Franklin D. Roosevelt — “The Great Communicator”
The Master Speech Files, 1898, 1910-1945
Series 1: Franklin D. Roosevelt’s Political Ascension

File No. 562

1932 October 21

Springfield, IL - Campaign Speech
It is good to be here with you in Springfield, Illinois, in the political and geographic center of this great State. Three weeks ago I visited Chicago, representative of the industrial area of Illinois. Down here the problem of agriculture looms, but as I have often said, these two great interests are by no means strangers, nor are they really separated in interest at all. Each is dependent on the other to a degree often overlooked in American politics.

I want to call to your attention one of the aspects of the great American agricultural problem. More than a month ago at Topeka, Kansas, I set forth a comprehensive national program for agriculture.

Today it is my purpose again to take up this subject and to enlarge upon it. This program is conceived to meet a condition which cannot longer be endured in a nation endowed with so much natural wealth. I indulge in no magic formula. I do not attempt the task of misleading you into hoping I have arrived at a single panacea for the manifold problems of agriculture. I propose, therefore, fundamental cures, and I do so in the spirit of honest frankness, with the belief that such a
This is a transcript made by the White House stenographer from his shorthand notes taken at the time the speech was made. Underlining indicates words extemporaneously added to the previously prepared reading copy text. Words in parentheses are words that were omitted when the speech was delivered, though they appear in the previously prepared reading copy text.
method is the sure way to win your cooperation in this great task that will face the new Administration.

May I also add that I would be the last person to claim sole credit for the program which I enunciated at Topeka or indeed for the enlargement of it which I propose to give you here today. It is a program worked out in cooperation with the wisest leaders of agriculture itself, and I pledge to you a continuance of that policy of cooperation in order that the program may be enacted into workable law, a law set into operation at the earliest possible moment. No attempt by the present Administration to belittle this first, honest effort to meet the problem of the American farmer can hide the essential fact that my three-point program goes to the root of the problem.

The three great steps which we must take are:

First, the Federal Government owes it to agriculture to see that it gets a fair price for its products. That means that the price of farm products must be raised above the present ruinously low levels to which they have fallen. A properly adjusted tariff can do much in this direction, but the present tariff policies of the Republican administration have done precisely the opposite. Pending the relief that will be afforded by properly adjusted tariff policy, measures
must be taken to give the farmer immediate tariff benefit. This means in substance a practicable plan agreed to by agricultural leaders which will provide for the farmer a higher return for certain of his crops. I set forth these principles which such a plan must embody, in my Topeka speech, and these principles have been widely accepted as a basic plan of action in formulating the necessary legislative relief.

Second, there must be lifted from the backs of every farmer the heavy load of taxation which today weighs upon him. This load is made up of three parts, the local, state and national units. At Pittsburgh I outlined the position of the Democratic Party, and my position on the question of the honest balancing of the Federal budget and the imperative need of immediate economy in national expenditures. I also reiterate now my promise to exert all available influence in the position as the President of the United States toward the reduction of all state and local taxes.

Third, we come to the vastly important principle concerning the burden which farm mortgages now bear on every agricultural community. I want to take this occasion at this time to amplify that part of my program. Let me first repeat what I said about farm mortgages at Topeka:

"It is my purpose when elected to direct all the
energies of which I am capable to definite projects to relieve that distress, and specifically I am prepared to insist that Federal credit be extended to banks, insurance companies, loan companies and other companies or corporations that hold farm mortgages among their assets; but that these credits must be made on the condition that every reasonable assistance be given to the mortgagors where the loans are sound, for the purpose of preventing foreclosure. And those conditions must be enforced."

I further said that "lower interest rates and an extension of principal payments will save thousands of farms throughout this nation for their owners. And hand in hand with that, my friends, we must adopt the definite policy of giving those who have lost the title to their farms -- titles now held by institutions seeking credit from government agencies -- the preferred opportunity of getting their property back."

To that may I add that the Government should make a definite condition when advancing Federal credit, that wherever possible interest rates must be lowered for renewed or extended mortgages. Whenever the Government of the United States exercises any control over the situation it is the duty of that Government to demand every practicable and possible assistance
to the farmer seeking credit to finance his crops, and his
farm, to obtain for him the very lowest reasonable rate of
interest. The magnitude of the problem may be seen when we
realize that the total farm mortgage debt in the United States
according to the figures of the Department of Agriculture was
at the end of 1930 $9,241,390,000, or nearly three times that
of 1910, and you farmers here in Illinois alone owed $631,-
266,000. On this debt I believe today that the farmer is
called upon to pay too heavy an interest charge, especially
when we realize that to this burden is added taxes which to-
day are two and a half times as great as they were in 1914.

In order to enable him to pay these fixed charges
the farmer must depend upon the prices for which his products
may be sold, and yet we must face the fact that with this
heavy mortgage indebtedness grown three-fold in ten years,
and with his taxes increased more than two-fold, the prices
which he receives for his products have shrunk in half. In
concrete figures the farmer's income in 1919 of 16 billion
dollars shrunk in the year 1931 to 7 billion dollars. These
appalling figures point all too clearly to the devastating
economic catastrophe that has overtaken agriculture in the
past few years.

Those who live in the industrial areas know now to
their sorrow the importance of that 9 billion dollars, which, being taken from the farmer's income, have likewise contributed to a reduction in buying power which has contributed directly to an enormous degree to the catastrophe that has more recently overtaken industry and labor.

The solution of this problem is our first concern in national rehabilitation. We cannot have national prosperity without farmer prosperity. The farm mortgage which has caused thousands of farmers to lose their homes remains a constant threat to business and the success of agriculture. My program is opposed to and aims to stop the ruthless foreclosure of farm mortgages. It is economically unsound to sell out an honest, hard-working efficient farmer, but more than that, such a procedure constitutes in most cases a moral, social and a human wrong. And moreover the position of the institution, the bank or the insurance company holding the mortgage is not bettered by thus becoming a large land owner. The natural result of tax sales and mortgage foreclosures is the lowering of most farm land values to a point below what should be their true worth.

In 1916 a Democratic Congress under the leadership of President Wilson enacted the Federal Farm Loan Act. This Act provided means for the Federal Government to deal with
this problem and effectively to furnish relief for the bor-
rowers in the Federal Loan System and to lead the way for
other mortgage institutions not directly supervised by the
Federal Government itself to give like relief to their bor-
rowers. By the end of 1931 these Federal Land Banks became
very important units in our financial life. Their loans at
the end of that year amounted to approximately $1,168,000,000
while those of the Joint Stock Land banks approximated
$532,000,000.

Some of these Joint Stock Land Banks have pursued
a policy of destructive selfishness contrary to the spirit
and purpose of the Farm Loan Act, an Act framed to improve
the farm mortgage condition of the Nation. Some of them have
foreclosed upon the farm debtors with callous disregard of
the interest of these debtors and of the public interest gen-
erally. They have sold these farms at distressingly low val-
ues and in some instances have retired the corresponding farm
bonds purchased in the open market at even lower prices. Thus
there has been shown a net profit to those banks on this sor-
did transaction, but in actuality a heavy loss to the general
community.

Apparently after belated recognition of these dis-
astrous and unfair practices President Hoover in his speech
at Des Moines on October 4th took occasion to disclaim responsibility for the policies of these Joint Stock Land Banks but he overlooked the provisions of Sec. 17 of the Federal Farm Loan Act which defines the powers of the Federal Farm Board and which provides that Federal Farm Board with the power "to exercise generally supervisory authority over the Federal Land Banks, the National Farm Associations, and the Joint Stock Land Banks." For the failure to enforce this duty and the law the President and his Administration are to blame.

This is just another example of this Administration failing to use or misusing agencies already created -- and which if properly used would have saved this country much of its suffering.

I propose that these powers of the Federal Farm Board shall be fully exercised to the end that this distressing situation shall be immediately remedied and to the end that the enlightened purposes of the Democratic created Farm Loan Act shall be fully carried out. The present Administration has been derelict in another particular.

The last Congress recognized the necessity for stopping the wholesale ouster of farm owners. In an Act approved by the President February 2, 1932, Congress provided that the
United States Treasurer should subscribe for $125,000,000 of stock in the Federal Land Banks. Of this amount $25,000,000 was provided in order that the banks might extend the time for the payment of past due mortgage installments. The Act specifically provides that this fund should be used exclusively to supply any bank with funds to use in the placing of the amount of which such banks might be deprived by reason of the granting of extensions of mortgage payments.

A great many banks have given extensions and have been reimbursed out of this fund, but they violated the obvious intention of the law and of the Congress which passed it, and destroyed the usefulness of the purposes of this Act when they frequently required borrowers to give crop loans and other miscellaneous securities for such extensions, for they thus made it difficult and often impossible for farmers who were delinquent in their payment to use their credit for normal farm production purposes and indeed for family maintenance. These banks pursued this narrow and indefensible policy. The blame for not enforcing the intention of the law must be borne by the Hoover Administration and is typical of the unsympathetic attitude of that Administration toward the farmer and his problems. As President I shall propose to Congress a definite plan for the refinancing of farm mortgages
in line with the principles which I stated in my Topeka speech, and which I repeated here today. I shall recommend legislation to the Congress for the scaling down of amortization installments of Federal Land Bank borrowers when in the judgment of bank directors conditions justify such action, with provision for deferring such unpaid amounts to the end of such amortization periods. And I shall enforce such legislation.

This partial and temporary extension will help the farmers to save their farms until they can secure a better net income through the working out of the plans which I have discussed for the solution of the general farm program. As for those farm mortgage institutions, not under the control of the Federal Government, I renew the statement made in my address at Topeka declaring for loans by Federal financial agencies to such concerns to enable them to carry defaulted mortgages of deserving borrowers. It must never be forgotten that the funds so loaned the banks are primarily for the benefit of the farmer and must be so employed. Finally I propose consideration by Congress of the necessity for a complete reorganization of the means provided to operate in the field of agricultural finance.

At the present time we have at least seven agencies concerned with farm mortgages. Some of these are direct
agencies of the Federal Government. Some of them are corporations operating with funds provided by the Federal Government, others are still more removed from the Government but are under partial governmental authority. Within my broad agricultural program I advocate the coordination of such agencies to the end that the Federal agricultural policy in regard to farm mortgages may be guided by a single purpose and be so concentrated in its operation that it may really become an effective aid to the farmer.

I ask your study of this general agricultural policy for the agricultural people of this country in the same practical and sympathetic spirit in which it is made, and I invite your comparison of this program with the piece-meal and grudging concessions made by the present Administration. As a definite example, may I call to your attention the cautious commitment made by the President in his Des Moines speech when he stated as follows:

"But further and more definitely than this I shall propose to the Congress at the next session that we further reorganize the Federal Land Banks and give to them the resources and liberty of action necessary to enable them definitely and positively to expand in the refinancing of the farm-mortgage situation where it
is necessary to give men who want to fight for it a chance to hold their homes."

After a long continued period of complete silence and negative action this is his answer to the strong challenge of the Democratic program on this subject. I would point out to you that the farm mortgage situation has existed for many years, that it has been critically bad during the past three years, and yet this is the only approach to positive action which the President is willing to make when impelled to promise to do so in the midst of a political campaign. It is but a grudging and hastily improvised attempt to hang on to the coat-tails of the policy enunciated by the Democratic party this year. The ultimate effectiveness of such vague promises I leave to you to judge in the light of the past acts of this Administration.

The rising tide of agricultural protest is being shown by independent thinking and a resolute determination to bring about a new deal. I have offered a policy and a program, national in scope, providing for a community of effort on the part of the citizens of this country who seek so earnestly for nothing more nor less than a fair chance to live as American citizens. The assurance of support and approval of this definite and concrete program which has come to me since
that day when I first enunciated it at Topeka, marks, I feel sure, the first signs of dawn after the long night for agriculture.

I extend my grateful appreciation to those who have indicated not only their sympathy but their cooperation in my efforts. November 8th is near at hand -- beyond that March 4th -- beyond that to agriculture, again I say, a new deal.