agenda picks up lines of research dating from early political research through to the present.³⁵ Many agenda-setting studies pay homage to the roots of the research tradition in

98. Elsewhere in this dissertation, I argue the leaders of the farm press were seen as credible by many farmers and nonagricultural classes.

³³Roger W. Cobb and Charles D. Elder, Participation in American Politics: The Dynamics of Agenda-Building (Boston: Allyn & Bacon, 1972), 12; E. E. Schattschneider, The Semi-Sovereign People: A Realist's View of Democracy in America (New York: Holt, Rinehart & Winston, 1960), 71.

³⁴Finegold and Skocpol, State and Party in America's New Deal; Scott C. James, "Building a Democratic Majority: The Progressive Party Vote and the Federal Trade Commission," Studies in American Political Development, 9 (fall 1995), 331-85; Sklar, "Periodization and Historiography," 173-213.

³⁵Bartholomew H. Sparrow, "Red, White, and Blue--And Yellow: The Emergence and Decay of the Sensational Press As a Political Institution," paper presented at the annual meeting of the American Political Science Association, Washington, DC, August 1997. Sparrow's account of the way that the "yellow press was able to control political communication" suggests we can look at press agency for evidence of multiple institutional

Walter Lippmann's 1922 book Public Opinion, and in particular to the chapter "The World Outside and the Pictures in Our Heads," in which he argues it is primarily through mass media that citizens gain access to the world at large. The dominant metaphor which emerged from that book suggested that the press was "like the beam of a searchlight that moves restlessly about bringing one episode and then another out of darkness and into vision."³⁶

To his dismay, Lippmann found political scientists in the 1920s were lecturing and writing about the workings of government without making significant studies of the formation of public opinion. While this early work pointed to an important venue for research, it remained for Harold D. Lasswell to trigger a generation of more rigorous social science inquiry into the sources and effects of public opinion during the 1940s. Lasswell thought democracy was dependent on public opinion in ways that made greater research into the influence upon public perceptions a necessity. "There is a vital two-way connection between government and public opinion in a democracy," wrote Lasswell, concluding that the "open

orders that can abrade and conjoin during policy change, as described in Karen Orren and Stephen Skowronek, "Beyond the Iconography of Order: Notes for a New Institutionalism," in The Dynamics of American Politics, ed. Lawrence C. Dodd and Calvin Jillson (Boulder, CO: Westview Press, 1994). Also consider the nature of the challenges posed by Benjamin I. Page in, "The Mass Media As Political Actors," PS: Political Science and Politics 29, no. 1 (March 1996): 20-24.

³⁶Walter Lippmann, Public Opinion (New York: Harcourt Brace, 1922), 3-32, 364. Less often quoted were Lippmann's 1920 observations that people were "wondering whether government by consent can survive in a time when the manufacture of consent is an unregulated private enterprise" and that "news is the chief source of opinion by which government now proceeds." Walter Lippmann, Liberty and the News (New York: Harcourt, Brace & Howe, 1920), 4-5, 12.

interplay of opinion and policy is the distinguishing mark of popular rule." To make that contribution to the policy process, the citizen "depends for his picture of the world upon what he reads, sees, and hears."³⁷

According to the thorough review of the literature by Dearing and Rogers, scholarship on the agenda-setting process is about "competition among issue proponents to gain the attention of media professionals, the public, and policy elites." An issue is only considered an issue when the media turns public attention to a latent or emerging problem. This suggests agenda-setting is inherently a political process, whereby some matters are given attention and others are left out of public view for long periods. Once an issue gets on the media agenda, the extent to which it appears significant becomes the decisive factor. "*Salience* is the degree to which an issue on the agenda is perceived to be important. The heart of the agenda-setting process is when the salience of an issue changes on the media agenda, the public agenda, or the policy agenda." The task in agenda-setting research is to identify changes in salience in the media, public and policy agendas, and then to develop some means to assess causality.³⁸

³⁷Harold D. Lasswell, Democracy Through Public Opinion (Menasha, WI: George Banta, 1941), 15, 35.

³⁸James W. Dearing and Everett M. Rogers, Agenda-Setting (Thousand Oaks, CA: Sage, 1996), 1-2, 8. On the "knotty, frustrating problems of causal inference" concerning this opinion-policy relationship, see Benjamin I. Page, "Undemocratic Responsiveness? Untangling Links Between Public Opinion and Policy," PS: Political Science and Politics 27, no. 1 (March 1994): 25-29. Page suggests that "historical methods can provide excellent leverage for causal inference by tracing precise links of communication and action," which, he

Agenda-setting research grew out of a suspicion that benchmark studies of direct media effects during the 1940s and 1950s had obscured more than they revealed by suggesting that the influence of mass media upon electoral decisions was potentially "hypodermic," though more likely minimal.³⁹ Attention turned away from direct effects and toward indirect media effects, in part as a response to Cohen's persuasive, often-cited suggestion that the press "may not be successful much of the time in telling people what to think, but it is stunningly successful in telling its readers what to think *about*."⁴⁰ Interest in agenda-setting greatly increased following the path-breaking 1972 article by McCombs and Shaw presenting evidence that voters do come to share "the media's *composite* definition of what is important."⁴¹ Current studies of agenda-setting in political science attempt to explain both social change and stability. Baumgartner and Jones, for example, find agenda-setting to be characterized by bursts of media attention that can propel an issue from obscurity to prominence. "Issue definition, then, is the driving force in both stability and instability,

admits, may not produce generalizations across cases, but does get us into the black box of policymaking in substantive ways.

³⁹See, e.g., Paul F. Lazarsfeld, Bernard Berelson, and Hazel Gaudet, *The People's Choice: How the Voter Makes Up His Mind in a Presidential Campaign* (New York: Duell, Sloan & Pearce, 1944). On the "minimal effects" literature, see Joseph T. Klapper, *The Effects of Mass Communication* (New York: The Free Press, 1960).

⁴⁰Bernard C. Cohen, *The Press and Foreign Policy* (Princeton, NJ: Princeton University Press, 1963), 13.

⁴¹Maxwell E. McCombs and Donald L. Shaw, "The Agenda-Setting Function of Mass Media," *Public Opinion Quarterly* 36 (summer 1972): 184.

primarily because issue definition has the potential for mobilizing the previously disenchanted."⁴²

Scholarly interest is also increasing with regard to another media influence associated with agenda-setting: the effect of media frames.⁴³ As one recent study argued, "By framing social and political issues in specific ways, news organizations declare the underlying causes and likely consequences of a problem and establish criteria for evaluating potential remedies for the problem."⁴⁴ There is a growing body of experimental and survey literature in support of the notion that media spin matters; through framing and "priming," the press play a role establishing public criteria about what is important or possible. Perhaps the strongest claim in the literature is that "the manner in which political issues are framed by the media has important consequences . . . changes in the salience of issues are likely to shift the distribution of preferences and, thereby, to alter political outcomes."⁴⁵

⁴²Frank R. Baumgartner and Bryan D. Jones, Agendas and Instability in American Politics (Chicago: University of Chicago Press, 1993), 10-16.

⁴³See, e.g., Donald Kinder and Adam Berinsky, "Making Sense of Issues Through Frames," paper presented at the annual meeting of the American Political Science Association, Boston, September 1998; and John T. Wooley, "Using Media Reports As Indicators of Policy Processes," paper presented at the annual meeting of the American Political Science Association, Boston, September 1998.

⁴⁴Thomas E. Nelson, Rosalee A. Clawson, and Zoe M. Oxley, "Media Framing of a Civil Liberties Conflict and Its Effect on Tolerance," American Political Science Review 91, no. 3 (September 1997): 567-83.

⁴⁵Shanto Iyengar, "Agenda Setting and Beyond: Television News and the Strength of Political Issues," in Agenda Formation, ed. William Riker (Ann Arbor, MI: University of Michigan Press, 1993), 211. See also Shanto Iyengar, "Framing Responsibility for Political

Purpose of the Study

This enormous literature posits a significant relationship between media, public, and policy agendas. It encourages questions about how these insights might help to recast the study of American political development. Is there, for example, a way to assess agenda-setting effects in a period prior to the development of public opinion survey research during the 1930s? Leading scholars are among those who have suggested that the subfield of political communication is strengthened when there is "theory-building through pluralistic methods of research."⁴⁶ In this regard, there is reason to believe a turn to historical agenda-setting research could be productive. In this case, that means using content analysis and policy agendas in the study of media influence on public opinion and the policy process. Thus far, historical applications of the agenda-setting framework have been infrequent, in part because of the tedious coding process involved, but more so because of the difficulty of gathering accurate indicators of public opinion.⁴⁷ Yet policymakers had to gauge public opinion in the era prior to survey research, and it seems reasonable to expect that most

Issues," Annals of the American Academy of Political and Social Science 546 (July 1996): 59-70; and Shanto Iyengar and Donald R. Kinder, News That Matters (Chicago: University of Chicago Press, 1987).

⁴⁶Adam F. Simon and Shanto Iyengar, "Toward Theory-Based Research in Political Communication," PS: Political Science and Politics 29, no. 1 (March 1996): 29-33.

⁴⁷An overview of the limited attempts can be found in Thomas J. Johnson, Wayne Wanta, and Cindy Lee, "Exploring FDR's Relationship with the Press: A Historical Agenda-Setting Study," Political Communication 12, no. 2 (1995), 158.

officials and citizens who were not experts turned to the press to find out what the important issues of day were.

Dearing and Rogers suggested that an alternative to public opinion surveys, one less often used, is "studying the over-time activities of social movements, grassroots organizing, and consumer groups." Traditional agenda-setting studies use content analysis only to the extent that articles must be coded and operationalized as a countable unit. The raw number of units used for measuring salience are more important to most agenda-setting researchers, rather than the detailed content of those numerous news stories. The assumption is that "repetition sets the public agenda through the continual hammering away of the media on the same issue."⁴⁸ A nontraditional take on agenda-setting developed in this dissertation argues that the content below the level of issue focus codes matters. As Elisabeth S. Clemens remarked in her recent study of the rise of interest group politics, "we need to ask how people understood their individual preferences and when these preferences were defined as politically salient."⁴⁹ The surveys and background chapters presented in this dissertation contribute to this important line of inquiry.

The central purpose of this study is to test the viability of two related hypotheses through a periodization of the print press. The first hypothesis (H1) concerns the proximate

⁴⁸Dearing and Rogers, Agenda Setting, 23, 36.

⁴⁹Elisabeth S. Clemens, The People's Lobby: Organizational Innovation and the Rise of Interest Group Politics in the United States, 1890-1925 (Chicago: University of Chicago Press, 1997), 11.

origin of the FFLA. According to H1, rural credit reform emerged in 1912 as a viable public policy issue only after the business and farm press favorably presented the idea of looking to European models of privately financed cooperative rural credit. Business and farm press support for an inquiry into a particular type of reform, one that did not need U.S. Treasury funds to benefit farmers, made it possible to proceed with state-sponsored investigations into the applicability of European methods. To disprove the hypothesis, the surveys would have to suggest there was an alternative impetus for a European-centered movement that culminated in the passage of the FFLA.

A corollary of H1 is that business and farm press attention to the need for privately funded credit reform preceded demands in the farm-organization press for any sort of farm credit legislation or direct government financial aid. The survey evidence supports this component of H1. Farm-organization proposals for rural credit reform creating direct government lending to farmers, a genuine manifestation of populism's last hurrah, emerged in response to outside agitation and agenda-setting efforts centered on the importance of looking to Europe for rural credit models.

The second hypothesis (H2) concerns the rising importance of agenda-setting by the press as a defining characteristic of the survey period. According to H2, between 1907 and 1916 the print press became a preeminent tool for the cultivation of public opinion on matters of national public policy. Disproving this hypothesis would require evidence of a policy process operating independently from the agenda set in the major agrarian-press outlets. In

the case of the FFLA, however, press content was instrumental both in getting rural credit reform on the table, and in framing the most contested issue--that being, whether or not to include a provision for federal funds. The apparent influence of press leaders and the growth in new press publications with explicit agenda-setting goals during this period together lend support to the premise of H2.

What then is the relationship between H1 and H2? Taken together, these two hypotheses are the basis for a new periodization focusing on the rise in the role of the press in Progressive Era policymaking. If proven, H1 would show that Sanders' and Hofstadter's characterization of the larger period cannot completely explain the origin of the FFLA. The business and farm press were neither populist in orientation, nor were they located in the hinterland. Leading figures in the policy network looking to Europe were prominent business activists sharing a decidedly antipopulist outlook.

Given the validity of H1, H2 is the best description of the period leading up to the passage of the FFLA. This would be the case even if a partial victory for the farm organizations can be shown to be a product of their own reactionary agenda-setting strategies. According to H1, the movement to reform rural credit did not originate with the farm organizations. In fact, farm organizations failed to get the type of farm credit system they proposed. However, they did win a partial legislative victory by ensuring the U.S. Treasury would initially underwrite the new land mortgage credit system. Kolko's business dominance periodization cannot explain how the FFLA came to embody the government financial aid that

business and farm press leaders warned against for years. Historical agenda-setting, however, explains how the rural credit reform movement culminated in a compromise position borrowing key elements from two competing models to realize the policy initiative.

Each of the subsequent seven empirical chapters brings a unique stream of primary source historical data to bear on both H1 and H2. Chapter II sets out the political context by introducing the most salient rural credit reform initiative of the period: the idea of looking to Europe for models of cooperative rural credit. Whereas some historians have dismissed the importance of European models, H1 and H2 suggest that looking to Europe was a political episode that had a substantial influence on the FFLA for several reasons. Foremost, Chapter II illustrates how proponents of the idea of looking to Europe put rural credit reform into play at the national policy level with the prominent backing of business organizations and conservative politicians. In terms of H1, Chapter II shows the appeal of a nonpopulist, privately funded solution to complex agricultural problems associated with poor rural credit. This enthusiasm for European models was manifest in influential commissions and inquiries charged with the duty of putting rural credit reform and agricultural "uplift" into the news. The highly salient idea of looking to Europe supports H2 since the entire process was advertised as an orchestrated agenda-setting strategy, one which articulated a coherent agrarian agenda that was captured in the issue-coding used to organize the press surveys.

Chapters III through VIII focus on the links between economic groups and sectors, how these groups used and developed the press, and the pursuit of agrarian policy goals. A

sequence of three paired chapters presents a rough typology of the agrarian-oriented press. The surveys of the business, farm, and farm-organization press in Chapters IV, VI, and VIII, respectively, are premised on the idea that original-source press content is the best available data for testing the validity of H1 and H2. The available files of each press category (see Appendix) were analyzed and coded by issue focus to illustrate the existence of a coherent agrarian agenda. The surveys reveal significant points of editorial convergence and conflict, which only traditional historical accounts can begin to parse.

Each press survey is preceded by an introductory chapter which sets the context in terms of key individuals and organizations associated with agrarian reform and agenda-setting in the press. In Chapters III and IV, the central question is: What was new in the 1910s that manifested as an agrarian agenda in the business press? The answer is found in the growing interest in apparently connected agricultural issues, such as soil fertility and the effects of perceived dwindling food supplies on urban prices. Chapter III establishes the rationale for business agrarianism; it tends to lend support to the premise underlying H1: that business was mobilizing on legislative affairs. Chapter III supports H2 to the extent that it captures the spirit of an urban agrarian ideal, one that sought to improve agriculture by disseminating reform guidelines through the press.

Chapter IV presents the results of the first press survey. The central hypothesis in Chapter IV is that rural credit reform was embedded in a multifaceted urban agrarian agenda. For example, the content of the business press supports the theory that business leaders saw

their own influence over agrarian legislation as part of their new purview over the complex relations between rural credit, farm profitability, and the rising cost of living. The resulting agenda-setting strategy, captured in the business press survey, confirms both H1 and H2, and contributes to the finding that changing rural-urban relations were emerging as a highly salient issue during this period.

The relationship between farm journals, farmers, and the business community is the focus of Chapters V and VI. This second set of paired chapters examines the business and politics of Progressive Era farm press journalism. Chapter V introduces historical perspectives on the agenda-setting tradition of farm journals, and examines whether 1910s farm press journalists were more akin to businessmen than farmers. In terms of H1, Chapter V suggests that in the farm press there was a lingering suspicion of rural-based farm finance ideas that were too closely associated with populism. Chapter V also provides support for H2 by demonstrating the agenda-setting aspirations of leading farm journalists. The survey of the farm press in Chapter VI reaffirms the findings in Chapter IV regarding H1 by showing that interest in looking to Europe for a rural credits model originated in nonfarm sectors of the economy. Chapter VI also supports H2 by demonstrating how similar the agenda in the farm and business press were, particularly on the key issue of keeping government financial aid out of rural credit reform.

The final paired chapters examine the status of farm organizations and their agenda-setting aspirations. Chapters VII and VIII present further evidence in support of H1

and H2. Organization for mutual benefit among farmers is the central problem that emerges in these chapters. A corollary is the inconsistent and even nonexistent influence of farmers on agrarian legislation at the national level. Both of these chapters tend to support H1 by showing that farm organizations, while seeking to help farmers become masters of their own economic situation, were consistently vexed by the disorganized status of farmers in general. According to farm-organization leaders, this made them regular victims of legislative injustice, or else their own inaction, as was the case when rural credit reform first emerged from nonfarm sectors. In addition, both chapters reveal how the development of the farm-organization press was seen as a potential solution to agrarian legislative problems, lending support to H2.

Chapter VII introduces the organizational vestiges of populism's last hurrah. Farm organizations during this period were in the midst of a transition away from the mass electoral politics of the populist uprising, and toward the press-oriented politics of emerging interest-group liberalism. This transitional period reflected the recognition by farm-organization leaders of the impact of past failures in electoral politics, and the increasing importance of the press in the cultivation of public opinion.

Chapter VIII presents the results of the final press survey, one which utilizes the same issue codes as the business and farm press surveys, but is organized to reflect a slightly different distribution of issue saliency. The most salient issue in the farm-organization press was the issue of organization itself. As predicted by H1, concerns about rural credit emerged

belatedly in the farm-organization press. Once the rural credit issue appeared, it did so in conjunction with the other issues found to be salient in the business and farm press, such as farm profitability and the cost of living, supporting the premise of H2. Finally, in Chapter IX the contribution of these two hypotheses to the study of American political development is assessed. Historical agenda-setting is described as a methodology with potential for greater sophistication and increased historical value.