

CHAPTER IX

CONCLUSION: ISSUE EMERGENCE AND AGENDA-SETTING IN THE PROGRESSIVE ERA PRINT PRESS

Introduction

This dissertation has examined the viability of two related hypotheses. The first involved the proximate origin of a critical piece of agrarian legislation: the Federal Farm Loan Act of 1916. According to H1, rural credit reform emerged as a viable item on the national agenda in the latter part of 1911 and the early months of 1912 at which point it was favorably presented in the business and farm press. The proximate origin of the FFLA was activism in nonfarm sectors of the economy. The empirical evidence supports this first hypothesis.

The second thrust of this dissertation proposed a new periodization centered on the print press as a motor force in opinion formation and institutional change. The "rise of agenda-setting" hypothesis (H2) posits that during this period, the nonpartisan, agrarian print press (business, farm, and farm organization) became established as the preeminent medium for the cultivation of both public and legislative agendas for the future of agriculture.

This concluding chapter presents a comparative analysis that adds additional support for the value of these two related hypotheses. First, it is argued that historical agenda-setting,

as implemented by the key parties discussed in earlier chapters, can be viewed as an important interdisciplinary methodology for the study of American political development. While historical agenda-setting studies are rare, this need not be the case. There may be certain benefits associated with systematic scrutiny of the print press, particularly for students of American political development in years predating the modern technological era.

Second, in summarizing the findings of this dissertation, the author relies on comparative analyses that are based on the surveys of the three press categories. It offers observations based on an historical triangulation of key issue themes as they appeared in all three press categories during the early stages of the rural credit debate. Chapter IX provides additional support for H1, which essentially states that rural credit reform emerged as a viable issue only when actors in the nonfarm sectors of the economy proposed a reform that would be free of government subsidy. Similarly, the evidence demonstrates how agenda-setting maneuvers manifest through the media coverage impacted the policy debate. For instance, this chapter explains how the rates and terms for rural credit were depicted as components of a much larger agrarian problem. The discussion reveals not only that issues like farm profitability and cost of living were salient across all three print press categories (itself an agenda-setting effect), but also the ways in which the competing interpretations embedded rural credit reform in discussions of these interrelated issues.

Finally, Chapter IX argues that the high salience of the shifting nature of urban-rural relations across all three press categories illustrates the framing capacity of the print press, yet

another agenda-setting effect supportive of H2. Journalists in all three press categories were in fact reframing class relations, thereby contributing to the conversion of American agriculture into what we now recognize as agribusiness. The proximate origin of the FFLA lay in the finding that business and farm press writers were engaged in a complex journalistic negotiation with the American farmer, an agenda-setting exercise that focused on the relinquishing of traditional practices in the field, as well as on populist ways of thinking about business and the role of government aid.

The core of the argument, however, is not that business exerted hegemonic influence in framing the final legislation. Rather, the statements posited in H2 hinge on the key issue of government aid, the issue on which the business and farm press agenda was ultimately defeated. The final section of this concluding chapter looks at the period surrounding the final passage of the FFLA. Farm organizations experienced a partial victory in the form of a provision for government funds to underwrite the new rural credit system. In response to a credit reform agenda presented by nonfarm sectors of the economy, farm organizations issued a strident and consistent demand for the inclusion of government aid in any rural credit reform. The periodization based on agenda-setting in the press does not imply that the agenda-setting produced a particular or reliable legislative outcome. What it does do, however, is focus attention on the competing interests and arguments in such a way that we might better understand the substantive details of the legislative outcome.

Study of American Political Development

This dissertation contributes to scholarly research in two broad areas. The first contribution is directed to the subfield of political science focusing on American political development. Studies of political development highlight and attempt to explicate the motor forces of institutional change. The periodization set out in these chapters centered on the function of the print press in rural credit reform. It reveals a policy process in which diverse actors acknowledged that professional and amateur journalists jointly contributed to significant institutional changes in the agricultural economy of this country, as well as to the expansion of the federal government.

The second contribution, discussed in greater detail below, is to the ongoing debates about the legitimacy of employing historical methods in political science. Historians working in the field of political science have sought legitimacy by developing sophisticated analytical frameworks involving concepts such as partisan realignment, order and time, and counterfactual analysis. Historical agenda-setting research continues to refine the available techniques for assessing the causes of institutional growth and change over time. In this dissertation, historical agenda-setting recasts the Progressive Era as one in which democratic debate was understood to be a process that utilized the press to set, refine, and confirm the public policy agenda during the early stages of a major reform effort.

Taken together, these two contributions constitute an argument favoring the importance of issue emergence, agenda-setting, and reframing in the Progressive Era print

press. Some of the conclusions, reinforced by the comparative analysis presented in this last chapter, suggest that the press was at best a blunt instrument in pursuit of specific policy proposals; however, the general effects of agenda-setting on multiple journalistic fronts are nevertheless significant. The agenda-setting efforts of the press culminated in a string of unintended consequences (such as a government-funded system which favored wealthy farmland owners) for actors on every side of the debate.

As a study of American political development, this dissertation contributes to a greater appreciation of the multiple causes of a groundbreaking policy transition. The new and expansive role for government subsidies in farm finance came at the front end of a century of federally sponsored farm credit programs. With the passage of the Federal Farm Loan Act of 1916, the United States Congress added a set of new financial institutions at the federal, regional, and local levels. The FFLA established some significant precedents. It was the first of many subsequent legislative interventions using government regulated credit to subsidize the transition to industrialized, mass-production agriculture. The FFLA therefore was a political influence in the development of the agricultural sector. Another precedent allowed for the provision of cheap government farm loans to only the most solvent farmers. In making this purposeful choice, Congress legislated an advantage for the wealthy owners of farmland. These were the farmers who already enjoyed a considerable advantage over the many insolvent farm owners and tenants who were in the market for farm loans.

It is argued here that periodization marks the boundaries of historical research and generates hypotheses about order and change through analyses of key variables. In this case, the key variable was the press. A systematic analysis of rural credit and agrarian reform initiatives covered in the press revealed the confluence of agrarian themes in which farm finance reform emerged as a key component. By virtue of the fact that the various actors understood the agenda-setting function of the press, they set out to address the relationship between credit reform and the wider problems of urban and rural macroeconomic development.

If we recast the period this way, the legislative outcome appears neither as a triumph of powerful nascent business organizations, nor as the culmination of populist pressure from the rural hinterland. Instead, the period is recognizable as one in which the appeal of systematic agenda-setting efforts made the press an unparalleled medium for the establishment and operation of policy networks. This appeal cut across all class and regional lines. In this period prior to the rise of organized public opinion research, the press clearly was the most visible and viable surrogate for public opinion. This further suggests that more systematic attention to the press may prove fruitful for future students of American political development.

Another area to which this dissertation contributes is the debate about the efficacy and legitimacy of historical methodology. Qualitative historical methods, once a mainstay of the discipline, now seem to occupy a dubious position at the margin of mainstream political science scholarship. Lying somewhere between chronological narrative accounts and

positivist causal analysis, however, this dissertation uses systematic methods of historiography to yield new insights into the making of the American state. In particular, historical agenda-setting is an interdisciplinary methodology that speaks to the power of the press in American political development.

The press serves a vital linking function in democratic societies. Located between the citizens and the policymakers, the press constitutes a public tribunal for grievances and for ideas about how to resolve them, simply by virtue of the reporting function. At the same time, the editorial function charges the press with the duty to speak directly to the causes, concerns, and intentions of the aggrieved and the reformers. In the press surveyed for this dissertation, reform methods are presented as they appeared to be and were used by influential groups of participants and observers.

Agenda-setting is the most appropriate term to describe these critical activities. Journalists were conscious and indeed fiercely proud of their role in shaping public opinion. Policy battles were debated routinely in the press, heightening the influence of editors and publishers who, by and large, seemed to relish the quasi-official function of linking the people and public policy considerations. Agenda-setting also served as an organizing principle for the survey analysis. More than just a systematic way to approach voluminous primary sources, historical agenda-setting revealed the connections between issues. The issue of rural credit reform rarely stood alone. Rather, it was deeply embedded in constellations of rural and

urban issues. The three press categories presented in this dissertation provide a basis on which to compare the causal narratives of the participant-observers in the press.

Issue Emergence: The Proximate Origin of
the Rural Credit Reform Movement

News and editorial comment about the rural credit reform movement, described in Chapter II as "looking to Europe," emerged first and most emphatically in the pages of the business press. Subsequently, the diverse efforts to reform American rural credit institutions were reported in the farm and then the farm-organization press. There was unanimity in the three press sources that looking to Europe was not a farm-organization scheme, but rather was a business-sponsored movement fostered by an elite policy network. There were constant reminders that urban agrarians led the effort to adapt European methods of rural cooperative credit to fit American conditions. While the two major farm organizations were initially buoyed, perhaps flattered, by nonfarm interest in reforming rural credit, they quickly came to view the business-sponsored reports, commissions, and press coverage as hostile outside threats to farmers' interests. As discussed in Chapters VII and VIII, the farm-organization leadership rejected the premise of looking to Europe for a credit policy on the grounds that American farmers were not comparable to European peasants.

Business-dominated commissions and other investigations during this period, however, were almost unanimous in praising European cooperative methods, while at the same time rejecting all forms of federal subsidy for a new rural credit system. It was on this

point that the main battle lines were drawn for the congressional hearings of 1914, and for the subsequent two years of legislative maneuvering.¹ In the farm press, meanwhile, opinion was widely divided on how to view the applicability of European methods in the United States. Nonetheless, all the farm papers surveyed concurred with the business press by cautioning against the provision of a federal subsidy to underwrite a new rural finance system. As Chapter V revealed, the leading farm press publishers and editors were themselves businessmen, maintaining a delicate balance between producing a product that sold to rural consumers while fulfilling their assumed function of setting the agenda for a turn to more businesslike agricultural practices.

When rural credit emerged as a prominent issue during the 1910s, it was not a question of whether or not reform was needed. Instead, the main question was more pointed: what source, public or private, could best deliver the needed capital to develop American agriculture along industrial lines? To be sure, the earliest public momentum for a trans-Atlantic policy comparison grew out of the publication of the report of the Country Life Commission (CLC) on January 23, 1909. Two of the five original commissioners, Henry Wallace and Walter Hines Page, were editorial exemplars from the farm and business press who helped manage the CLC's massive agenda-setting exercise at the behest of President Roosevelt. Wallace and Page were nationally recognized figures at the peak of their respective

¹On the congressional phase of the FFLA debate, see a book by Congressman Dick T. Morgan, Land Credits: A Plea for the American Farmer (New York: Thomas Y. Crowell, 1915).

professions. A third commissioner, Kenyon Butterfield, was a founder of the discipline of rural sociology, a lifetime member of the Grange, and the editor-in-chief of a rural affairs department for the magazine Business America. The tone of the CLC report reflected, in part, the high-minded ideals of these influential American journalists. It was presented to Congress with Roosevelt's hearty endorsement of the concept of looking to Europe for examples of rural business cooperation. The commissioners prominently reported the lack of adequate rural credit among the many other deficiencies adversely affecting rural development. The CLC set the agenda for many of the agrarian policy developments during the years to follow. The greatest impact was reflected in the urgent rhetoric on issues of rural reform that subsequently appeared to be the special charge of writers for the business press.

Another eminent agrarian, Seaman A. Knapp, was the author of the earliest article in the business press survey coded "rates and terms for credit" as its primary issue focus. Knapp, working with the USDA in 1910, acquired his reputation as a champion of demonstration farms where farmers in the Cotton Belt were taught to diversify their crops in order to fight pests and maintain soil fertility (see Chapter III). Knapp was one of the first reformers to link the availability of reasonably priced credit to requirements for better farming practices. His article in The World's Work opened up the 1910s rural credit debate by noting that a large sum of money was needed to make tenant farmers into owners of farmland. Foreshadowing the main point of conflict in the years to follow, Knapp suggested the sources

of much needed rural finance would be private, in the form of "some reliable body of men, backed by ample capital," rather than public "charity."²

Also in 1910, the banker, lawyer, and soon-to-be diplomat Myron T. Herrick began his personal crusade to publicize, and then solve, the American rural credit problem. He proposed the establishment of privately financed, cooperative credit associations based on the best of the European models. Herrick had experience in state and national politics, supplemented by private organizational and public investigations of European rural finance. More than any other figure, he was reported on, and published in, each type of print press covered in the three surveys. As the former governor of Ohio, the former president of the American Bankers' Association, and an influential player at the highest levels of the national Republican Party, Herrick was, over a period of four years (1912-1916), the most widely recognized authority on the subject of keeping government money out of the proposed European-style rural credit system.³

Herrick made a key speech about German land credit at the 1910 meeting of the Ohio Bankers' Association, and then contributed to the resolution adopted at the 1911

²S. A. Knapp, 12888.

³Herrick's unimpeachable Republican credentials apparently did not interfere with the strong ideological and policy alliance he developed with the new Democratic President Woodrow Wilson in 1913, nor with his Secretary of Agriculture, the equally partisan Democrat David F. Houston. The triumvirate of Herrick, Houston, and Wilson represented a powerful, yet not impregnable, line of defense against the idea that the federal government should underwrite a new rural credit system.

meeting of the American Bankers' Association (ABA), organizing a committee within the ABA premised, in part, on the idea that much could be learned from rural finance in Europe. The ABA created its Committee on Agricultural and Financial Development at the 1911 meeting. By early 1912, Herrick had obtained President Taft's agreement to appoint him Ambassador to France, with the stipulation that he would receive a specific commission from Secretary of State Knox to investigate European rural credit. With the aid of embassies in five countries, Herrick prepared an important report on the adaptability of European models to American conditions.

By the time of the 1912 ABA meeting, chairman Joseph Chapman of the Agricultural and Finance Development Committee reported Herrick and his assistant Edwin Chamberlain had

spent considerable time in Europe, at their own expense, studying the Great Land Banks in Germany, France and other countries, with the idea of informing this Association, and, through them, the people of this country, of the benefits derived by the people of those countries from a scientific system of farm financing.⁴

Other bankers in the ABA, owing their work to the influence of Herrick, mobilized for this project as well. Charles A. Conant, for example, told the 1912 ABA meeting that the lack of credit facilities for farmers represented "a grave economic crisis"; thus, there was urgent cause

⁴Chapman, 144.

for reforming farm finance along European lines.⁵ In the same year, the financier, innovator, and reformer George Woodruff wrote for an audience of investors about his "pioneer" institution, the Woodruff Trust Company of Joliet, Illinois. He claimed his institution was popularizing lending practices known to have worked for 140 years in Europe. Particular attention was given to the practice of including "a clause providing for proper cultivation of the soil."⁶

Thus, there were indications in the press that multiple business-backed efforts drove the issues of rural credit reform and looking to Europe when they emerged in the business press late in 1911 and during the spring of 1912. As the ABA was mobilizing its resources to send a private commission to Europe to study cooperative methods in more depth, the Southern Commercial Congress (SCC) also was mobilizing to bring a national audience together to study the ideas of the audacious merchant-turned-reformer David Lubin. As noted in Chapter II, at an April 1912 conference, the SCC adopted Lubin's plan for a large traveling commission that would sail to Europe during 1913 for a three-month "jury of inquiry" investigation. Lubin's efforts garnered intense press attention in all three press surveys, and represented a significant contribution to the agenda-setting exercise.⁷

⁵Conant, 120.

⁶George Woodruff, "An American `Credit Foncier,'" 127.

⁷Some illustrative examples of the early business press support for rural credit reform included "Senator Fletcher's Address in the White House: The President of the Southern Commercial Congress Before the Adjourned Governors' Conference in Washington," The Nation's Business 1, no. 5 (7 December 1912): 3; and Yoakum, "The High Cost of Farming,"

The fact that the business press, and actors using the business press as an agenda-setting medium, first articulated a positive plan for how to reform rural credit during this period becomes even more clear when this sequence of events is compared to the way that the same issues emerged in the farm-organization press during those years. The business-sponsored, rural credit reform movement did not appear as an issue in the official paper of the National Grange until April, 1912, when a National Grange Monthly editorial announced that the farmer was "coming into his own," because "[p]ress, pulpit, platform and people look to him as never before." The proof was "furnished in the step taken by the bankers at their last annual session, when they entered upon a project for creating a system of farm finance for the benefit of ambitious and enterprising tillers of the United States soil. Their movement, from a farmer's point of view," concluded the paper, was "the most significant that has been undertaken in this country in centuries."⁸ The same argument was made in the Wisconsin Equity News, which reported on "farmer" finance demands by reprinting a banker's speech, one clearly indicating it was the country bankers who were initiating the rural credit reform movement on behalf of farmers.⁹

Where exactly did the Grange and other farm organizations stand on farm credit prior to and during this period when various business initiatives were launched on behalf of

519-33.

⁸"Coming to His Own," 10.

⁹"Better Banking System," 4.

agriculture? Though the Grange was widely considered the least radical of the three farm organizations surveyed, it occasionally harbored members who voiced traditional rural resentment of urban economic and legislative domination. For example, in 1908, one writer noted the delay of parcel post legislation, a primary Grange goal:

Even now a clear majority of the members of Congress are mere mouthpieces and lickspittles of the financial robbers who have been preying on the people of this country . . . in every great reform the people of this country are a long distance behind the nations of the old world . . . our laws are made in favor of the rich, or at least to enable the few to rob the many.¹⁰

Yet, despite a lingering populist strain in some of the farm-organization rhetoric, through the years 1909-1911, the National Grange Journal of Proceedings, the official source of Grange policy, contained no positive program for creating a new rural credit system. As late as June, 1912, the most influential Grange policymaker of that time, T. C. Atkeson, announced the four "Grange" measures before Congress: the objectionable oleomargarine revisions, long-delayed parcels post, vocational education, and direct election of United States Senators.

¹⁰L. C. Bateman, "Influence Upon Legislation," National Grange Official Organ 1, no. 23 (8 April 1908): 4. To be sure, the farm-organization press was a place where business and farm press editors could, much to their dismay, find plenty of evidence of unrepentant, conspiratorial populists lurking about. See Carhart's argument that to "keep money scarce, high priced and under organized control has always been the policy of the manipulator, of whom the Jew Bankers are past masters" (4). Also see the probably overconfident report that "No power can stay the onward march of Populism (Peopleism) in this country," in "Populism Still Lives," Wisconsin Equity News 4, no. 2 (25 May 1911): 4.

Despite the prominent emergence of rural credit reform as an issue for bankers and businessmen, Atkeson made no mention of rural credits whatsoever.¹¹

National Grange priorities up to this point lay elsewhere, as did those of the National Farmers' Union (NFU), the only other farm organization with nearly enough membership to be considered truly a national interest group. The president of the NFU, Charles S. Barrett, had served on the CLC, and during this period acquired the reputation as the most prominent farm leader, particularly when it came to dealing with Washington. Barrett wrote in his 1909 book that "the credit system and farm mortgage usages throughout the country is one of the baneful curses of farm life. . . . The farmer and his family live in mortal terror of this advance merchant, and are his slaves and must do his bidding."¹² The NFU, he continued, was set on changing this. Barrett cited figures showing that where the Farmers' Union was well-established, organizers started to see decreased mortgages, as if to argue that farm debt was itself only a product of poor farmer organization. This, in part, may explain why the March 1911 report of the NFU's National Legislative Committee contained no demands for rural credit investigations or legislation. Their efforts were instead "centralized" on regulation of cotton and grain exchanges, parcels post, immigration restrictions, and direct elections of Senators.¹³

¹¹"About National Legislation," 3.

¹²Barrett, The Mission, 98-99.

¹³W. R. Callicotte, "Report of the National Legislative Committee on National Legislation," Pacific Farmers Union 3, no. 7 (3 March 1911): 1.

In the spring of the election year 1912, NFU president Barrett published clip-and-mail petitions for farmers to mail to Congress on those four issues. Although he made no mention of rural credit, he nevertheless added, "If every American farmer will, therefore, urge action on specific measures upon his congressmen or his senator, he will find both gentlemen as receptive as the receiving teller of a new bank."¹⁴ Despite all the new attention being given to European rural finance the previous winter and spring, the NFU was not yet ready to take a formal position on an issue that it had clearly not brought to the agrarian agenda. In the months to follow, formal efforts that targeted looking to Europe emerged in the NFU press as "one of the most important undertakings in Dollar Diplomacy." Noting the official work of Herrick as that of Taft's "right-hand man," the paper concluded, "The backers of the scheme feel confident that plenty of American money at cheap rates can be found for investment in American farm-land mortgages if this system is introduced here and the link is provided for the farmer to get his offer before the general investor of this country."¹⁵ During the period of issue emergence, the "backers" of rural credit reform were not the major farm organizations. By the end of the year, the Master of the National Grange declared foreign methods "worthy of

¹⁴Barrett, "Political Harvest Time," 4.

¹⁵"The National Field," Pacific Farmers Union 4, no. 20 (31 May 1912): 1, 4, 5. The month before the same paper carried an editorial on Germany's "Cooperative Credit Systems," in "The National Field," Pacific Farmers Union 4, no. 15 (26 April 1912): 1-2.

investigation," but this tolerance for the business-sponsored efforts would prove to be short-lived.¹⁶

Occupying a unique, influential, and too-often-neglected ideological space on the journalistic spectrum was the nation's farm press. The farm press position was located awkwardly between the two, soon-to-be very divided camps represented by the business and farm-organization press. As argued elsewhere in earlier chapters, the farm press was composed of journalists who were fiercely proud of their role as rural public opinion molders. Effective agenda-setting for the farmer, whether in terms of agricultural, business, or policy matters, was the distinguishing mark of the sophisticated and financially successful farm paper. Farm papers reached roughly two of every three farm households, according to one 1913 USDA survey, and advertisers estimated a weekly circulation of farm papers and magazines at 10-15 million as early as 1908.

When the issue of rural credit emerged, the farm papers not surprisingly had much to comment on.¹⁷ Farm press journalists regularly observed that farmers were at an economic disadvantage versus other business sectors when credit was at issue. Over the course of this research survey, reports of usury were not uncommon, and exploitation persisted through the

¹⁶Oliver Wilson, "Worthy Master's Annual Address," in Journal of Proceedings of the National Grange of the Patrons of Husbandry: Forty-sixth Annual Session, Spokane, Washington, 19.

¹⁷See, e.g., Brooks, "Rural Cooperative Credit," 20; "Farmers' Problems," Farm Journal 36, no. 2 (February 1912): 102; and "Germany's Success with Cooperative Banks," The Prairie Farmer 84, no. 1 (1 January 1912): 7.

imposition of costly terms requiring frequent renegotiation.¹⁸ These deficiencies in rural finance were denounced in the farm press as problems which placed an inordinate burden on farmers, particularly the poorest tenants, those least organized and least able to organize. Many farm papers made the point that those with a "shiftless" or otherwise unbusinesslike character probably ought to be denied credit, if not for their own good, then for the well-being of the sector.¹⁹

Some farm papers readily admitted sectionalism as a factor, and yet the farm press in every region also was quick to point out that though rates and terms might be the worst in the West and South, the fact remained that poor credit machinery everywhere was a threat to rural economic development.²⁰ Progressive farmers were, after all, being encouraged to conscientiously apply affordable credit, where it could be found, to the problems of production and distribution. Conditions might have varied considerably by region, but no farm paper was prepared to deny that introducing amortization to the land credit market would be a major improvement in farm finance.²¹

¹⁸"Cruel Facts," 11; "High Interest Rates," The Prairie Farmer 87, no. 22 (23 October 1915): 10; "The Interest Bug," 11.

¹⁹A. L. French, "Is the Farmer Entitled?," 35; W. M. Johnson, 5. Johnson argued, "We may as well own to the truth. A lot of us are careless. A lot of us are prejudiced against improved methods--and a few of us are just plain shiftless. Lower interest rates will never cure these things."

²⁰Jeffrey, "New Economic Movement," 250; "Our Credit Facilities," 1.

²¹"Farmers' Problems," Farm Journal 38, no. 8 (August 1914): 15; Milliken, 20.

While every farm paper reported the emergence of a new, non-farm-based credit movement, speculation about its viability, even its necessity, was remarkably wide ranging. For example, some papers reported favorably on rural cooperative credit, whereas others looked askance at the possibility that too much of the wrong kind of rural credit publicity might ignite a demand for the farmer to be given special financial privileges. What made the farm press survey unique was that despite the diversity of viewpoints given expression within individual papers, there also was confluence across the gamut of editorials canvassed in the survey, specifically with regard to keeping government subsidies out of the new rural finance policy. On this point, the farm papers established an early alliance with the business press, with some calling into question the ability of the farm organizations to contribute to finance policymaking.

By the end of 1912, rural credit reform had emerged in the three types of print press as a likely reform issue at the national level. The business press, pushed by outspoken propagandists such as Herrick and Lubin, looked forward to the prospect of capitalizing agriculture with the aid of European models, but without the taint of government subsidy. Farm-organization papers expressed cautious optimism at the potential for using new and powerful allies in business and banking to initiate reforms that would help make farming a viable business. Within a year, however, the leaders of the farm organizations staked out their own policy preferences for a system of federal subsidies through direct government lending.

Moving into 1913, the diversity of views expressed in the farm press unified only around a "wait and see" position with regard to the major European investigations of 1913.

The Rise of Agenda-Setting: The Issue Context
for Rural Credit Reform

At the early stages of issue emergence, the most important debate revolved around differences between proponents of government financial aid (represented favorably in the farm-organization press), and the diverse champions of plans for legislated self-help (represented favorably in the business and farm press). The agenda-setting phase, 1913-1914, opened with newly elected President Woodrow Wilson, during his inaugural address on March 4, 1913, awkwardly endorsing the idea that rural credit was high on the list of "things that ought to be altered."²² This, however, also was an era in which the new President publicly insisted that no bill would pass his desk that provided "special privileges" to farmers or any other group.²³ Over the coming years, President Wilson represented the major barrier for those in and out of Congress who tried to make direct lending, or the proposals generated through comparisons to Europe, more palatable to farm organizations by including provisions for federal money to underwrite the new system. The President made a major concession in

²²Woodrow Wilson, "Inaugural Address," in The Papers of Woodrow Wilson, vol. 27, ed. Arthur S. Link (Princeton, NJ: Princeton University Press, 1978), 150.

²³Woodrow Wilson, "The New Freedom: Part I," World's Work 25, no. 3 (January 1913): 253-64; Woodrow Wilson, "The New Freedom: Part II," World's Work 25, no. 4 (February 1913): 421-30.

early 1916, agreeing to a certain level of federal responsibility for the purchase of land bank bonds, provided the capital eventually was repaid to the United States Treasury. Wilson historian Arthur Link explained this switch in policy as an electoral maneuver "designed to satisfy an important interest group . . . organized farmers, particularly in the Middle West."²⁴

It would be a mistake, however, to try to understand Wilson's reversal of his position only in terms of partisan or electoral strategy. By early 1916, rural credit reform was considered "much delayed" by observers in the press on many sides of the matter, not simply by the Midwest farmers. For the previous three years, all three sources of print press had given considerable space to linking the issues associated with rural credit to the larger agrarian issues. Repeated emphasis on the role of rural credit reform in this more expansive agrarian agenda meant that the press was an intervening variable, one that invariably influenced the President's decision to allow some government aid to get the farm credit system initiated.

Probably the most salient of these related issues included farm profitability and the rising cost of living, even though as the results of this research survey suggest, there were others. For several years following the emergence of the rural credit reform issue, writers in all three press categories emphasized the links between these related issues. The apparent fact that the rates and terms for rural credit affected farm profitability, which in turn affected the cost of living, became a well-recognized phenomena for press readers. If the surveys had been coded only to discover the issue focus, and not to analyze the content, this constellation

²⁴Link, Wilson: Confusions and Crises, 345.

of issues would have emerged as highly salient across all three types of press. By definition, this pattern of increased salience was a clear indicator of an agenda-setting effect. Taking it a step further, however, comparisons of the actual content registered in the different press institutions allowed an assessment of the different agenda-setting goals as they unfolded.

Farm Profitability

Writers for the business press looked at traditional agriculture and declared it was insufficiently industrial. Production was "backward," distribution was chaotic, record keeping was dismal, and on every level organization seemed to be lacking. In an age marked by the rise of corporate organizations, the lack of farmer organization offered reason enough for readjustment in the sector, preferably along lines suggested by social Darwinist conceptions of natural selection. Conventional wisdom suggested that the few good farmers should rise as exemplars of modern agriculture, while the many ignorant, poor, and otherwise preindustrial agriculturists should exit the sector.

In the business press, the simple answer to the problem of farm profitability was to develop the skills of the best farmers. As professionals, farmers could use business methods and organizations to "uplift" agriculture. In this analysis, economic cooperation and the maintenance of soil fertility was regularly equated with good business sensibility, which when fully developed ensured that a foundation existed for reasonable rates and terms for credit. Not surprisingly, the business press advocated the application of capital to problems of

production and distribution in agriculture as an essential component of rural industrialization. Finally, the business press put forward an agenda in which farm profitability was never at risk from overproduction. Businessmen, long champions of the cheap food supply, seemingly could not imagine that a highly productive, capitalized, agricultural sector would ever be able to exceed demand in an expanding urban global market for cash crops.

The farm-organization papers also made farm profitability one of the most salient issues of the day for their readers, but did so in a manner very different from that adopted by the business press. According to farm organizations during this period, if farm profits were a problem, in all likelihood it was the speculators and middlemen who handled the crops postharvest who were to blame. During the 1910s, one could not turn to the pages of the farm-organization press without finding further confirmation that farmers were the reason for low farm profits. If any farmer culpability was admitted, it was in response to the charge that minimal farm-organization membership was partly to blame for low profits. In general the farm-organization papers argued that by increasing production, either through the expansion of tilled acres, or improvement of methods, all farmers risked overproduction, low prices, and scarce profits.

Two approaches were adopted to circumvent these threats. The first involved efforts to control production and market prices for commodities. This proved difficult to enforce, with many free riders and other implementation problems. The second strategy was to pursue better individual and collective business practices. During the course of the debate, farm

organizations came to understand that it was going to be impossible for farmers to operate with any degree of business acumen until the rural finance system was fair and reliable. This was essential for the proper application of credit to problems of production and land ownership. Echoing the business press, farm organizations called for better cooperative efforts, including cooperative associations for buying and selling commodities. In contrast to the business press, however, cooperatives were not favored for rural credit. Direct government lending was thought to be necessary to ensure farm profitability.

Ensuring farm profits was ostensibly the reason for the existence of the trade papers comprising the farm press. Indeed, on issues of farm profitability, the farm press was the most experienced press institution providing news coverage, analysis, and proposed solutions to problems facing agriculturists. Teaching the progressive farmer how to make good on the land was a selling point stressed by the publisher of every farm paper. By the 1910s, editors in the farm press had spent many years describing the effects of low prices for crops and high prices for credit. At least since the 1870s, farm papers had reported this combination was hard on farm profits, and a good reason to stay away from all debt. A combination of events caused the once debt-wary farm press to become more receptive to the idea that progressive, soil-conserving agriculture made prudent use of borrowed capital. The key to farm profitability, as reported in the farm press, was to break the single-crop logic by using credit to diversify farming operations. Better farming methods promised reliable farm profitability, and created a basis for lower interest rates for credit. Structuring the farm on a business

model, however, meant a tiered credit system: fair and reliable credit for those who modernized, and no credit for the traditional "shiftless" farmer.

The Cost of Living

Every newspaper and magazine in the country wrote about the rising cost of living during the 1910s. Indeed, it ranks as one of the most salient issues in every category of Progressive Era journalism. Since the price paid for food in the cities was taken as a key indicator of cost-of-living standards, discussions of rural credit and farm profitability often were embedded in speculation about the effect of both on steadily rising food and fiber prices for consumers. One of the agenda-setting effects of the period emerged from the continuous public struggle over this issue. It was one in which each type of press sought to reveal the causes of the rising cost of living, assign the proper blame, and lay out a remedial strategy.

The business press gave readers plenty of theories and evidence linking the rising cost of living in cities to deficiencies in agriculture. Railroad presidents proved remarkably effective in this regard, but secretaries of Chambers of Commerce, finance theorists, and businessmen drawn from many sectors of the economy excelled in shifting blame off distributors and onto producers. Between 1908-1911, James J. Hill and his followers popularized the notion of the American population invariably outstripping agricultural production. At that point, the attention of the national business press turned repeatedly to the twin issues of maximizing yields per acre, and the number of acres planted, in order to feed a rapidly expanding

population. Many writing for the business press predicted that only by turning every tillable acre to capital-intensive agriculture could the doomsayers' predictions of bread riots, socialism, and anarchy be avoided. The cost of living would cease to be a problem, therefore, only when improved systems of agricultural production, distribution, and credit lowered the cost per unit of basic foodstuffs. Better systems of rural credit were hailed as a prerequisite for rural improvements.

Farm-organization papers also featured regular news and editorials that targeted the rising cost of living. Foremost, they attempted to deflect the mounting criticism of farmers. Farm organizations reminded readers that farmers also paid increasing prices for purchased goods, and that the high cost of living afflicted rural as well as urban dwellers. Farm-organization papers also reflected a deep resentment of the characterizations of agriculture and farmers as backward, a characterization common in other types of print press, particularly the urban dailies.

At times, hardened ill feelings erupted in disputes between farm organizations and the farm press on this issue. According to one view evident in the farm-organization press, some farm press journalists were seen as naive mouthpieces for the economically unsound, urban-sponsored philosophy of increasing yields by growing two blades of grass where one grew before. Since this production-oriented dogma contradicted conventional farm-organization wisdom on the price paid for crops as a delicate product of supply and demand, it engendered some distrust between the two institutions. Farm organizations tended, as with

the issue of farm profitability, to blame factors external to production techniques for the price of food in the cities. Most commonly they pointed at middlemen, whose dubious business practices hurt the entire nation. Otherwise, it was the consumers themselves who were seen as indulgently absorbed in perpetuating the high cost of living.

On this particular point, the farm press more often than not expressed views that were congruent with farm-organization sentiment. This was a rarity in the context of rural credit debate. Farm editors were just as prone to taking issue with the urban press, speculators, and middlemen, as were the leaders of farm organizations. The farm press prided itself on leading farmers to adopt practices and views that were not always immediately popular, while at the same time it pandered to rural farm sentiment when the issue was the high cost of living. Traditional juxtapositions of rural purity and urban degradation were common explanations for both low farm profits and inflated consumer prices. Farm papers not only wanted to bring producers and consumers closer together, they sought to educate the consumers in the economics of agricultural production and distribution.

Reframing Rural-Urban Class Relations in the Print Press

As noted in Chapter I, journalism scholarship examines and describes the ways in which the media influence public perception of the causes, consequences, and possibilities of a particular issue, or the relationship among a constellation of issues. Framing in the media can link a range of issues, and establishes who the experts are on a particular issue or policy dilemma. Any consideration of media framing generates a series of questions: Who is deemed responsible for a problem when an issue emerges? Who are the leaders of a particular movement? Who is being represented, or has the authority to make policies, or lobby for legislation?

As part of this study, concerns with media framing prompted the following questions: What did the different press outlets describe as good for business, agriculture, and journalism? More generally, what was the prevailing conception of a healthy national economy, and how was the press used to recast the role of various actors in securing economic and political stability?

Perhaps the most salient issue in all three surveys was coded "relations between classes." More than any other issue, the print press reframed social relations to reflect fundamental changes known to all observers primarily as a product of the movement to "uplift" the farmer. The reframing of class relations between farmers and nonfarmers was an artifact of several years of agenda-setting in the print press on the issue of rural credit reform. The reconfiguration of urban-rural relations was part of a long-term project for diverse groups in

and out of the press, and it clearly was not confined to the matter of curing rural finance problems. However, during the effort to sort out rural credit issues, the press focused anew on the imminent shift away from the long-simmering animosities between town and country. It was a particularly relevant issue both because of the intense activity by non-farm-organization actors at the proximate origin of the rural credit reform agenda, and because of the prominent role played by business in the soil fertility aspect of an emerging resource conservation movement.

In the business press, the rural credit movement was part of a new era for agriculture, one featuring businessmen and bankers who assumed the role of consummate agricultural statesmen. Business press sources were reframing the image of the farmers' former enemy, the archetypal "robber-baron" railroad mogul or "Shylock" banker, in a more humanized role, often as the wise and benevolent patriarch of a local or regional economy. James J. Hill and the leader of the banker-farmers, B. F. Harris, led a widespread propaganda campaign on behalf of the idea that the interests of town and country were mutual and inseparable. Bankers met regularly to discuss such unlikely topics as soil fertility or the development of demonstration farms. Chambers of Commerce dedicated themselves to the economic vitality of their entire regions, including rural, village, and urban components. Chambers became the sponsors of "Country Life" conferences. Agricultural uplift during this period was still a project that was too big for the USDA. The boosting of agriculture through clubs, prizes, propaganda, and advice, therefore, fell to the best organized and most forward-looking

business sectors of the private economy. As Kenyon Butterfield aptly put it, this was a new period of "benevolent urbanism," and it signaled a shift away from older, more antagonistic social relations.²⁵

To better understand whether there were significant results from this campaign in the business press, a comparison of business and farm-organization press on the same issue is useful. On the surface, business press editors could not help but notice the instinctive rejection of external uplift efforts targeting the farmer. For example, Butterfield's Rural Affairs Department in Business America reported the National Grange resolution denouncing urban uplifters: "Bankers and certain large financial concerns," resolved the Grange, "are manifesting great interest in improving agriculture, and are contributing their ill-gotten gains for that purpose. This officious meddling is becoming obnoxious." The famous urban agrarian editor noted this sentiment was shared by the nation's best farmers, for whom the pronouncements of the Country Life and rural credit commissions were not wholly acceptable. Though excessive paternalism was rightly objected to, as Butterfield editorialized, the city man had some legitimate interest in what comes to him from the farms. "We have long complained," he concluded, "because the great business interests of the city have ignored agriculture. Now that their attitude is changing, let us not refuse their aid, just because in their enthusiasm they are making blunders."²⁶

²⁵Butterfield, "A Benevolent Urbanism," 442-44.

²⁶"Farmer and City Man," 536-37.

One would expect words like "obnoxious" describing urban uplift efforts to be commonplace in the farm-organization press. Without doubt a view was presented in all three farm-organization papers that mirrored the resentment expressed by the National Grange; the urban agrarians, in their view, had already benefited from the outcome of legislative battles that farmers viewed as critical defeats. Now, complained some of the skeptics, the urban interests were watching over the legislatively defeated farmers, and yet still brooding about the rising price of bread. Writers in the farm-organization press could, if they chose to, openly express hostility to the urban efforts to "farm" the farmers. These business agrarians were, according to this view, demagogues and "agricultural adventurers," who farmed little if any themselves, but planned to transform all of American agriculture from the comfort of their armchairs. These were also, according to the cynical farm-organization view, the "theorists" who propagated nothing but untested "cure-alls."

During the years of the rural credit reform movement, however, a much more optimistic tone was also apparent. The farm-organization press provided space to some of the most prominent business reformers and uplifters, and devoted editorials to embracing the idea of cooperation with efforts to attain legitimate mutual interests. Farm organizations publicly credited J. J. Hill with waking the bankers up to their role in rural-development issues, and hailed the speeches of railroad executive and activist-reformer B. F. Yoakum. The farm-organization press introduced this coverage with editorials praising the motives of the reformers, instructing the farmers to pay close attention, and by and large supporting their

efforts. This represented a significant reframing effort on the part of the farm-organization press. Traditional ideological obstacles apparently were being overcome by the attribution of expert status and legitimacy to the urban leaders of the rural uplift project. The willingness to publish and validate the reformers existed even when the explicit message being sent to the farm organizations from business leaders was to eliminate radical ideas if you want to participate in the policy process.

The farm organizations had for some time been troubled by the inherent difficulties of organizing farmers. The major farm organizations throughout this period never represented more than one in twenty farmers. Citing the failure of farmers to act on some important issues, farm organizations admitted responsibility for rural development falling into the hands of capitalists who knew what it meant to protect their own interests. Farm organizations further conceded that traditional farmer conservatism with respect to innovations and methods was potentially a dangerous kind of stubbornness, and it was only made worse when political demagogues urged the residents in town and country to consider each other as bitter foes. Some farm-organization leaders insisted there could be no uplift until the town and country learned to cooperate on the basis of equality.

This is not, of course, to say that the farm-organization press accepted the details of the urban uplift schemes. In many cases there were bitter disagreements. This was particularly true in the case of the original rural finance plan based on looking-to-Europe efforts, a plan which made no provision for government financial support. The evidence

suggests that in the face of unprecedented urban interest in agriculture, the farm-organization press was framing issues in a way that occasionally provided an acceptable role for business elite in the process. In short, the farm organizations conceded the legitimacy of business as stakeholders in the future prosperity of agriculture. This was a slow, yet dramatic and crucial shift.

Finally, the farm paper publishers also had much to say about the reformulation of social relations throughout this period. To be sure, there were indications of a turf battle emerging between the different agencies, public and private, charged with responsibility to improve agriculture. The farm press, going back to its origins in the 1810s, was the original medium for conveying the "gospel of a saner and sweeter rural life."²⁷ As the heralds of new ideas and innovations about what was good for agriculture, the farm press editors were ideally positioned to understand the 1910s as the eve of a new era, one featuring greater mechanization and business methods that would become the model for agribusiness between the 1920s-1940s.

These were changes that altered the way capital and labor combined to create a food supply for the nation. Farm papers looked at the sea change in social relations that was underway, and generally took a position that betrayed the peculiar duality of their position: the need to preserve a rural readership, while staying out in front on issues that rural residents might not be ready or willing to read about. This resulted, for example, in the farm papers

²⁷Butterfield, "The Leadership," 370.

chiding those in the urban press who still thought it fashionable to berate farmers for their backwards practices, while at the same time spreading much of their own ink venting indignation about the threats posed by technically poor farmers who were unquestionably soil robbers.

The addition of new players from business sectors in the field of agricultural development and agrarian policy gave farm paper editors cause to reflect, and to significantly reframe the way their readers understood such efforts. During the first decade of the twentieth century, the seeds of an alliance between business and the farm press had been planted through cooperative efforts to spread agricultural science via demonstration trains. In the second decade, and throughout the rural credit debate, farm papers led their readers to consider the potential value of the so-called "high efficiency propaganda" presented by urban agrarians. This was to be viewed as enlightened self-interest on the part of businessmen. While giving regular voice to resentment about the more pretentious uplifters, the farm press as a whole conceded that some altruism was acceptable, even desirable, as well as symbolic of the possibility for improved rural-urban relations in the future.

Conclusion

The proximate origin of the Federal Farm Loan Act of 1916 can be found in an agenda-setting effort in the business and farm press, an effort designed to adapt European models of rural cooperative credit to fit American conditions and eliminate the need for federal

financial aid. This final section examines the culmination of the movement for federal intervention. It was a protracted congressional struggle that stretched over 2½ years with more than one hundred bills introduced. During that struggle, the agenda set by urban agrarians came under attack by the two major farm organizations. Business-sponsored commissions (see Chapter II) backed the Moss-Fletcher bill, which relied on cooperative organization and private funding. Farm organizations (see Chapter VII) backed the Bathrick bill, which called for direct, low-interest loans from the federal government to the farmer.

The first congressional committees on rural credits failed to report a bill in early 1914 because of this disagreement over the source of funds for the new system. As a result, the chairs of the committees involved came up with a compromise measure, known as the Hollis-Bulkley bill, which ultimately was the basis for the FFLA. Much of the design of the new measure reflected the work of the commissions and the intent of the Moss-Fletcher bill. At one point, however, a provision was inserted in the Hollis bill that called for purchases of \$50 million per year of land bank bonds by the U.S. Treasury. George Putnam argued in 1916 that the federal-assistance provision was inserted to subdue the critics of the Moss-Fletcher bill. The Wilson administration, meanwhile, made it known that any rural credit law with a provision of this sort would be vetoed. Preoccupied with other business, Congress tabled rural credit reform and created a new joint committee in March 1915. This final committee on

rural credit was given a deadline of January 3, 1916, to issue a report and proposal for a new system of land mortgage loans.²⁸

The committee report was in fact submitted on that day in early 1916. It presented the final Hollis-Bulkley compromise bill with a provision for limited government financial subvention conditioned on eventual repayment by the new system to the U.S. Treasury. The author of the report, Senator Henry Hollis (D-NH), wrote that the "successful farmer becomes more of a business man each year. . . . He must have ready cash." Current conditions, noted Hollis, provide that if a farmer could get a loan, it was on short terms with high rates, putting farmers under the "power of some hard-headed banker," whose job it was to be hardheaded. "In many parts of the country, the farmer is charged extortionate and inexcusable rates, regardless of usury laws and decent regards for human necessities."²⁹

The solution proposed in the final Hollis-Bulkley bill envisioned the presence of a supply of private, long-term investment money seeking safe harbors for investment. The Hollis report described the aggregate sum as "enormous," and laid out a new role for the federal government in channeling capital to farmers:

We may picture the owners of this vast wealth grouped on one side of a river, the farmers desiring loans on the other side. . . . We are asked to furnish the bridge which shall bring them in touch, or rather to grant a franchise to

²⁸Putnam, "The Land Credit Problem," 44-47.

²⁹Henry F. Hollis, Rural Credits: Report of the Joint Committee on Rural Credits, 64th Cong., 1st sess., H.R. 494 (Washington, DC: Government Printing Office, 1916), 5-6.

those who would build a bridge if we will construct the approaches. Such we conceive to be a proper function of the Government.³⁰

The important question, given this outcome, is how did the final Hollis bill, which became the FFLA, reflect the proximate origin of the rural credit reform movement (H1), and the rise of agenda-setting (H2)? The Hollis report concluded, "Our country lags far behind Europe in most matters of cooperation among farmers. There are conditions that render it more difficult here than in other countries. But so far as cooperation is applicable, and as speedily as we can adapt it to our own conditions, it should be established." The framers of the bill stated that they wanted to "stimulate the cooperative spirit," and the committee report noted it was Senator Fletcher and the American Commission that originally "awakened the interest of the American people in rural credits."³¹ Therefore, with respect to H1, interest in European models of cooperative rural credit clearly emerges as the source for a viable reform movement, and the basis for the design of the Hollis bill. This interest in a private solution manifest in a well-orchestrated agenda-setting campaign, described in Chapter II, lends support to H2.

Reactions to the final bill, which compromised between the two major competing agendas, appeared mixed in the press surveys during 1916. Farm organizations generally were not impressed by the final shape of the law, despite their success in defeating the major

³⁰Ibid., 7.

³¹Ibid.

goal of their competitors' antigovernment aid agenda. The criticism was most intense at the Equity News: "The bill meets no need of the farmers. It is overburdened with new administrative machinery. It smothers any benefits that might accrue by excessive expense." The American Society of Equity resolution on the Hollis bill reflected the organization's deep suspicion. "Like every other financial bill passed by the United States Congress, this bill has the ear-marks of the money speculator." The resolutions of the ASE were included on a clip and mail form, which stated the bill "will in no sense improve the present financial condition of our farmers, but on the contrary will retard the growth of Agriculture by providing another system of private, profit-sharing, dividend-paying, surplus-creating banks." It asked Senators and Congressmen to vote against the much-delayed rural credit legislation.³²

Soon after enactment of the FFLA into law, the president of the National Farmers Union, C. S. Barrett, noted that the rural credits bill might do some good for certain classes, those who already owned land that could be offered as security, or those who had money in the bank. "But instead of helping the tenant to acquire land and home, it will have a tendency to increase his number." He reasoned that under the FFLA, the landlord will get the cheap money and buy more land to rent out at high prices. "Conditions are thus being created which make it more and more difficult for the homeless man to acquire any land at all." If the

³²"Rural Credit Legislation," Equity News 8, no. 22 (15 March 1916): 372.

government would not act soon to arrest this trend, argued Barrett, America was "doomed to growing tenancy, ultimately, to agricultural pauperism."³³

At the National Grange, editors noted that a cold shoulder was being turned, even by farmers, to the new rural credit law. "This indifference is clearly revealed, and ridicule and criticism arising from farmers is more than a local expression. That such a law was not needed and that it will bring no benefits to American farmers are comments coming from many quarters."³⁴ While the paper counseled greater tolerance for the new system, it made a stunning admission during the fall of 1916: "The Grange, and in fact all farm organizations, did not have any large influence in the rural credit legislation for the reason that they were not agreed among themselves and could not come forward with any concrete plan that could be labeled what the farmer himself wanted."³⁵ The Master of the National Grange, however, framed the legislative outcome in a slightly more favorable manner at the 1916 annual meeting:

It is our pleasure to state that the Grange won another victory in the enactment of the Rural Credit Law--not that it is all the Grange has asked or contended for, but the principle for which we stood has been recognized. Thus, having secured a victory, the farmers should give it a fair trial and if it is cumbersome or too complicated it must be

³³Charles S. Barrett, "Something Must Be Done to Help the Tenant Farmers," Pacific Farmers Union 8, no. 2 (July 1916): 2-3.

³⁴"Give It a Chance," National Grange Monthly 13, no. 9 (September 1916): 14.

³⁵"The Summary of a Year's Work," 3.

perfected by amendments. Let it be given a fair trial before we condemn.³⁶

The farm press also reflected mixed opinion in its appraisal of the final Hollis bill. Supporters at the Farm Journal noted that, after much delay, the "bill has been drawn with great care in order to avoid all mistakes and provide for the greatest good to the greatest number."³⁷ One Farm Life editor wrote that if the bill passes as the sponsors hope, it "may well prove to be one of the most important laws ever passed in the United States. . . . It is not a partisan measure, and if the farmers O.K. the bill and take an intelligent interest in it, there should be no difficulty in obtaining its early passage."³⁸ Later that year, the same Midwest farm paper suggested, "If the law works out according to promise it will be of immense benefits to agriculture, and therefore to the nation."³⁹

Long-time farm finance reform advocates at The Orange Judd Weekly Farmer were thrilled as the bill was about to become law. "If the new system is perfected as to prove its usefulness," stated one editorial, "the federal farm loan law of 1916 will be one of the noblest enactments in American history. That all political parties joined in its support gives it a

³⁶Oliver Wilson, "Worthy Master's Annual Address," in Journal of Proceedings of the National Grange of the Patrons of Husbandry: Fiftieth Annual Session, Wilmington, Delaware, ed. Secretary C. M. Freeman (Concord, NH: Rumford Press, 1916), 12.

³⁷"Farmers' Problems," Farm Journal 40, no. 3 (March 1916): 38.

³⁸George Weymouth, "On the New Farm Loan Bill," Farm Life 35, no. 2 (February 1916): 1.

³⁹"The New Farm Credits Law," Farm Life 35, no. 8 (August 1916): 14.

nonpartisan character."⁴⁰ Another Orange Judd editorial confidently predicted that the "magnitude of the victory secured in this new act is too big to be realized at sight."⁴¹

However, there also was considerable skepticism in some parts of the farm press. At The National Stockman and Farmer, the tone of the editorial remained aloof in response to the final Hollis bill.

Evidently the committee has labored to create a rural credit system which shall not bear the taint of class legislation, but it has not quite succeeded . . . there will be few protests from farmers because the plan favors them. In fact in this region there seems to be mighty little interest in the whole matter.⁴²

As was the case in earlier stages of the rural credit reform movement, editors at Wallaces' Farmer could not "work up any enthusiasm over a law which is likely to do little more than inflate prices of farm lands, and make it more difficult for actual farmers to acquire homes of their own."⁴³

⁴⁰"Farm Mortgage Reform Is Here," The Orange Judd Weekly Farmer, 3 June 1916, 5.

⁴¹"Farmers' Victory in Loan Law," The Orange Judd Weekly Farmer, 8 July 1916, 4.

⁴²"The New Credit System," The National Stockman and Farmer 39, no. 44 (29 January 1916): 1.

⁴³"Farm Credit Bill," Wallaces' Farmer 41, no. 20 (19 May 1916): 4. See also "The Rural Credits Bill," Wallaces' Farmer 41, no. 30 (28 July 1916): 5. In this editorial, the paper conceded that since the law was in place, it was only right to give it a fair trial and revise it as necessary.

At the July 17, 1916, signing ceremony for the Federal Farm Loan Act, the long-time opponent of government aid going to farmers, President Woodrow Wilson, seemed to be convinced that the farmers had, as he stated,

occupied, hitherto, a singular position of disadvantage. They have not had the same freedom to get credit on their real estate as others have had who were in manufacturing and commercial enterprises . . . this bill . . . puts them on equality with all others who have genuine assets, and makes the great credit of the country available to them . . . incidently [*sic*] it will be of advantage to the investment community.⁴⁴

The compromise bill, signed by a President long opposed to its key provision for government aid, went into effect as the country's first farm finance law. It established a first-of-its-kind quasi-governmental enterprise for farm mortgage finance. The purpose of the act was

To provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to create Government depositories and financial agents for the United States, and for other purposes.⁴⁵

This outcome decidedly was not what the original business and farm press agenda-setters sought in terms of rural credit reform. The legislative process had produced a hybrid of two competing agendas, and in doing so alienated some of the movement's key original

⁴⁴Quoted in W. Gifford Hoag, The Farm Credit System: A History of Financial Self-Help (Danville, IL: Interstate Printers, 1976), 214.

⁴⁵The Federal Farm Loan Act, 64th Cong., 1st sess., S. Doc. 500 (Washington, DC: Government Printing Office, 1916), 3.

supporters through the inclusion of a provision for government financial aid. None were more vocal in their opposition to the law than Myron T. Herrick (see Chapter II). Herrick stated that the movement had been corrupted by, among other things, provisions in the FFLA that made the new land banks into depositories for government funds. "The result is the Federal Farm Loan act, which has started the Government off on a use of public cash and public credit for private individuals on a scale never attempted in any other country."⁴⁶ For Herrick, this marked an end to the movement which sought to implant principles of cooperation, and the beginning of an era in which farm credit would be "purely governmental."⁴⁷

In the final analysis, the FFLA did represent a transition to a new era of government intervention in the agricultural economy.⁴⁸ The most prolific farm press editor of the period, Herbert Myrick, wrote in 1917 that "the new statute may prove to be epochal in its economic and social benefits" and that the "Act is the Magna Carta of American farm finance." To its credit, he argued, the FFLA was not "a scheme of visionary enthusiasts to reform the world."⁴⁹ Instead, it was an attractive new means for farmers to enjoy amortization, long

⁴⁶Herrick, "Some Objections," 837.

⁴⁷Ibid., 849. One oft-skeptical farm paper remarked earlier in 1916 that Herrick's denunciation of the bill as "useless, defective, and dangerous" was in fact premature. See "Credit Criticism," The National Stockman and Farmer 40, no. 2 (8 April 1916): 1.

⁴⁸Due to the shortage of investment capital stemming from World War I, most of the stock in the FFLA-created Land Banks was purchased by the federal government. This amounted to approximately \$68 million in 1919. See George E. Putnam, "The Federal Farm Loan System," American Economic Review 9, no. 1 (March 1919): 60, 68.

⁴⁹Myrick, The Federal Farm Loan System, 5, 20.

terms, easy payments, a top interest rate of 6%, refinancing as rates dropped, limited expenses, profit sharing, limited liability, farmer control, tax-free mortgages and shares in the system, transferability, cooperation, and a national system with supervision.

Also writing in 1917, the coauthor of the final compromise measure, Congressman Robert J. Bulkley, captured the influence of a complex and distinctively urban agrarian agenda on the nonfarm supporters of farm credit reform. Rural credit was a pressing national problem for more than just the farmers:

It is a problem in which the nation is even more vitally interested than the farmer himself, for availability of funds at reasonable rates is encouragement to the farmer to improve his lands and so increase his yield of food. The farmer's temptation to "rob the soil" which might be another's after three-year or five-year mortgage should fall due under the long-term, non-callable, amortization-plan mortgage which gives the farmer a satisfactory sense of permanence in his land ownership and makes him the most interested and diligent conservator of his soil.⁵⁰

While the marks of urban agrarianism were evident in the agenda-setting efforts that made the FFLA possible, it is also the case that this first farm credit law produced some unintended consequences for those reformers most active at the proximate origin of the movement. Foremost among these was a new precedent for federal intervention in agricultural capital markets. Despite the muddled legislative outcome, with no side able to claim a clear victory after years of struggle, it is nonetheless the case that the origin of the

⁵⁰Robert J. Bulkley, "The Federal Farm Loan Act," Journal of Political Economy 25, no. 2 (February 1917): 131.

Federal Farm Loan Act is best understood as the outcome of agenda-setting in the Progressive Era print press.