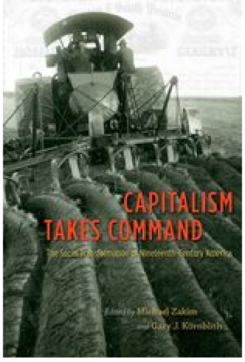

**Capitalism Takes Command: The Social Transformation of Nineteenth-Century America**
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CHAPTER

# 2 The Mortgage Worked the Hardest: The Fate of Landed Independence in Nineteenth-Century America

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## Abstract

In early nineteenth-century America, "landed independence"—a way of life characterized by freehold ownership, command over household labor, and control over agricultural resources—helped farmers to become proprietors rather than members of the expanding class of dependent wage laborers. Freeholders resorted to "mixed farming" to meet their families' baseline subsistence needs and sell their "marketable surplus" for a profit. At mid-century, American farming evolved into a commercially oriented endeavor with built-in hedges against the vicissitudes of an expanding market system. The ideal of landed independence was filled out by old-age security provided to farmers by their accumulation of landed wealth. Land ownership offered a uniquely autonomous form of commercial life. After 1870, "mortgage-backed securities" emerged in the American market. Capital flowed westward while staples such as corn and wheat flowed eastward. Western farmers turned to the mortgage market both by choice and out of necessity. This chapter explores the transformation of American farming, and its significance not only for its participants, but also for the history of American capitalism.

**Keywords:** landed independence, farmers, farming, old-age security, landed wealth, mortgage, capitalism, America, mortgage-backed securities, land ownership

**Subject:** US Social History, Modern History (1700 to 1945), Early 19th Century US History

After 1870 there emerged an American market in what are now called "mortgage-backed securities." New financial intermediaries purchased mortgages on western farms, guaranteed them, and then mostly passed them on to private and institutional investors in the East, or packaged them together into bonds for public sale. Capital consequently flowed westward while wheat, corn, and other staples flowed eastward.[1] During the 1880s, homesteaders annually mortgaged roughly between 30 and 40 percent of all farm acreage west of the Mississippi River and east of the Rocky Mountains.[2] The "western farm craze" had spread like a fever among the eastern investing public, but after a series of droughts and the financial panic of 1893, the market collapsed. But by then the logic of American farming had been transformed.[3] This chapter examines the significance of that transformation for its participants and for the history of American capitalism.

p. 40 In the early nineteenth century American farmers commonly ↳ pursued the ideal of "landed independence"—a way of life that rested on freehold ownership, command over household labor, and control over the resources of the farm. Farmers were proprietors. They were not members of the expanding class of dependent wage laborers. Nor did their lives resemble those of the rising urban commercial classes that might gain greater riches, but who were existentially dependent upon the vicissitudes of markets. By practicing "mixed farming," freeholders could both meet their families' baseline subsistence needs and sell their "marketable surplus" for a profit. At mid-century American farming could thus be considered commercially oriented. At the same time, it enjoyed built-in hedges against the fates dispensed by an expanding market system.[4]

After the Civil War, as before, many farmers migrated west in pursuit of the economic and psychological rewards of landed independence. Clearly, some had other goals in mind. There were farmers who put all possible acreage into wheat, for instance, the great western staple, in search of short-term profit rather than economic security. The 1880 western guidebook *Where to Go to Become Rich* devoted a chapter to plains farming, next to another on southwestern gold prospecting.[5] Still, landed independence remained the ideal for a large proportion of western migrants in the 1870s and 1880s.

Take the case of Henry Ise. A German immigrant, Ise earned an outright claim in western Kansas by fighting for the Union Army. In 1873 thirty-year-old Henry and his eighteen-year-old wife, Rosie, settled on their Kansas quarter of 160 acres in the hope of achieving independence.[6] In 1887, needing $363 to pay a quack doctor to care for their youngest son, John, stricken with polio, the couple decided to mortgage their homestead. It was a fateful decision; the Ises subsequently felt that they had lost control over their lives. According to John's memoir, the mortgage became the "relentless master of the family destinies"—commanding their labor, controlling the resources of the farm.[7] The Ises successfully paid off this mortgage, but years later they again found themselves in debt. By his son's account, Henry worried incessantly and was often found sitting in a chair mumbling aloud to himself, counting figures, and wondering if he would have enough cash on hand when the note came due. When Henry died in 1900, his son considered him a broken man. Looking back, Rosie Ise described her husband as a terrific "farmer" but a terrible "business man."[8] The opposition between "farmer" and "business man" (a term that had acquired currency only in the 1820s) was meaningful, suggesting as it did the difference between the pursuit of independence and the pursuit of profit as the core principle in operating a farm.

p. 41 Although the amount of American farm acreage under mortgage debt ↳ in-creased by 42 percent during the 1880s, while the amount of absolute farm mortgage debt increased by 71 percent, farm mortgage debt was not a new phenomenon.[9] Farmers lamenting their debts was not new either. What was novel, rather, was the financial architecture of the market for western farm mortgages and the systemization of financial risk of which that was a part. Until the middle of the nineteenth century there existed a direct, personal link between many mortgage lenders and borrowers. Most farmers knew who owned their mortgage.[10] With the rise of mortgage-backed securities and new forms of financial intermediation, this was no longer the case. The relationship between lender and borrower became attenuated. Landed wealth became a dematerialized abstraction. The Ises first mortgaged their farm to a local lender, who then sold their mortgage to the Pennsylvania Mortgage Company, a new type of business that bought individual western mortgages, stapled them together, and resold them to private and institutional investors in the East. As farmers worked harder and longer to repay their debts, they became cogs within an increasingly complex financial system. The system allowed a great many people the opportunity to farm, but it also squeezed their labor and pushed them into global commodities markets. Western farmers had difficulty wrapping their minds around how such an impersonal system worked. As Rosie Ise observed of plains farming, "Nobody's responsible."[11]

Ironically, farmers looked to another financial innovation for the economic security that the land directly under their own feet had ceased to provide: life insurance policies. Vigorously marketed to farmers in the 1870s (particularly to those with mortgages), these policies were the ultimate emblem of the inversion of land and labor on the western plains. The same firm that bought a farmer's "life risk" might also, through a network of intermediation, own his mortgage. Indeed, the largest institutional investors in the western mortgage market were life insurance companies. As the mortgage and insurance markets systematized and intersected, western farmers became both agents and objects of a newly abstract power. Not surprisingly, the ever-anxious Henry Ise purchased a life insurance policy.

The Ises' story is worth recounting not only because of the family's failed quest for landed independence in the older sense, but also because, by monetary measures, their farm was a success. The Ises were never in danger of foreclosure. In fact, however complex it became, the western mortgage market had worked to lower western interest rates.[12] Unlike the Ises, many farmers observed their rising incomes and land values, and with access to new financial forms of economic security, they happily proclaimed themselves
p. 42 "independent."[13] Yet Henry Ise kept sitting in his chair, worriedly counting figures. Others would ↳ voice their anxieties in the populist revolt, demanding that the federal government ensure them the economic

security that a landed independence had once provided.[14] But financial systematization sealed the fate of landed independence. It also created the very conditions for the collapse of the first market in mortgage-backed securities.

A crucial agent of enclosure in early modern England, the mortgage traveled with European colonizers to the New World.[15] William Penn even mortgaged the entire colony of Pennsylvania in the early 1700s. By the mid-eighteenth century, legislatures in the New England and Middle colonies had created loan offices that issued paper money to farmers against their lands as collateral, the money repayable in installments below market interest rates. These mortgages increased the circulating medium and greased the wheels of the domestic market while financing capital improvements. But colonial land banks did not lead to a specialization in cash crops or to a decline in "safety first" subsistence production.[16]

Beginning in the early nineteenth century, mortgages played an increasingly large role in the northern economy. On the western frontier, government land offices offered cheap credit to homesteaders and speculators until as late as 1820.[17] But consider the town of Concord, Massachusetts. In the late 1840s townsman Henry David Thoreau observed that no Concord tax assessor could name him a dozen farmers "who own their farms free and clear." To know the history of Concord "homesteads" was to inquire "as to the bank where they are mortgaged." To Thoreau, the consequences of mortgage debt were clear: the felling of forests; the intensification of labor ("work, work, work," he taunted his neighbors); the reduction of time into money values; the existential dependency of farmers upon markets. Farmers labored "under a mistake," driven "by a seeming fate, commonly called necessity." It was a "fool's life." Thoreau bragged at Walden that he "was more independent than any farmer in Concord" as he was "not anchored" to a commercializing farm.[18]

In 1850, while Thoreau was busily revising *Walden*, the politician George S. Boutwell addressed the same farmers of Concord. Boutwell was then a Van Burenite Democrat with free soil sympathies. In 1851 he would become governor of Massachusetts and in 1854 he helped found the Republican Party. In 1869, after a short stint in Congress, he became President Grant's Secretary of the Treasury. George Boutwell was also a local Concord dairy farmer. The agrarian vision he espoused in 1850 crystallized into the Homestead Act of 1862, which provided millions of western acres for men like Henry Ise to farm, and ultimately to mortgage.

p. 43 Boutwell proclaimed that the farmer was still more "independent" than any other man. He had less "anxiety than men in other pursuits," as farming offered the "certainty of a competence." Farmers were not like merchants, a class of men perpetually "tempest-tossed" by forces outside their "control." There were, Boutwell argued, "great and necessary risks of business from which the farmer is exempt." "Agriculture" and "commerce" were not the same thing: the latter form of life was "dependent" (regardless of the riches it might hold out) while the former was "independent." A mercantile proprietorship was inherently more risky than a landed one. And yet, Boutwell also noted that farming in Concord had become "a very different pursuit from what it was twenty years ago." Commerce was encroaching. "All of you," Boutwell informed the farmers of Concord, have recently become "equally dependent upon the great laws of production, exchange, and consumption." Farmers were now being "taught to feel the force" of "competition." "Men may fear it," and "they may seek to avoid it," and "it may produce cases of individual ruin," but it was no longer escapable.[19]

But still, the land was a special form of property, a bulwark of security, certainty, and independence set apart from the vicissitudes of commerce. The source of Thoreau's independence was transcendental —"What a man thinks of himself, that is which determines, or rather indicates, his fate." The concrete source of Boutwell's independence, by definition, could only be the land. Freehold farming was "more certain" than any other employment, proclaimed a Middlesex County farmer in 1848. Let the "fluctuations of trade" worry the merchant.[20] No question, antebellum farmers sought to maximize their "marketable surplus." They demanded from politicians such as George Boutwell the roads, turnpikes, canals, and ultimately railroads to get their surpluses to the market. But with direct access to subsistence, with built-in hedges against the fates dispensed by markets, land ownership in antebellum America still offered a uniquely autonomous form of commercial life.

To be sure, this vision was already under economic threat. Not only Boutwell's message suggested that. His dairy farm did as well. By the 1850s a band of highly specialized wheat and corn farms stretched from the mid-Atlantic seaboard to the western prairies, driving many northeastern farmers out of the production of grains and into truck farming. Nevertheless, as the economists Jeremy Atack and Fred Bateman write in their study of late-antebellum Northern farming, "despite the growing emphasis on the market … the

farmer who was able to provide virtually everything for his farm and family from the farm was regarded a success … even in a relatively well-developed area such as New York State." In 1860, Atack and Bateman
p. 44 write, farmers "were successfully ↳ straddling the fence between agriculture as a way of life and as a business enterprise." Echoing contemporary accounts, these authors end their econometric study by confirming that farmers preferred to give up more profitable opportunities in other economic sectors in favor of the "security" offered by the agrarian "way of life."[21] Indeed, the ideal of landed independence still gripped the American imagination. Lacy K. Ford sums up a generation of agrarian social history:

> [F]or many antebellum Americans, economic well being was not measured in terms of income levels (which were generally improving) … but of personal or household independence. The foundation of independence was ownership or control of productive property, and thus land ownership was a … better measure of economic status than income.[22]

Land ownership, put another way, was then considered the securest route to acquiring the wealth necessary for economic independence.

The old-age security provided to farmers by their accumulation of landed wealth filled out the ideal of landed independence. On average, late-antebellum farmers ceased to accumulate wealth at the age of fifty-five. That was when the process of distributing wealth to the farmer's household dependents began. Farmers followed careful, even delicate, strategies in ensuring the transmission of their property and, not unrelated, their children's care for them in old age. Again, cracks were evident in the system by mid-century. Eastern soils were suffering from declining marginal productivity. In some instances there were outright land shortages. Flourishing urban labor markets enticed many children away from the farm, a common agrarian lament. Eastern farm fertility declined. Meanwhile, fresh western lands held out the promise of sustaining and reconstituting the old logic.[23]

Landed independence had various other foundations. There was political ideology, expressed in Boutwell's brand of free-soil Republicanism which echoed the famous words of Thomas Jefferson, who had argued that landed independence was the very basis of popular sovereignty. Perhaps equally important as a political ideology was the religious view by which the certainty and security of farming were providentially determined. Edwin Freedley's popular 1853 *Practical Treatise on Business* posed the question: "How can independence be attained with the greatest certainty?" Land ownership was the answer. That was because the farmer "receives a real increase of the seed thrown into the ground in a kind of continued miracle
p. 45 wrought by the hand of God." Antebellum Americans often cited the biblical promise to Noah after the ↳ flood: "As long as the earth endures, seedtime and harvest, cold and heat, summer and winter, day and night will never cease" (Gen. 8:22). Boutwell agreed: "The cultivation and the cultivators of the land have been eminently blessed by Divine Providence. God had spoken to the husbandman, and said, *Seed-time and harvest shall never fail*." The harvest was the bounty of God's "common providence," confirmed the 1819 *Farmer's Manual*. It insured a life of "independence" so long as farmers steered clear of debt.[24]

This was the logic of the "commercial agrarian republic" or "yeoman society."[25] It only sharpened with the rise of urban wage dependence, as well as with the failures of so many commercial proprietors following the panics of 1819, 1837, and 1857.[26] The farmer's vaunted "independence" was typically celebrated most loudly in the wake of commercial crises. Let the merchant, said one upstate New York farmer in 1838, suffer the "disastrous reverses of the commercial world" while the farmer secured his own independent livelihood from the soil.[27] Farmers, too, were subject to bankruptcy and financial ruin, although a series of post–panic of 1837 state homestead and stay laws protected enough acreage from foreclosure to provide farmers direct access to subsistence.[28] This vision of landed independence was what hung in the balance in the decades following the American Civil War, when the market in western farm mortgages emerged.

Although these years are usually associated with large-scale industrialization and urbanization, the late nineteenth century witnessed a dramatic expansion of American farm acreage on the western prairies and plains. American farm acreage increased by 44 percent during the 1870s and there were 54 percent more farms. The result was a wave of farm staples washing onto the world market. Between 1866 and 1886 the corn produced in Kansas rose from 30 million bushels to 750 million. In 1880 the wheat crop of Dakota was not quite 3 million bushels. In 1887 it passed 60 million. These figures had no historical precedent. It took the states of Illinois and Indiana *together* fifty years to reach the level of wheat production that Dakota had achieved in seven. Within ten years, bragged the western farm mortgage broker James Willis Gleed in 1890, "the growth which occupied a hundred years in the older States" had been accomplished in the lands north of Chicago and west of the Mississippi River. According to the US Department of Agriculture, half of all Kansas farmers owed mortgages to "Eastern capital" in 1886. In turn, western farms quite literally fed eastern industrialization—a process that entered its most intensive phase in the 1880s. Triumphantly, Gleed concluded, "The mortgage did this."[29] The mortgage was an external agent, capable of doing the work itself.

p. 46 That agent—a network of abstract interdependence—chipped away at the foundations of landed independence.

Western farmers turned to the mortgage market both by choice and from necessity. If from necessity, it was partly because the western farmer encountered difficulties with the very nature of the lands west of the Mississippi. A vast expanse of grasslands turning to plains was organized into rectangular quarters of 160 acres, settlement being encouraged by the Homestead Act of 1862.[30] Settlers removed, killed, or starved a native population that was also susceptible to their diseases. But the ecological mix that was necessary for traditional American agricultural practice was absent in the West.[31] There was a reason, in other words, why the Native Americans of the plains were nomadic. East of the Mississippi, more plentiful forests and waterways, and more diverse soils and vegetations, provided a better basis for a mixed farming that combined production for subsistence with production for markets, both local and global. Forestal areas were more difficult to clear, but they were blessed with a more diverse resource base—timber for fuel and construction, cover for wild game. Waterways provided fishing streams, another energy source, and access to markets. The few western lands that offered this ecology that was so familiar to eastern farmers were the first to be settled. After 1870 this forestal frontier closed. The plains offered fertile soil ripe for commercial grains but, apart from buffalo chips, that was all.[32] Plains farming proved impractical without product markets of great geographical scale, together with the railroads to connect them. The railroads carried timber westward and grains eastward.[33] Windmills raised water. In 1888 Henry Ise borrowed $100 against his land to purchase a windmill. Free soil could make a farm by itself on the plains.

The amount of cash required was varied, but it was far more than most had.[34] The 1880 guidebook *Where to Go to Become Rich* recommended arriving to the Kansas plains with at least $1,000, but better yet $3,000. A thousand dollars allowed a man to purchase 160 acres on a six-year mortgage, paying $150 down. The "other necessary expenses will run, house building, $250; team and harness, $180; breaking plow, $22; harrow $10; cow, $30; interest payments on land one year from purchase, $35; total, $677. This will leave … $323 for seed and to carry him through till the crop can be raised." This $1,000 figure is not far from the later estimates of historians.[35]

Nevertheless, the hopeful farmer had several options. Henry Ise saved his wages in Iowa and delayed marriage. Tenancy was another avenue. An agricultural ladder was at work, ascending along the life cycle from wage work to tenancy to proprietorship.[36] The first rung was often decisive. In route to western
p. 47 Kansas, a woman stole $300 from Henry's misplaced wallet. He grumbled ↳ about the theft for the rest of his life, especially in periods of debt. Only when possessed of more capital could western farmers climb the ladder and, under competitive pressures, stay there. This was the principal reason to mortgage. An 1890 census sample determined that 83 percent of mortgage debt was for land "purchase money" or "farm improvements." The category of "business" was assigned another 9 percent and "family expenses" 2 percent.[37] The western farm mortgage market, in other words, was a capital market.

But the desire for cash for any reason might lead to a mortgage. Henry Ise, for instance, first mortgaged his homestead to pay a quack doctor to tend to his polio-stricken youngest son. The consumer baubles of the cities, brought to the countryside on the same trains that brought back the farm staples, were fast becoming emblems of a rural gentility. The Ises never mortgaged to purchase consumer items, but they were conscious of their expanding consumer desires. They noticed when for this reason their neighbors did mortgage their farms.[38]

Between 1860 and 1890 total factor productivity—a broad measure of the productivity of all business inputs—soared in the agricultural sector like never before.[39] But the same period that witnessed such a dramatic extension and intensification of American agriculture also witnessed a decline in the use of wage labor. The incidence of wage labor in American farming rose from 27 percent to 35 percent of all those engaged in agriculture between 1860 and 1870 but it fell back to 27 percent by 1890.[40] It was a rise in mortgaging, not wage labor, that pushed American agriculture into the age of capital.

In the 1870s and 1880s the mortgaged western farmer entered a complex series of market transactions that together constituted a systematic market structure. The farmer's dependence on this complex system now became an objective fact of his life. Take, for instance, the mortgage of Willis and Mary Olmsted's farm in eastern Nebraska. In 1876 the couple read an advertisement in their local newspaper placed by A. W. Ocobock, a Chicago banker. Ocobock was offering mortgage loans in their county through an agent named C. C. Cook. The Olmsteds contacted Cook and Cook contacted Ocobock, who sent yet another man from the nearby railroad town of David City to inspect the farm. Satisfied with the inspection results, Ocobock offered the Olmsteds a $400 loan for a term of five years, at 10 percent interest. Ocobock instructed the Olmsteds to make their payments by mail to the "Corbin Banking Company," a banking and real estate broker partnership of New York City. In addition, the Olmsteds agreed to pay Ocobock an $80 commission.
p. 48 Meanwhile, the Corbin Banking Company did not own their mortgage. The bank was the ↳ transactional agent for a corporation, the New England Mortgage Security Company of Boston, which then stapled the Olmsted mortgage together with other western farm mortgages, securitizing them into bonds for public sale. The man pulling strings behind all of these transactions was the managing partner and president of the Corbin Banking Company, Austin Corbin.[41]

Austin Corbin was a native of New Hampshire and an 1849 Harvard graduate. He established a law practice in Davenport, Iowa, in 1851 but quickly began to broker Iowa farm mortgages for eastern investors.[42] In 1865 he moved to New York City. The new Corbin Banking Company operated under the 1864 National Banking Act, which was initially interpreted as prohibiting commercial banks from owning mortgages.[43] The Corbin Banking Company, created in 1874, became a conduit for institutions that were allowed to own mortgages on their own balance sheets. Corbin was a director, and the largest stockowner, of the New England Mortgage Security Company of Boston— but also the New England Loan Company of Manchester, New Hampshire. He was one of the largest stockholders of the American Mortgage Company of Scotland, a company chartered in Edinburgh for which the Corbin Banking Company acted as American agent. He had the same relationship with the American Freehold Land-Mortgage Company of London.[44] Corbin would become a prominent New York financier and philanthropist, once causing a public splash when he imported western buffalo for a preserve on his New Hampshire estate. He would eventually take his mortgage-derived riches into the railroad industry. But in 1876 Austin Corbin himself signed a circular forwarded to Ocobock that instructed the Olmsteds that "interest payable at this office on a day certain" meant money was due "*on that day*." And when not paid "*promptly* we shall return to the owners, and they will send to an attorney for foreclosure."[45] This is how the Olmsteds mortgaged their farm.

Their experience was revealing of the dynamics of the western mortgage market after 1870. Thoreau had observed that the history of Concord homesteads was to be discovered at the local bank. That is to say, it was still possible in the 1850s to connect the dots.[46] In the decades that followed that would no longer be the case. This is what gave the increasingly systematized western farm mortgage market a novel appearance, distinguishing it from centuries of farm mortgaging. The Olmsteds had to haul Ocobock to court before they even learned of the existence of the New England Mortgage Security Company. When Henry Ise brought a mortgage broker named Armstrong, papers in hand, to inspect the farm, Rosie greeted him "with scarcely concealed hostility." Homestead laws demanded that wives sign mortgages. To Rosie, Armstrong "the
p. 49 capitalist" embodied the mortgage. But what she actually greeted ↳ at her door was a network of eastern capital. (Armstrong passed the mortgage through to the Pennsylvania Mortgage Company.) Capital wanted wheat. Brokers and their agents such as Armstrong accordingly inspected homesteads for their value as capital assets. The western brokerage giant Edward R. Darrow required his agents to take photographs of inspected farms, opening a new chapter in the aesthetic commodification of nature that Thoreau had so detested. Photographic representations of homesteads that had entered the swirl of financial intermediation were filed away in the offices of innumerable brokers.[47]

Other aspects of the Olmsteds' mortgage were likewise emblematic of the system. On average, farmers mortgaged half the value of their farms. Corbin never mortgaged more than a third.[48] Most mortgages were for five years and occasionally as low as three. They never extended beyond seven years. The mortgages were not fully amortized and they featured balloon payments in the final year of repayment. As for the interest rate, there were usury laws on the books of every state, many of them a legacy of rates as high as 40 percent that had been charged by local agents in the 1840s and 1850s.[49] In 1890 the census-recorded interest rate in Kansas was 8.68 percent, below the usury ceiling of 10 percent.[50] There were voices in these years calling for the abolition of usury. The loudest was that of Richard H. Dana Jr., author of the famous sailing memoir *Two Years Before the Mast* and a noted former abolitionist. In 1867 he called upon the Massachusetts legislature to abolish the practice of usury. In the new era of "competition," the "the borrower is no longer the trembling suppliant at the threshold of the patrician lender." Interest rates, rather, should be set by "the market of the world," which moved with the "irresistible power of ocean tides." Indeed, many judges enforced usury statutes also while characterizing them as barbaric relics. In any event, the western farm mortgage market brought western interest rates down, as it fueled the national convergence of eastern and western rates.[51]

In those terms the West had become a more efficient capital market. True, exploitation was still evident in the commission charges of brokers. Henry Ise was offered a loan at the usurious rate of 15 percent, but that included Armstrong's commission. The Olmsteds brought Austin Corbin to trial in Nebraska on usury charges after they failed to make their payment and Corbin foreclosed on them. The Olmsteds paid 10 percent, the legal limit, but they also gave $80 to Ocobock in addition. They claimed that since Ocobock was the agent of the New England Mortgage Security Company, that extra $80 was usury. Corbin countered by describing Ocobock as the agent of the Olmsteds, which meant that the $80 was a fee for the service he p. 50 rendered them. The Nebraska Supreme Court sided with the Olmsteds but no judicial standard ↳ emerged in Nebraska or anywhere else.[52] Struggles over usury were local in character and eluded generalization. For this reason, statistical totals regarding late nineteenth-century interest rates cannot be trusted. The Olmsteds' mortgage was not unique but their effort to trace Ocobock back to Austin Corbin was. When Rosie Ise asked Henry if he could do better than 15 percent, he replied that no one in town would lend for less. The Ises needed the money and the mortgage was signed, as were hundreds of thousands of others in that same decade.[53]

Mortgages passed from brokers to investors. Many mortgages—more than half of all national mortgages although a lesser percentage in the West—moved into the hands of individual private investors. Some of these were speculators. Some still subscribed to the notion that land was relatively the most secure form of investment. In the 1870s the country's savings rate soared above 20 percent, and savers and investors searched for new outlets.[54] A daily Boston newspaper in 1877 noted the "anxiety" experienced by many of the city's purchasers of western mortgages.[55] Ten years later, between her sojourns to the Old World, twenty-seven-year-old Jane Addams caught the "western farm craze." She later wrote of visiting a "western state" where she had "invested a sum of money in mortgages," her recently deceased father having left her $50,000. Addams was "horrified by the wretched conditions among the farmers," a result of drought. The scene provoked a moral anxiety. "It seemed quite impossible to receive interest from mortgages placed upon farms which might at any season be reduced to such conditions." Addams withdrew the investment. She bought a sheep farm near her Illinois home instead, a purchase sound "both economically and morally." But she was no farmer, and the enterprise "ended in a spectacle scarcely less harrowing than the memory it was designed to obliterate." Addams departed for Europe "sadder for the experience."[56]

Jane Addams's effort to personalize her investment was no ordinary act. Equally extraordinary farmers would occasionally seek out even one of the many owners of their mortgages. The broker Edward Darrow warned potential investors of this possibility. Farmers might discover "the name and address of the investor" and "write directly." Any investor, Darrow instructed, "who attempts to deal with the borrower directly under such circumstances is acting against his own interests." A western mortgage was a commodity, like any other "regulated by the price of supply and demand."[57] The market, through brokers, brought borrowers and investors together. Direct interaction of any sort was counterproductive.

Sometimes, no matter how hard they tried, farmers and investors might not be able to find one another. In p. 51 the 1880s another financial innovation ↳ introduced an extra level of mediation. These were companies such as Austin Corbin's New England Mortgage Security Company. They purchased mortgages, which they guaranteed, repackaged together, and then securitized for public sale. Mortgage terms in the 1870s and 1880s prohibited a farmer from the early repayment of his loan's principal, thus stabilizing mortgage companies' cash flows and allowing the process of securitization to proceed. The Olmsteds' mortgage, which was securitized by the New England Mortgage Security Company, was destined in bits and pieces for eastern holders of such "debenture bonds." Here, the western broker James Gleed bragged, the farmer "cannot treat directly with the eastern owner of the mortgage, for he cannot ascertain who that owner is; the assignment from the company to the investor is not recorded." The Olmsteds read the advertisement of Ocobock in their local Nebraska paper. Their mortgage's future owners—perhaps with bread made of western wheat on their dinner tables—read in their own local newspapers of investment opportunities in western mortgages. The New England Mortgage Security Company commonly advertised ten-year bonds at 5 percent that were backed by western mortgages. Or investors might see circulars such as Austin Corbin's

"Ten Per Cent First Mortgages on Improved Farms in Iowa and Kansas" in 1872. Mortgage companies flooded the advertising back pages of the eastern press, especially during the latter half of the 1880s, the height of the "western farm craze." In a single sheet in 1889, *The Independent* featured forty consecutive such ads, interrupted by a sole advertisement for safe deposit vaults: "7% Kansas Farm Loans," "All loans made on Corn Growing lands of the west," "A solid 9 per cent," and so on. The aggressive marketing worked. By 1893 private eastern investors had purchased at least $93 million of mortgage debentures.[58]

The rationale of the debentures was to spread investors' risk—to reduce their anxiety. According to Gleed, "the investor is not compelled to stand or fall with one mortgage or one piece of real estate. Each debenture bond is, in a sense, insured by all the rest of the series."[59] Furthermore, companies could engineer bonds whose value was below that of than any single mortgage. A Boston newspaper announced in 1887 that a new company was offering debentures as low as $50, enabling "small investors" to get into the game. A 3 to 4 percent spread between western interest rates and eastern bond rates was not uncommon. An Iowa outfit was the first to sell debentures in 1881. Ten years later, according to New York bank regulators, there were 167 such companies selling bonds in the state. Anecdotal sources testified to hundreds more operating both in the East and West.[60]

The new system suddenly grew in the 1880s and then collapsed in the panic of 1893. The broker Edward p. 52 Darrow had always detested the new financial ↳ engineering. The aim was to hedge against market uncertainty. But securitization, he thought, created a false sense of security. The multiple layers of interweaving mediation made it too easy for financiers and investors to disregard the underlying assets—the farms themselves. Western farms had become so fractured and abstracted that the actual assets were difficult to see. If she had been a debenture bondholder, Jane Addams would have had to spend years searching the western plains; in this market structure, the very notion of locating individual moral responsibility was an absurdity. The investor in "mortgage securities," Darrow surmised, was like a man who bought a horse "without the least examination as to whether the animal was blind, halt or lame." Making a bad situation worse, mortgage originators were often paid upon closing. That is, they had no stake in the loan's future repayment. A few years of drought and then financial panic caused many western farmers to default on their loans. Farmers feared foreclosure but so, in fact, did their creditors. Mortgage companies attempted to turn foreclosed farmers into their tenants, but the Supreme Court had already blocked them and state legislatures were equally unfriendly to that aim.[61] After 1893, then, almost all of the mortgage companies went into receivership. Wall Street observers remarked that most of them had been too highly leveraged and too poorly managed. One Wall Street bond rater claimed that western farm appraisements had been "absurd." Many agents "did not know a sand-hill pasture from a bottom-land garden."[62] But this would not be the last time that financial securitization would—quite literally—lose sight of the underlying assets.[63]

After 1893, institutional investors—savings banks, building and loan associations, and, most significantly, life insurance companies—stepped further into the breach. These institutions were large investors prior to the panic as well. In 1890, for instance, life insurance firms owned approximately 41 percent of all western intermediated mortgage debt, compared to 18 percent for savings banks, 17 percent for building and loan associations, and 34 percent for the mortgage companies.[64] These institutions brought another layer of mediation and interdependence; now, for instance, life insurance policyholders acquired a stake in western mortgages. A few East Coast savings banks, heavily invested in western farm mortgages, failed during the panic of 1893. "[M]any a hardworking New Englander poured his savings of years into the gold West," the same Wall Street bond rater recalled, "only to get him a bit of buffalo-grassed sod in the middle of the township of Nowhere."[65] Life insurance firms, with larger capital reserves, withstood the panic.[66] They would come to dominate the national mortgage market.

p. 53 Life insurance shifts our analysis from the institutional dynamics of the western mortgage market to the actual fate of landed independence. The life insurance industry was born in the 1840s and first targeted the rising commercial classes in the cities. It sold policies as newly necessary bulwarks of "independence." In a world of booms and busts—1837, 1857, 1873—firms explicitly marketed insurance as the only secure form of wealth for families no longer living on the land. Contractual and market-driven, life insurance became a necessary hedge against the uncertainty of urban commercial life. It commodified one's "life risk." What's more, economic security was no longer acquired on the basis of land ownership but on self-ownership. In 1840 the value of the industry's policies stood at $15 million. In 1870 it reached $2.3 billion. Firms began to accumulate flexible forms of financial capital that required investment. Life insurance was also actuarial. In lieu of the providential certainty of God's bountiful harvest, there was the new epistemological certainty of the statistical law of large numbers.[67]

Only in the 1870s did firms begin to aggressively target wage earners as well as farmers—and especially mortgaged farmers in the West—as potential customers. In 1874 the largest firm advertised that "a mortgage on real estate ought always to be offset by a policy of insurance on the life of the mortgager."[68] Farmers took note. An 1895 survey of Wisconsin farmers found that 30 percent carried life policies—coincidentally or not, about the same percentage that had a mortgage.[69] Western agrarian periodicals repeatedly published editorials extolling the necessity of insurance. The circularity and symbiosis is striking. If one was mortgaged, as the reasoning went, the life policy became the bulwark of economic security rather than the land. Agrarian policyholders were saving (there was a dearth of depository savings banks in western states that might have competed with the life insurance firms) while they were also, though indirectly, investing in the "western farm mortgages" market themselves, the market that might be the very reason why they bought life insurance to begin with. One firm, the Northwestern Mutual Life of Milwaukee, set up branch offices throughout the West from where agents solicited both mortgages and life policies. The same man who inspected a farm might then inspect the farmer's life as a viable capital asset.[70] Other firms purchased mortgages directly from originators, or from the new intermediaries. These developments generated even more abstract interdependence since the security of many policies now depended on the farmer's future mortgage payments. Even the potential eastern investor who avoided the temptation of speculating in western mortgages and bought a life policy instead thus ended up with an interest in the fate of western homesteads.

p. 54 A farmer's insurance policy—a turn away from his land in favor of yet another financial market—was itself a measure of the loss of landed independence. The mortgaged farmer did not own land outright, to do with what he would. What he did own outright was the "risk" on his life, which he could insure. If a mortgaged farmer experienced a single bad harvest or a plummet in a product market, he might lose his land. A policy now remained the family's sole source of secure wealth. (Life policies could be redeemed for a cash "surrender value.") In the event of the farmer's untimely death, the cash might allow the family to hire enough hands to run the farm that year and avoid foreclosure. Of course, a life policy could also replace the generational succession of the family farm. In this respect both Henry Ise's life insurance and his son John's career as an Iowa State agricultural economist were representative. The Ises had twelve children, nine of whom went to college. One son kept the farm. The others found their way to cities and towns. Rosie Ise spent her final years living in her daughter's home in Lawrence. Tellingly, Henry Ise gave each of his children $100 in cash when they turned eighteen to invest as they saw fit. This was not just true of the Ise family. Old patterns of generational succession were generally disrupted in the countryside as fewer and fewer farms stayed within the family. More often, they were put on the market for sale to the highest bidder.[71]

The lesson was clear: a mortgaged farmer's human capital was his most valuable asset. Western farmers were not slaves or servants. They could mortgage their land, not themselves or their dependents.[72] In 1890 a Kansas agrarian periodical carried the shocking title of a Yale professor's recent lecture on agri-culture—"Man is worth more than land"—a pithy summary of the passage of a landed, commercial republic to a capitalist economy in which liberal notions of self-ownership, or financialized "life risks," constituted the bulwark of economic security.[73] This transformation was visible even on the land itself.

New forms of security achieved through new financial markets arose to accommodate the transition. In the 1870s insurance firms developed a new "accident policy" that was specifically targeted at industrial wage earners and mortgaged farmers. If a farmer was injured or fell ill for at least a week (but no more than twenty-six weeks), the policy compensated him for the value of his "productive labor." The Travelers Insurance Company of Hartford, chartered in 1864 to insure railroad passengers against accidents, dominated this new field in the 1870s and 1880s. In contrast to the mutual firms of the 1840s, the Travelers was a joint-stock company. Its shares were sold on the New York stock exchange. The Travelers opened for business in Kansas in 1875. That year it paid a claim to William Potter, a farmer who "fell from a bridge" and
p. 55 was then "kicked by a horse."[74] The firm was also a heavy investor in western ↳ farm mortgages. In 1887 the company reported assets of almost $11 million to the Kansas Superintendent of Insurance. Nearly $4 million of that was held in "loans on bond and mortgage on real estate," a modest sum on its own, but part of over $200 million then invested in mortgages throughout the country by insurance firms. The Travelers' public financial disclosures once listed 496 shares in the "Kansas Farm Mortgage Company" of Abilene. In 1898, with its assets listed at $17 million, the Kansas Superintendent of Insurance grew suspicious of Travelers' valuations of its real estate and mortgage holdings in Kansas and asked to see the company's

books. The firm consequently sued for a blocking injunction and ceased to do business in the state for a short period.[75]

Meanwhile, anxious to meet their mortgage payments, many western farmers began to feel they were working for an outside agent, "the mortgage," which was, in truth, a vast and intricate system of debt and investment. "The mortgage" was a systematized network of financial interdependence that connected farmers with A. W. Ocobock, Austin Corbin, Jane Addams, the New England Mortgage Security Company, and the holders of mortgage company debenture bonds—along with the stockowners of the Travelers Insurance Company, and, finally, that firm's policyholders, who were now often western farmers themselves.

That external agent commodified the farm household's labor power. The mortgage could do the kind of work a wage-labor market more commonly per-formed. As a "business man," as Rosie Ise had put it, the farmer learned to treat his household's labor power as replaceable units of capitalist account. The labor bureaus of Nebraska and Wisconsin—in 1887 and 1895, respectively—surveyed hundreds of farmers in investigating the sources of agricultural success and failure. Many farmers voiced typical agrarian discontents: the nefarious railroads, the eastern moneylenders, the deflationary gold standard. Many celebrated the virtues of western farming, chiding their peers for wasting time in political agitation that would be better spent running their farms. But both sides, often in the same breath, announced that farming had now become a "business." "Farming is very much like any other business," one Wisconsin farmer bluntly stated. "The farmer needs to understand his business as well as any other man who goes into business and makes a success of it," said another. Farmers must "adopt a system that will in the end secure the greatest amount of products at the lowest minimum cost of production." This meant that they had to employ a "thorough business instinct" and to be "economical" in keeping down costs.[76]

Households squeezed their own labor. And as nonmortgaged households competed with those striving to pay their debts, they too might do the same or mortgage their own farms to finance improvements or
p. 56 increase acreage. "To ↳ successfully compete with the world nowadays," one Wisconsin farmer stated, with no sense of complaint, "one must be awake early and late." For another, "from four o'clock in the morning until eight o'clock in the evening is not an unusually long day's work for a farmer."[77] "Waste of time," a Nebraska farmer claimed, had become the greatest nemesis. Successful Nebraska farmers repeatedly cited the threats of "loafing," "laziness," and "shiftlessness." Time must be diverted from competing diversions, whether these were "amusements," "going to town," "drinking whiskey," or "telling fish stories."[78] In Kansas the Ise farm suffered because Henry spent too much time reading instead of attending to the business of the farm.[79] Some considered this an appropriate work ethic. There had always been high land-to-labor ratios on American farms and squeezing labor was nothing new. But the western mortgage market led farmers to voice a novel sense of time-work discipline.

No less significant than the absolute amount of time spent working was the work's productivity. The Ises' experience is once again instructive. Since the Civil War Henry suffered chronic shoulder and stomach problems. Once he began paying back a mortgage the question of replacing his flagging labor power with that of a youthful hired hand became a constant issue. Prudent calculation was called for. What's more, Rosie often complained that Henry got "less work out of hired hands than anyone else in the neighborhood." She often insisted on doing the work herself. The Ises were busy measuring the relative value of their labor power against the general wage force. Rosie was better at this than Henry, as was revealed in their decision to borrow $100 against their land to purchase a windmill. At first, the Ises drew their own water from a well whenever they "wouldn't be doing anything else that counts."[80] But Rosie realized that it would be cheaper to hire extra hands to do that, allowing them to divert the household's labor elsewhere. Finally, she wondered whether a windmill would not be the best solution since it would reduce the cost of boarding hands. She made the appropriate calculations on the back of an envelope. The Ise household's labor was a fungible input weighed and considered against others.

Rosie Ise's labor was of critical significance. When mortgaged, to remove a wife from the fields, much less from household chores, was economic suicide. This constraint was a common source of male lament. An author wrote about the "young girl who married a poor farmer" in the 1882 *Michigan Farmer*. She settled down to the "task of paying off a mortgage on their home." The young wife "likes music, books, pictures and all sorts of nice things" but instead "plods along year after year, doing lots of hard, drudging work." It
p. 57 was as if the mortgage had also been placed "upon her own health and strength." Once more, ↳ labor power rather than the land was the foundation of the farmer's independence. With the mortgage ultimately

paid off, "her face is thin and faded, her form bent, and her hands brown and calloused." Her "fingers have lost their affinity for the keys," and she was too coarse to "go out into society." John Ise's narrative is also no tale of bourgeois domesticity. Indeed, children were also busily at work in the fields. The Ises had neighbors who were Swiss immigrants, "a large family of children" that "worked like beavers" to pay a mortgage, which seemingly had the entire household working longer and harder.[81]

Whether farmers were working longer and harder than they had in the past is impossible to determine. It is also not the critical question. What we do know is that farmers now began to feel that they no longer controlled their own labor. Henry had escaped the wage labor of his youthful twenties, which was no small feat. No human boss directed his work. But he sensed that he had acquired another kind of boss. A popular poem from the 1880s captured this sentiment. Its author was the equally popular Midwestern author Will Carleton, a Michigan native who grew up watching his father struggle with mortgage debt. In the "Tramp's Story," published in a book of verse entitled *Farm Festivals*, a father gives his son a bequest on the latter's wedding day of an eighty acre farm, one fit for an "independent start." "Land-hungry," the son mortgages the homestead to purchase an adjacent eighty acres. Although skeptical, his wife agrees to work "hard from day to day." For "we knew that life was business, now we had that debt to pay." There followed a section from the poem that was widely excerpted in agrarian periodicals:

> We worked through spring and winter—through summer and through fall—
> But that mortgage worked the hardest and the steadiest of us all;
> It worked on nights and Sundays—it worked each holiday—
> It settled down among us, and it never went away.
> Whatever we kept from it seemed a'most as bad as theft;
> It watched us every minute, and it ruled us right and left.
> The rust and blight were with us sometimes, and sometimes not;
> The dark-browed, scowling mortgage was forever on the spot.
> The weevil and the cut-worm, they went as well as came;
> The mortgage staid forever, eating hearty all the same.
> It nailed up every window—stood guard at every door—
> And happiness and sunshine made their home with us no more.

"Failing crops," "sickness" (this farmer had no insurance), and "foreclosure" brought about the wife's
p. 58 death: "She died of *mortgage*." The widower ↳ subsequently falls into alcoholism and becomes a wandering tramp dependent for subsistence upon alms.[82]

Carleton anthropomorphized the western farm mortgage market. Indeed, it exerted supervisory control over the household—"it settled down among us" and "watched us every minute." It "ruled us." The verses echoed others then capturing the experience of industrial wage work in the East.[83] The Ise mortgage "hung like a pall over the spirits of all, even the children." At the supper table, "the family conversation, no matter where it started, usually led finally back to that engrossing and disturbing theme." The mortgage had settled down among them—the "relentless master of the family destinies."[84] Who was that master? Carleton's farmer willfully chose to mortgage his farm. The owners of the Ise mortgage resided at the end of a winding path of financial intermediation. Still, unlike the factory boss, the mortgage followed the farmer out of the workplace, out of the fields, into his home.

What's more, if the farmer had purchased a life or accident policy, he had to exercise a legally enforced standard of caution while at the "workplace" in order to maintain his policy. A precedent was set in a case adjudicated in New Jersey in 1871. An insured farmer had built a barn. To view the results of his labor he climbed up onto the top joint. The joint broke and he fell to his death. "At the time of the accident," his insurers explained to the court, attempting to void the policy, "he had on two overcoats, and was said to be an awkward man." The court did not accept this argument. But as the Travelers explained to its policyholders in 1871, it was not liable for losses due to "unnecessary exposure to danger or peril." The US Supreme Court accepted that reasoning in 1873 when it announced the standard of "limitation of risk."[85] In the industrial workplace, this was manifest in the legal principles of "fellow-servant rule," "assumption of risk," and "contributory negligence," all of which shifted the burden of responsibility for industrial accidents onto the backs of wage earners, inducing many to insure their lives. Both they and the insured farmer were now bound by the rule of "limitation of risk." To engage in "unnecessary exposure to danger or peril" might be to risk the entire farm. Thus, in all of these ways, the nebulous nature of "the mortgage," its subtle and abstract power, as much as the time and effort that households spent in the fields, contributed to the widespread sense that the farmer's legendary independence was under threat.

A similar dynamic was playing out in the relationship between market chance and security. After 1870 mortgage debt pressured farmers into growing the product that brought in the most cash. The great western
p. 59 staple was, as always, wheat. Despite incipient soil exhaustion and an onslaught of insects and crop ↳ diseases, western farmers were tempted by wheat monoculture in the 1880s— much to the dismay of a rising class of scientific agricultural reformers who urged them to move toward market diversification.[86]

According to contemporary accounts, mortgaged farmers in the 1880s were more likely to practice monoculture, the "single-crop" system, and sacrifice mixed farming. On the nineteenth-century frontier the normal sequence had been for households to move from initial wheat monoculture to a more diversified basket of goods intended for both local market exchange and home consumption. That practice continued along the edge of the wheat belt. In 1888 a mortgage broker of Lake Preston, Dakota, observed new farmers specializing in wheat, the crop that "always brings cash as soon as possible." If they survived the first years, their attention then turned to "other things" such as "livestocks, fruits, vegetables, poultry, etc."[87] In the 1880s, however, this logic was losing its grip, at least according to the labor commissioners of Minnesota, South Dakota, and Nebraska, and observers in Iowa and Kansas.[88] The balloon payments due on the final years of mortgages applied the most pressure. The harvest in the year before the note came due was a make-or-break moment. Oftentimes, all possible acreage was devoted to wheat. The crop rotations of mixed farming were also sacrificed. In Wisconsin, a farmer wearily observed that there was "plowing and seeding every year."[89] What was the point of minding future soil fertility if the foreclosed farmer no longer owned the farm?

The result was heightened regional specialization: the "corn belt" of Iowa and Illinois, continuing wheat production on the Great Plains, and dairy farming in Minnesota and Wisconsin. Scholars dispute the postbellum western farmer's degree of "specialization." It does seem that the logic of diversification, where it continued to be practiced, changed. Instead of mixing a variety of subsistence with singular market goods, farmers were now more likely to diversify within a batch of goods produced for the market. After the bust in the western mortgage market in 1893 the move to this new style of diversification intensified.[90]

As such, western farmers fueled a regional, national, and even global feedback loop of competitive pressure in the 1880s. In George Boutwell's state of Massachusetts price convergence in farm products was first evident in the early years of the republic.[91] By the 1890s the price of "#2 wheat" in Chicago, New York, and Liverpool had nearly converged.[92] Western grains pushed all of American agriculture towards regional specialization. Noting a continuation of antebellum trends, the Connecticut Labor Bureau's 1889 report on mortgaged farming—a striking complement to the Connecticut Insurance Department's 1889 report on its
p. 60 financial institution's investments in western ↳ farm mortgages—noted the inability of the "rocky hillsides of Connecticut" to compete with the "fertile prairies of the West" in grains. The "contagious spirit of manufacturing" consequently came to dominate Connecticut's economy. Landowners now functioned as "real estate dealers" rather than "farmers." Those farms that continued to produce specialized in fruits, vegetables, and dairy goods. The report added that abandoned farms were being sold in small lots to industrial wage laborers who "desire a little land for cultivation."[93] It was now proletarians, in other words, not farmers, who engaged in subsistence production as a hedge against their market lives. George Boutwell, now an aging retired politician, described the dynamic in an 1878 essay he wrote for the *Massachusetts Ploughman*. Boutwell announced that the farmer's chief problem was "to produce a given quantity at the least cost." In light of western competition, dairy farming was the only "certain … source of revenue" for the Massachusetts farmer.[94] That was the fate of the "certainty of a competence," which Boutwell had juxtaposed to the "anxiety" of "commerce" in 1850.

The American South was similarly transformed. The number of Southern acres given over to cotton production surged after the Civil War. The freed slaves sought landed independence. But whereas the Union soldier Henry Ise received his western claim, freed people failed to get their southern claims. The freed slaves had hoped to grow subsistence crops and a bundle of market goods but ended up cropping cotton on a share basis. The flood of western grains made this possible. Chattel mortgages—mortgages on personal, not real property—dominated the South and the comparison to the western market is revealing. Filtered through race, the Southern credit market was more local, personal, violent, and nakedly exploitative. The western market was more abstract and impersonal, which raised fundamentally different problems for landed independence. Henry Ise's Southern counterparts—the white upcountry yeoman—shifted their acreage into cotton in these years.[95] There was a national psychological dynamic at work. As a Georgia newspaper editorialized:

> We can tell a man who has corn enough a mile off. The corn man cocks his hat one side and swings along at an easy stride. The "no corn" man has his hat pulled over his eyes and shambles along with a slouching gait and a side-long look as if he expected every minute for someone to sing out, "I know what ails you, you haven't corn enough to last until May."[96]

After the Civil War, the western mortgage market helped strip an existential sense of security and certainty from American agriculture. Here was another depiction of a loss of personal autonomy and control, but
p. 61 manifest in the ↳ slouching gait of the Southern farmer with all of his acres in the cultivation of cotton.

Farmers had to look beyond their lands for security, again, to new financial markets. For their human capital they had recourse to the new insurance policies. For their products they turned to the new commodities futures markets and bucket shops centered in the pits of the Chicago Board of Trade, which offered hedges against their physical products but also outlets for speculative manias far more wild than any that ever gripped the Yankee wheat farmer. Farmers stayed more aloof of futures markets than insurance policies.[97] But in both instances they tinkered at the margins of those institutions, ranging from local, cooperative insurance and storage schemes to ultimately successful demands that the federal government provide such services.[98] These were all results of the loss of landed independence.

A future of agricultural cooperation, possibly fostered by the federal government, looked bright to some farmers.[99] For others this was a poor substitute that could never capture the old sense of autonomy once sought through land ownership. Independence, a young Henry Ise proclaimed, was as much a *feeling* as an objective economic fact, a feeling that one was responsible for one's own future, that the Ise family rather than its mortgage, or anyone or anything else, was the master of the family's destiny. Instead, according to John Ise, western farming constituted "years of anxiety." The Ises' dependence upon markets had become existential. The problem with plains farming, to repeat Rosie's mantra once again, was that "Nobody's responsible."[100] The Ises felt they worked hard year after year. Regardless, the world market fluctuated, and in these decades prices tended downward. The Ises' fate had become interdependent with the wheat crops of Canada, Argentina, India, and Poland. To pin down the mortgage as an external agent was also to put a name, if not a face, on the world market.

There were forces outside the farmer's control long before 1870 as well. But the older perils of drought, flood, and insect now took on a different meaning. The subsequent losses—grasshoppers assaulted western farmers in the late 1870s, followed by cinch bugs and hessian flies—were not the same on a mortgaged farm, as the world market connected the Argentine drought with the Kansas beetle. "All the uncertainties of the weather, crops and prices had been borne with heavier weight," John Ise recalled of the family mortgage. An 1896 article on farm mortgaging in *The Independent* noted how the "farmer's life" was considered to be "the most independent in the world." Yet with a mortgage it was "full of uncertainties and anxieties." "A single untimely frost may empty his pockets and blast his hopes." Carleton's "Tramp Story"
p. 62 began: "Worm or ↳ Beetle—drought or tempest—on a farmer's land may fall; But for first-class ruination, trust a mortgage 'gainst them all."[101] It was as if the risks of the market constituted a new element in a world of uncontrollable natural factors.

Was religious thinking still capable of making sense of the contingencies that afflicted farming? What if markets—with no ground for the farmer to stand upon outside of them—dispensed ill fates, tumbling prices downward? George K. Holmes, the chief statistician of the 1890 census mortgage survey, queried the responsibility of the failed Kansas farmer:

> Did the mortgage cause his misfortune, or was it a miscalculation of the "bounty of Providence"? Again, by way of question, is a mortgage ever a cause of misfortune, except secondarily through the borrower's want of prescience or through his inability properly to manage the borrowed wealth?[102]

A notion of Providence was still present, however weakened. In the hands of this statistician—a profession born a half century earlier—even the "bounty of Providence" was subject to calculation. But where was the line to be drawn between the farmer's autonomy and those forces outside of his control? Holmes had no answer. But in contrast to the antebellum years, there were presently few celebrations of the farmer's divinely secured "independence."

Rosie Ise also had difficulty squaring religion with the western farmer's predicament. One evening a prominent evangelical minister and his wife visited the Ise household. Over supper, Rosie blurted out a question. Why would God ever bring drought? The minister stammered a nonanswer and Rosie pressed. Surely, the Ises had done their part, working hard and living right. The minister said something about minding one's responsibilities and having faith in God. Greatly embarrassing her husband, Rosie blurted out again that God was failing them. Rosie was especially anxious for the starving farm animals and her worried children, anxieties resembling those of the investor Jane Addams. The minister's wife reminded Rosie that God had sent drought to smite the farmer's pride. One must not rebel against His will. Whether it was the will of God setting the tune of western farming, to Rosie the ruling source was no rational, let alone ethical, agent. As she looked around her, the business of western farming simply made no sense.[103] Certainly, confidence and faith in the ways of Providence rang empty.

Others did not experience the new uncertainty as a source of anxiety but as a font for energy, even liberation. When Henry Ise contemplated the reality of a mortgage, he regretfully looked upon it as a game p. 63 of chance. For many Yankee wheat farmers, the chanciness of western farming was precisely the ↳ point. An 1889 editorial in the *Michigan Farmer* recommended that young farmers take out mortgages. They could thereby unleash "the enterprise and energy of youth." The young farmer would be "compelled" to "develop his abilities as a business man" and become more "industrious" and "economical." He would necessarily produce more cash crops. And he would not be able "to let his talents lie hid in a napkin," for "he must keep them actively employed." A mortgage was a "blessing," the "secret of success." Forget the "certainty of a competence." What about striking it rich? This was the audience B. C. Keeler had in mind in 1880 when he published *Where to Go to Become Rich*. "Men are becoming rich there in all branches of farming," Keeler boasted of Kansas.[104] Even Henry Ise once speculated in town lots, although he later regretted doing so. Taking her $100 bequest, one of his eighteen-year-old daughters did the same. In addition to the riches, there was an existential thrill—not angst— that could be found on the western plains. Many farmers coped better with the chance-world of markets than did Henry Ise, even if they were not in search of it. In the 1895 survey of Wisconsin agriculture, many farmers, without illusions regarding the inherent perils and possibilities of their trade, reported that they were satisfied with their lot and spoke of feelings of "independence." Such talk of independence circles back to the fundamental question of how to define a style of farming that had no precedent in the country's history.

The issue came into sharp focus in 1890, at the height of the "western farm mortgage" craze, when the Census Bureau sought to quantify the mortgage debt of American farmers. The terms of the debate alone revealed the loss of *landed* independence. That is, if the farmer was to be called independent, that now meant something entirely different.

The 1890 census project was initiated by B. C. Keeler, the same author of *Where to Go to Become Rich*. By 1890 he saw things differently. President of the "Western Economic Association of St. Louis," Keeler wrote a circular entitled "Farm Mortgages" and distributed 2,000 copies. Because of mortgage debt, he argued, "farmers and other producers of the country do not obtain an equitable share of the wealth which they create." Keeler called upon his readers to demand a census count of what percentage of citizens actually owned their farms, and how much of them they owned. The Census Bureau later reported a flood of petitions from "Single Tax Clubs, Knights of Labor assemblies, and farmer's and workingmen's associations" having adopted Keeler's language word for word. Even a petition from the Chicago Board of Trade was received, equally curious, although with a different formulation.[105] Senator Eugene Hale of Maine, chairman of the p. 64 Committee on the Census, commissioned a special ↳ taskforce. Findings were already trickling out by late 1890. In 1895 the Census Bureau issued a 921-page report of its findings.

The *Report of Real Estate Mortgages in the United States* counted 3,142,718 farms and found that 28.9 percent of all taxable farm acreage was encumbered with mortgage debt. Mortgage debt had increased by 41.54 percent since 1880, mostly due to an increase in the numbers west of the Mississippi. Kansas and Nebraska were the heaviest mortgaged states, the only to surpass the 50 percent mark of mortgaged acreage. The average interest rate on mortgages was 7.36 percent, ranging from 10.9 percent in Arizona to 5.44 percent in Massachusetts. The average life of a mortgage was 4.54 years and the average loan $1,032. Of all debt, 89.92 percent was for land purchases or farm improvements.[106]

That was the quantitative picture of American farm mortgage debt. Its interpretation was another matter. George K. Holmes, who was charged with managing the census count, read a paper before the American Statistical Association in early 1890 that set out the task before him. He was already skeptical about whether numbers alone could address the real question at hand: "What if the county containing the most prosperous people in a state has also the largest per capita mortgage debt, or the largest ration of debt valuation?"[107] The more exact the collection of numbers the better, but the figures alone could not get to the root of the question, as even Holmes admitted. Indeed, his ultimate findings were cited as compelling evidence on all sides of the debate over what conclusions to draw from the census count.

This debate revealed two things. First, "independence" and "dependence"— along with a series of other cognates evoking a sharp binary—were still the standards for evaluating the western farmer's commercial life. The spectrum of possibilities to be found between these two poles, together with the subtle network of abstract financial interdependence that underlay the system, was missing. Furthermore, the farmer's purported independence, if it did indeed exist, was no different in kind than the independence of any other successful proprietary capitalist. That is, the farmer's independence was now based on his successful pursuit of a money income.

Indeed, the debate was carried on by two ships passing in the night. The Kansas Republican paper, the *Atchison Daily Champion*, for instance, examined Holmes's preliminary numbers and concluded that the mortgage debt was neither "burdensome" nor "oppressive." Chicago's *Daily Inter Ocean* likewise concluded that western farmers were "comparatively free from debt." The *Milwaukee Journal* headlined its story on the subject as "Farmers are prosperous. More than half their lands without encumbrance of any kind."
p. 65 Meanwhile, ↳ the Democratic-leaning *St. Louis Republic* claimed that the census found that eastern moneylenders had "a force of nearly two and a half million men" in the west working under a system worse than African slavery.[108]

The census count resolved nothing. There was no more clarity now than during the 1870s and 1880s, when disgruntled mortgaged farmers called themselves "slaves," "serfs," "tenants," and "hirelings"—anything but "mortgaged farmers"—while champions of the western mortgage market referred to farmers as wonderfully "independent."[109] In addressing farmers' descriptions of their dependent status, W. F. Mappin responded in the 1889 *Political Science Quarterly* by arguing that claims that "the independent small farmer in the United States is in danger of extinction" because of mortgage debt were erroneous. Look only at "how much of the capital invested in manufacturing was borrowed." The sum was even greater than in agriculture. Debt, in other words, was a necessary reality of any successful proprietary capitalist enterprise. Yes, western farming required an "energetic" people willing to take on "risk." But in the end western farmers were "their own employers." To compare them to "factory wage-workers" was a categorical mistake.[110] There was difficulty reaching any common conclusions regarding western mortgages precisely because of the overriding desire to determine if farmers were "independent" or "dependent," once stable concepts which now only generated confusion and obfuscation.

Tellingly, the most widely circulated analysis of the census figures was a piece that appeared in the 1894 *Forum* written by the Massachusetts industrialist Edward Atkinson and entitled "The True Meaning of Farm Mortgage Statistics." Atkinson concluded that "the burden of farm mortgages is a very light one." He argued that there was no "class in this country" who were "so free of debt" and "so absolutely independent as the Western farmers of the grain-growing states." Despite the recent bust of eastern mortgage companies, American homesteads were actually underutilized as collateral. Atkinson, a successful proprietor of New England cotton mills, was evaluating western farming as if it were a business like his own. He knew what it was like to be in debt. What was the problem with that?[111]

Atkinson had good reason to take a hard look at western farming. He had been a founding member of the Free Soil Party. A prominent abolitionist, Atkinson even raised funds for John Brown's raid on Harpers Ferry. During the Civil War Atkinson found himself in the Union-occupied Sea Islands of South Carolina. Thwarting the freed slaves' desire for land and abhorring their preference for raising subsistence crops, Atkinson had insisted that they work for wages, grow cotton exclusively (for export to the Northern mills),
p. 66 and subsist on western grains.[112] Now, in 1894, Atkinson, a Republican gold bug, looked ↳ west and, in spite of the agrarian protest, saw the fulfillment of freedom's promise.

Atkinson's essay was written as a rejoinder to another geriatric abolitionist, Daniel Goodloe. Also writing in the *Forum*, Goodloe had previously invoked emancipation by calling mortgaged farming a new form of slavery.[113] What kind of freedom was Atkinson now championing? Free soil was an ideology in which land had not only economic but profound social and political significance: the Jeffersonian-inspired dream of a landed, commercial, republic. In Atkinson's hands, by 1894 the land was just another capital asset.

The polemic between Goodloe and Atkinson guaranteed that such heated binaries as freedom and slavery obscured any adequate view of the complex, ambiguous structure of financial interdependence. Subsequent histories of the post bellum western farmer have often replicated this simplified dichotomy. One set of scholars has emphasized the burdens of mortgage debt and its coercive aspects, lumping mortgaged farmers together with agricultural wage-laborers and tenants.[114] Another group of historians, subscribing to the same conceptualization as Edward Atkinson, argues that the market position of mortgaged western farmers improved over the 1870s and 1880s.[115] The missing context for both sides is a discussion of the fate of landed independence itself, one decided by a process of financial systematization. This was a process that generated a whole new material and psychological reality that many observers at the time could not quite find the right conceptual vocabulary with which to describe, an enduring reality whose characterization remains elusive to this day.

Of course, this was not considered to be a conceptual problem at the time but, rather, a momentous political dispute that culminated in the failure of the populist revolt in the presidential election of 1896. Mortgage debt was at the center of that revolt, warranting the expansion of the money supply, which was supposed to reduce the farmer's debt burden. And so, on one hand, populism looked back to the ideal of landed independence while, on the other hand, it anticipated the federal government's twentieth-century role as a guarantor of the citizenry's economic security. Regardless, landed independence had given way to subjection to the world's market. A successful populism might have changed the terms of that subjection, but it did not have the tools to end it, assuming that it would have wanted to.[116] After 1870 a bridge in American agriculture was burned.

After 1896, with the agrarian revolt going up in smoke, the world market turned. The prices offered for American farm staples soared. By 1908, as the USDA noted, "the farmers of the mortgage-ridden state of p. 67 Kansas of former ↳ days have stuffed the banks of that state full of money."[117] The irony was that in Edward Atkinson's industrial East, the depression of the 1890s pulled the rug out from under individual proprietorship, clearing the way for the corporate dominance of the industrial sector. Meanwhile, western farm proprietors entered their so-called Golden Age of American agriculture in the second decade of the twentieth century. Soon, however, the wheel of the world market would turn yet again, and the Golden Age begat the Dust Bowl.

## Acknowledgments

I would like to thank the contributors to and editors of this volume for their helpful comments on this chapter, and in particular Michael Zakim. Participants at the Economic History Forum at the University of Pennsylvania and the Economic Sociology Workshop at Princeton University, along with the readings of p. 68 Hendrik Hartog, Gautham Rao, and Daniel T. Rodgers, also greatly improved the chapter. ↳

## Notes

1. On the western farm mortgage market, see Kenneth A. Snowden, "The Evolution of Interregional Mortgage Lending Channels, 1870–1940: The Life Insurance-Mortgage Company Connection," in *Coordination and Information: Historical Perspectives on the Organization of Enterprise,* ed. Naomi Lamoreaux and Daniel Raff(Chicago: University of Chicago Press, 1996), 209–47; Snowden, "Mortgage Securitization in the U.S.: 20th Century Developments in Historical Perspective," in *Anglo-American Financial Systems: Institutions and Markets in the Twentieth Century*, ed. M. Bordo and R. Sylla (New York: New York University Press, 1995), 261–98; Allan G. Bogue, *Money at Interest: The Farm Mortgage on the Middle Border* (Ithaca, NY: Cornell University Press, 1955); Lance Davis and Robert Gallman, *Evolving Financial Markets and International Capital Flows: Britain, the Americas, and Australia, 1865–1914* (Cambridge: Cambridge University Press, 2001) 10.1017/CBO9780511510878 , chap. 2; Lance E. Davis, "The Investment Market, 1870–1914: The Evolution of a National Market," *Journal of Economic History* 25, no. 3 (September 1965): 355–99 10.1017/S0022050700057363 ; Robert F. Stevenson et al., "Mortgage Borrowing as Frontier Development," *Journal of Economic History* 36 (1966): 147–68; H. Peers Brewer, "Eastern Money and Western Mortgages in the 1870s," *Business History Review* 50, no. 3 (Autumn 1976): 356–80 10.2307/3113000 .
2. *Report on Real Estate Mortgages in the United States at the Eleventh Census: 1890* (Washington, DC, 1895), 315–23, table 104.
3. This sense is confirmed by economic historians. See Jeremy Atack, Fred Bateman, and William N. Parker, "The Farm, the Farmer, and the Market," in *The Cambridge Economic History of the United States,* ed. Stanley L. Engerman and Robert E. Gallman, vol. 2, *The Long Nineteenth Century* (New York: Cambridge University Press, 2000), 254–84. William Parker

elsewhere wrote that after 1870 a "bridge was burned" in American agriculture. William N. Parker, "The True History of the Northern Farmer," in *Europe, America and the Wider World: Essays on the History of Western Capitalism,* vol. 2, *America and the Wider World* (New York: Cambridge University Press, 1991), 172. Gavin Wright adds that after 1870 "American farmers were increasingly constrained by market forces." Gavin Wright, "American Agriculture and the Labor Market: What Happened to Proletarianization?" *Agricultural History* 62, no. 3 (Summer 1998): 185.

4. See Clarence Danhoff, *Change in Agriculture: The Northern United States, 1820–1870* (Cambridge: Harvard University Press, 1969). The subsequent debate concerning the relative commercial orientation of antebellum American farmers is extensive and too lengthy to fully cite. Something like a consensus on the liminal state emphasized by Danhoff, somewhere between a way of life and a capitalist enterprise, is evident in a convergence in the works of economists Jeremy Atack and Fred Bateman, *To Their Own Soil: Agriculture in the Antebellum North* (Ames: Iowa State University Press, 1987) and the historian Alan Kulikoff, *The Agrarian Origins of American Capitalism* (Charlottesville: University of Virginia Press, 1992). See also, and for a review of the literature, Naomi R. Lamoreaux, "Rethinking the Transition to Capitalism in the Early Northeast," *Journal of American History* 90, no. 2 (September 2003): 437–61 10.2307/3659440 .
5. B. C. Keeler, *Where to Go to Become Rich* (Chicago, 1880). See also Charles Postel, *The Populist Vision* (New York: Oxford University Press, 2007), 24–44. Parker refers to the prototype of the "Yankee" versus the "peasant." Parker, "True History of the Northern Farmer," 161.
6. On the immigrant experience and western farming, see Kathleen Neils Conzen, *Making Their Own America: Assimilation Theory and the German Peasant Pioneer* (New York: Berg, 1990); Conzen, "Immigrants in Nineteenth-Century Agricultural History," in *Agriculture and National Development*, ed. Lou Ferleger (Ames: Iowa University Press, 1990), 303–42; Walter D. Kamphoefner, *The Westfalians: From Germany to Missouri* (Princeton, NJ: Princeton University Press, 1987); John Gjerde, *The Minds of the West: Ethnocultural Evolution in the Rural Middle West, 1830–1917* (Chapel Hill: University of North Carolina, 1997).
7. Ise published his memoir in dramatized form, in the third person, constructed from three sources: his own memory, a series of oral histories taken from his mother, and research he conducted between 1924 and 1932 on central western Kansas in the late nineteenth century. Ises's contemporary editor, Von Rothenberger, has researched and confirmed the factual outline of the account, including such details as the 1887 mortgage. After researching John Ise's papers at the University of Kansas and verifying the "authenticity of Ise's notes and sources," Rothenberger concludes that *Sod and Stubble* is a "work of astonishing historical accuracy." See John Ise, *Sod and Stubble: The Story of a Kansas Homestead* (Lawrence: University Press of Kansas, 1996), xvii.
8. Ise, *Sod and Stubble,* 229, 268, 53.
9. *Report on Real Estate Mortgages,* 26.
10. See Tamara Plakins Thornton, "'A Great Machine' or a 'Beast of Prey': A Boston Corporation and Its Rural Debtors in an Age of Capitalist Transformation," *Journal of the Early Republic* 27, no. 4 (Winter 2007): 567–97 10.1353/jer.2007.0065 .
11. Ise, *Sod and Stubble,* 254.
12. Barry Eichengreen, "Interest Rates in the Populist Era," *American Economic Review* 74, no. 5 (December 1984): 995–1015.
13. On land values, see Peter H. Lindert, "Long-Run Trends in American Farmland Values," *Agricultural History* 62 (1988): 45–85. For a positive account of the western farmer's market position, see Douglass North, *Growth and Welfare in the American Past* (New York: Prentice-Hall, 1966), chap. 8.
14. The touchstone work for an interpretation that centers on populist farmers' discomfort with market uncertainty is Anne Mayhew, "A Reappraisal of the Causes of Farm Protest Movements in the United States, 1870–1900," *Journal of Economic History* 32 (June 1972): 464–75 10.1017/S0022050700067206 . See also Robert McGuire, "Economic Causes of Late Nineteenth-Century Agrarian Unrest: New Evidence," *Journal of Economic History* 41 (December 1981): 835–52 10.1017/S0022050700044922 ; James A. Stock, "Real Estate Mortgages, Foreclosures, and Midwestern Agrarian Unrest, 1865–1920," *Journal of Economic History* 44 (March 1984): 89–106 10.1017/S0022050700031387 .
15. According to H. W. Chaplin in 1890: "As it reads upon the records in Boston and in Portland, so it read in England in the thirteenth century." H. W. Chaplin, "The Story of Mortgage Law," *Harvard Law Review* 4, no. 1 (1890): 9 10.2307/1321129 . Robert C. Allen, *Enclosure and the Yeoman: The Agricultural Development of the South Midlands, 1450–1850* (Oxford: Clarendon Press, 1992); Allan Kulikoff, *From British Peasants to Colonial American Farmers* (Chapel Hill: University of North Carolina Press, 2000).
16. On land banks and resistance to specialization, see Mary M. Schweitzer, *Custom and Contract: Household, Government, and the Economy in Colonial Pennsylvania* (New York: Columbia University Press, 1987), chap. 4 and p. 65.
17. See Thornton, "'Great Machine' or 'Beast of Prey'"; Benjamin Hibbard, *A History of Public Land Policies* (New York, 1924).
18. Henry David Thoreau, *Walden: Or, Life in the Woods* (1854; New York: Knopf, 1992), 29, 5, 50. It was no accident Thoreau inquired at the tax assessor's. The need for cash to pay taxes was a powerful reason to mortgage a farm, which, in turn, increased the scope not only of the market but also state power. Thoreau was fearful of both. On Concord, see Robert A. Gross, "Culture and Cultivation: Agriculture and Society in Thoreau's Concord," *Journal of American History* 69, no. 1 (June 1982): 42–61 10.2307/1887751 ; Brian Donahue, *The Great Meadow: Farmers and Land in Colonial Concord* (New Haven: Yale University Press, 2007), chap. 9.
19. George S. Boutwell, *Address Before the Middlesex Society of Husbandmen and Manufacturers* (Boston, 1850), 6, 15, 17, 18.
20. Thoreau, *Walden, 7; Transactions of the Agricultural Societies in the State of Massachusetts for the Year 1849* (Boston, 1849), 368.
21. Atack and Bateman, *To Their Own Soil*, 203, 267, 273. See also Danhoff, *Change in Agriculture*, 21.
22. Lacy K. Ford, "Frontier Democracy: The Turner Thesis Revisited," *Journal of the Early Republic* 13, no. 2 (Summer 1993): 155.
23. On age of wealth transfer, see Atack and Bateman, *To Their Own Soil*, and for a review of farmers and old-age security

strategies, and on the pull of urban labor markets, see William A. Sundstrom and Paul A. David, "Old-Age Security Motives, Labor Markets, and Farm Family Fertility in Antebellum America," *Explorations in Economic History* 25 (1988): 164–97 10.1016/0014-4983(88)90015-0. On land shortages, see Christopher Clark, *The Roots of Rural Capitalism: Western Massachusetts, 1780–1860* (Ithaca, NY: Cornell University Press, 1990). On the soil, Steven Stoll, *Larding the Lean Earth: Soil and Society in Nineteenth-Century America* (New York: Hill and Wang, 2002). On agrarian laments, see, for instance, Horace Bushnell, *An Address Delivered Before the Hartford Agricultural Society* (Hartford, 1847).

24. Edwin Freedley, *Practical Treatise on Business* (Philadelphia, 1853), 71, 74; Boutwell, *Address*, 6; Frederick Butler, *The Farmer's Manual* (Hartford, 1819), 108, 129.
25. James L. Huston, *Securing the Fruits of Labor: The American Concept of Wealth Distribution, 1765–1900* (Baton Rouge: Louisiana State University Press, 1998), and Allan Kulikoff, "The Transition to Capitalism in Rural America," *William and Mary Quarterly* 46 (January 1989): 140.
26. On the connection between the more familiar history of eastern proletarianization and more recent histories of commercial failure, see Edward Balleisen, *Navigating Failure: Bankruptcy and Commercial Society in Antebellum America* (Chapel Hill: University of North Carolina Press, 2001); Scott A. Sandage, *Born Losers: A History of Failure in America* (Cambridge: Harvard University Press, 2005).
27. "Mixed Husbandry," The Genoese Farmer and Gardner's Journal (January 6, 1838). See also, for instance, Nathaniel Gage, *Address before the Essex Agriculture Society at Topsfield, September 27, 1837* (Salem, 1838); Josiah T. Marshall, *An Address, delivered before an agricultural meeting at Jefferson County, N.Y. on the 26th September, 1838* (Watertown, 1838).
28. On bankrupted farmers, Clark, *Roots of Rural Capitalism*, 280. On homestead laws, see Paul Goodman, "The Emergence of Homestead Exemption in the United States: Accommodation and Resistance to the Market Revolution, 1840–1880," *Journal of American History* 80, no. 2 (September 1993): 470–98 10.2307/2079867.
29. U.S. Congress 47:2, House Miscellaneous Document, 13:3, *Report on the Production of Agriculture (10th Census)*, 1880, 25; W. F. Mappin, "Farm Mortgages and the Small Farmer," *Political Science Quarterly* 4, no. 3 (September 1889): 436 10.2307/2139137; U.S. Congress 49:1, House Executive Document 378, *Report of the Commissioner of Agriculture*, 1886, 423; James Willis Gleed, "Western Mortgages," *Forum* (March 1890): 180.
30. With the Homestead Act of 1862 households needed only file an application, improve the land for five years, and then refile for the deed to claim a quarter. Railroads and eastern speculators also offered land for sale. In general on the disposal of western lands, see Paul Wallace Gates, Allan G. Bogue, and Margaret Beattie Bogue, *The Jeffersonian Dream: Studies in the History of American Land Policy and Development* (Albuquerque: University of New Mexico Press, 1996).
31. On this ecological logic, see Donahue, *Great Meadow*.
32. When grain prices plummeted, it was not uncommon for plains farmers to burn their products for fuel.
33. The story is told by William Cronon, *Nature's Metropolis: Chicago and the Great West* (New York: Norton, 1991).
34. On wealth holding and distribution see Lee Soltow, *Men and Wealth in the United States, 1850–1870* (New Haven: Yale University Press, 1975).
35. Keeler, *Where to Go to Become Rich*, 43. Most estimates are for a slightly earlier time period. Clarence H. Danhoff, "Farm Making Costs and the Safety Valve," *Journal of Political Economy* 49 (1941): 317–59 10.1086/255721; Jeremy Atack, "Farm and Farm-Making Costs Revisited," *Agricultural History* 56 (1982): 663–76.
36. In 1880, nationwide, 25 percent of farmers were tenants. Paul W. Gates made much of this fact. Recently, the literature sees tenancy as a life-cycle phenomenon. See Paul W. Gates, *Landlords and Tenants on the Prairie Frontier* (Ithaca, NY: Cornell University Press, 1973); Jeremy Atack, "Tenants and Yeomen in the Nineteenth Century," *Agricultural History* 62, no. 3 (Summer 1998): 6–32. On wage labor and the ladder see Wright, "American Agriculture and the Labor Market."
37. In a sample of 219,291 households. *Report on Real Estate Mortgages*, 278.
38. A growing tendency in the literature is to see new consumer opportunities as impetuses for late nineteenth-century agricultural commercialization. See David B. Danbom, *Born in the Country: A History of Rural America*, 2nd ed. (Baltimore: Johns Hopkins University Press, 2006), 131–61, and Rebecca Edwards, *New Spirits: Americans in the Gilded Age, 1865–1905* (New York: Oxford University Press, 2006), 81–104.
39. Atack, Bateman, and Parker, "The Farm, the Farmer, and the Market," 259.
40. See Wright, "American Agriculture and the Labor Market," 194.
41. See *Willis A. Olmsted and Mary E. Olmsted v. The New England Mortgage Security Company,* 11 Neb. 487 (1881).
42. See Erling A. Erickson, "Money and Banking in a 'Bankless' State: Iowa, 1846–1847," *Business History Review* 43, no. 2 (Summer 1969): 171–91.
43. Sections 8 and 28. The 1884 Supreme Court case *Fortier v. New Orleans National Bank* held that mortgage loans were not violations of the act. But national banks still largely avoided owning mortgages. See Richard H. Keehn and Gene Smiley, "Mortgage Lending by National Banks," *Business History Review* 51, no. 4 (Winter 1977): 474–91.
44. See Larry McFarlane, "British Investment in Midwestern Farm Mortgages and Land, 1875–1900: A Comparison of Iowa and Kansas," *Agricultural History* 48, no. 1 (January 1974): 183.
45. "The Late Austin Corbin's Buffalo," *New York Times*, December 12, 1897; A. N. Harbert, "Austin Corbin," *Iowa Historical Record* 14, no. 1 (January 1898): 193–201. Corbin consolidated the Long Island Railroad; *Olmsted v. New England Mortgage Security*.
46. A sense confirmed by Thornton, "A Great Machine."
47. Ise, *Sod and Stubble*, 199; See Alison D. Morantz, "There's No Place Like Home: Homestead Exemption and Judicial Constructions of Family in Nineteenth-Century America," *Law and History Review* 24, no. 2 (Summer 2006); Goodman, "Emergence of Homestead Exemption," 470–98; Edward Darrow, *A Treatise on Mortgage Investments* (Minneapolis, 1892), 8.
48. Corbin claimed to never mortgage above one-third. See *Ten Per Cent First Mortgages on Improved Farms in Iowa and*

*Kansas, Negotiated by the Corbin Banking Company* (New York, 1872).

49. See "The Usury Laws of the United States," *The Bankers' Magazine*, March 1861.
50. *Report on Real Estate Mortgages,* 259, 170.
51. Richard H. Dana Jr., *Speech … On the Repeal of Usury Laws* (New York, 1872), 20, 10. For examples, see James Avery Webb, *A Treatise on the Law of Usury* (St. Louis, 1899), 14. On interest rates, see Bogue, *Money at Interest*; Eichengreen, "Interest Rates in the Populist Era," which holds that regional variance of rates was rational adjustment to the risk of repayment. Snowden is skeptical: Kenneth A. Snowden, "Mortgage Rates and American Capital Market Development in the Late Nineteenth Century," *Journal of Economic History* 47, no. 3 (September 1987): 671–91 10.1017/S0022050700049056 .
52. This is the gist of Webb, *Treaty on the Law of Usury*. Brokers often kicked backed commissions to eastern principals.
53. Ise, *Sod and Stubble,* 199.
54. Davis and Gallman, *Evolving Financial Markets and International Capital Flows,* 20.
55. "Western Mortgages," *Boston Daily Advertiser*, November 13, 1877.
56. Jane Addams, "The Snare of Preparation" (1912), in *The Jane Addams Reader*, ed. Jean Bethke Elshtain (New York: Basic Books, 2002), 108.
57. Darrow, *Treatise on Mortgage Investments,* 38, 43.
58. Gleed, "Western Mortgages," 96; *The Independent*, April 4, 1889; *Ten Per Cent First Mortgages on Improved Farms in Iowa and Kansas*; *The Independent*, May 31, 1889; Snowden, "Evolution of Interregional Mortgage Lending Channels," 227.
59. Gleed, "Western Mortgages," 102.
60. *The Congregationalist*, April 21, 1887; See Beers, "Eastern Money." Maturities varied from one to twenty years; D. M. Frederiksen, "Mortgage Banking in America," *Journal of Political Economy* 2, no. 2 (March 1894): 212–13 10.1086/250202 ; Mappin, "Farm Mortgages and the Small Farmer," for instance, claimed Kansas and Nebraska had 134 incorporated companies, with another 200 companies chartered out of state doing business there.
61. Darrow, *Treatise on Mortgage Investments*, 25; See Snowden, "Mortgage Securitization in the U.S" on mortgage brokers' lack of skin in the game; *Teal v. Walker* 111 US 242 (1882).
62. It seems farmers also succeeded politically in acquiring the right to prepayment, making bonds far more difficult to price. See Samuel Armstrong Nelson, *The Bond Buyer's Dictionary* (New York, 1907), 129. Not until the 1980s did Wall Street develop mathematical models to price bonds that accurately reflected prepayment risk.
63. Not since this episode has there been widespread private individual investment in mortgage-backed securities. Wall Street has subsequently reserved that honor for institutional investors.
64. Snowden, "Evolution," 220. "Western" includes here the states of IA, MN, NE, ND, SD, WY, and MT.
65. Nelson, *Bond Buyer's Dictionary,* 129.
66. After the land bust of the panic of 1873, New York state barred its savings banks from investing in mortgages. Connecticut and Wisconsin firms most heavily invested in the western market: Aetna Insurance Company, the Connecticut Mutual Insurance Company, the Travelers Insurance Company, and the Northwestern Mutual Insurance Company in particular.
67. On antebellum life insurance see Viviana A. Rotman Zelizer, *Morals and Markets: The Development of Life Insurance in the United States* (New York: Columbia University Press, 1983); Sharon Ann Murphy, *Investing in Life: Life Insurance in Antebellum America* (Baltimore: Johns Hopkins University Press, 2010).
68. "Life Insurance: A Way to Save a Mortgage," *Christian Union*, April 22, 1874.
69. *Seventh Biennial Report of the Bureau of Labor, Census and Industrial Statistics State of Wisconsin, 1895–1896* (Madison, 1896), 110.
70. See Harold Williamson and Orange Smally, *Northwestern Mutual Life: A Century of Trusteeship* (Evanston, IL: Northwestern University Press, 1957).
71. See M. Friedberger, "The Farm Family and the Inheritance Process: Evidence from the Corn Belt, 1870–1950," *Agricultural History* 57, no. 1 (1983): 1–13. More traditional practices were manifest in ethnic enclaves; see Kathleen Neils Conzen, "Peasant Pioneers: Generational Succession among German Farmers in Frontier Minnesota," in *The Countryside in the Age of Capitalist Transformation: Essays in the Social History of Rural America*, ed. Steven Hahn and Jonathan Prude (Chapel Hill: University of North Carolina Press, 1985), 259–92.
72. See the tongue-and-cheek story of a North Carolina man who tried: "A Man Who Mortgaged Himself," *Cleveland Herald*, March 31, 1884.
73. *The Advocate*, April 23, 1890. The *Advocate* was the Topeka Kansas Farmer's Alliance newspaper.
74. See "Examples Accident Losses Paid," Box 17, Collection 60, Warshaw Collection of Business Americana, Insurance Collection, Smithsonian National Museum of American History.
75. Bruce M. Pritchett, *A Study of Capital Mobilization: The Life Insurance Industry of the Nineteenth Century* (New York: Arno Press, 1977), 290; *Seventeenth Annual Report of the Superintendent of Insurance of the State of Kansas, for the Year ending December 31, 1897* (Topeka, 1887), 329, 330; *Twenty-Eighth Annual Report of the Superintendent of Insurance of the State of Kansas, for the Year ending December 31, 1897* (Topeka, 1898), xvi–xix.
76. *First Biennial Report of the Bureau of Labor and Industrial Statistics of Nebraska, 1887 and 1888* (Omaha, 1888); *Seventh Biennial Report,* 116–19.
77. *Seventh Biennial Report,* 117.
78. Ibid., 114; *First Biennial Report,* 208, 210.
79. Ise, *Sod and Stubble,* 217.
80. Ibid., 217, 209.
81. A.H.J., "Paying the Mortgage," *Michigan Farmer*, August 22, 1882; Ise, *Sod and Stubble*, 215.
82. Will Carleton, *Farm Festivals* (New York, 1881), 118–21.
83. Like "The Clock" in Herbert G. Gutman, *Work, Culture, and Society in Industrializing America: Essays in American Working-*

*Class and Social History* (New York: Vintage, 1976), 23.

84. Ise, *Sod and Stubble,* 229.
85. *Stone v. United States Casualty Company* (1871), 34 NJL 371; The Travelers Insurance Companies, *Accident Department, The Travelers Insurance Company* (Hartford, 1871), sec. 19; William C. Niblack, *The Law of Voluntary Societies, Mutual Benefit Insurance and Accident Insurance* (Chicago, 1894), sec. 363.
86. See, for instance, Henry C. Taylor, *The Story of Agricultural Economists in the United States, 1840–1932* (Ames: Iowa State College Press, 1952).
87. "Western Farm Mortgages," *The Daily Inter Ocean* (October 30, 1888).
88. All quoted in Edward Atkinson, "The True Meaning of Farm Mortgage Statistics," *Forum* (May 1895). See also John Gjerde, *The Minds of the West: Ethnocultural Evolution in the Rural Middle West, 1830–1917* (Chapel Hill: University of North Carolina, 1997), 146.
89. *Seventh Biennial Report,* 117.
90. The classic work on regional specialization remains Allan G. Bogue, *From Prairie to Corn Belt: Farming on the Illinois and Iowa Prairies in the Nineteenth Century* (1963; Ames: Iowa State University Press, 1994), although Bogue cautions that multiple combinations of crops and livestock were still possible. See also Mary Eschelbach Gregson, "Specialization in Late-Nineteenth Century Midwestern Agriculture," *Agricultural History* 67 (Winter 1993): 16–35, which argues for an increase of market diversification. See also Eugene V. Robinson, *Early Economic Conditions and the Development of Agriculture in Minnesota* (Minneapolis, 1915).
91. Winifred B. Rothenberg, *From Market-Places to a Market Economy: The Transformation of Rural Massachusetts, 1760–1850* (Chicago: University of Chicago Press, 1992), 98.
92. C. Knick Harley, "Transportation, and the World Wheat Trade, and the Kuznets Cycle," *Explorations in Economic History* 17 (1980): 246–47 10.1016/0014-4983(80)90011-X .
93. *Fourth Annual Report of the Bureau of Labor Statistics of the State of Connecticut, for the Year Ending 1888* (Hartford, 1889), 140–44.
94. George S. Boutwell, "Feeding Cattle," *Massachusetts Ploughman and New England Journal of Agriculture* (January 19, 1878). On changes in northeastern farming, see Hal S. Barron, *Mixed Harvest: The Second Great Transformation in the Rural North, 1870–1930* (Chapel Hill: University of North Carolina Press, 1997).
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96. Hamilton (GA) *Weekly Visitor*, February 7, 1893, quoted in Gavin Wright, *Old South, New South: Revolutions in the Southern Economy Since the Civil War* (New York: Basic Books, 1986), 114. On corn versus cotton see Gavin Wright and Howard Kunreuther, "Cotton, Corn, and Risk in the Nineteenth Century," *Journal of Economic History* 35, no. 3 (September 1975): 526–51 10.1017/S0022050700075628 ; Robert A. McGuire, "A Portfolio Analysis of Crop Diversification and Risk in the Cotton South," *Explorations in Economic History* 17 (October 1980): 342–71 10.1016/0014-4983(80)90002-9 .
97. Jonathan Ira Levy, "Contemplating Delivery: Futures Trading and the Problem of Commodity Exchange in the United States, 1875–1905," *American Historical Review* 111, no. 2 (April 2006): 307–35 10.1086/ahr.111.2.307 .
98. See Elizabeth Sanders, *Roots of Reform: Farmers, Workers, and the American State, 1877–1917* (Chicago: University of Chicago Press, 1999).
99. See ibid., and Postel, *Populist Vision*.
100. Ise, *Sod and Stubble,* 276, 254.
101. Ibid., 228; George H. Hepworth, "Old Badger's Mortgage," *The Independent*, October 22, 1896; Carleton, *Farm Festivals*, 118.
102. George K. Holmes, "Mortgage Statistics," *Publications of the American Statistical Association* 2, no. 9 (1890): 20.
103. Ise, *Sod and Stubble,* 254.
104. "Some Remarks about Mortgages," *Michigan Farmer*, July 6, 1889; Keeler, *Where to Go to Become Rich*, 39.
105. See *The Advocate*, November 9, 1889; Holmes, "Mortgage Statistics," 13.
106. *Report on Real Estate Mortgages*, 301, 309, 76, 170, 311, 310, 312.
107. Holmes, "Mortgage Statistics," 21.
108. *Atchison Daily Champion, October 25, 1888; Daily Inter Ocean, May 5, 1893; Milwaukee Journal, May 8, 1893; Daily Picayune,* August 6, 1891.
109. In the 1887 Nebraska survey disgruntled mortgaged farmers called themselves "white slaves" and "serfs." The western Kansas populist newspaper *The Farmer's Advocate* called the western mortgage market "the most stupendous landlord system ever known on earth."
110. Mappin, "Farm Mortgages and the Small Farmer," 451.
111. Atkinson, "True Meaning of Farm Mortgage Statistics."
112. See Willie Lee Rose, *Rehearsal for Reconstruction: The Port Royal Experiment* (New York: Oxford University Press, 1964), 226.
113. Daniel R. Goodloe, "Western Mortgages," *Forum* (November 1890).
114. A line running, to name but a few examples, from John Hicks, *The Populist Revolt* (Lincoln: University of Nebraska Press, 1931), to Lawrence Goodwyn, *Democratic Promise: The Populist Movement in America* (New York: Oxford University Press,

1976), to Scott G. McNall, *The Road to Rebellion: Class Formation and Kansas Populism, 1865–1900* (Chicago: University of Chicago Press, 1988). A much more balanced view, centered on the issue of business cooperation and incorporation, is presented by Postel, *Populist Vision.*

115. A revisionist interpretation against Hicks was presented by Fred A. Shannon, *The Farmer's Last Frontier* (New York: Rinehart, 1945), which was then taken up by the cliometric historians of the 1960s and, afterwards, culminating in the question posed by one 1994 cliometric textbook that asked whether "farmers' complaints were real or imagined?" See Jeremy Atack and Peter Passell, *A New Economic View of American History from Colonial Times to 1940* (New York: Norton, 1994), 424, and 425 for further cites concerning this view.
116. The interpretive spirit of Postel, *Populist Vision*.
117. *Annual Report of the U.S. Department of Agriculture* (Washington, DC, 1908), 151–52.