

## Introduction

In the mid-1980s, a disturbing phenomenon began occurring in rural America. In the preceding decade or so, many families had been counseled by farm advisers and agricultural business dealers to enlarge their farms, increase their herds, and purchase bigger, more sophisticated machinery so that they could take advantage of an exploding world market for American farm products. Many families were happy to oblige, taking out sizable loans to expand their operations. After a few years, however, market slowdowns became contractions, and many families ultimately found themselves unable to sell all that they had produced on the farm, at any price. This “farm crisis” was devastating to many families who had long prided themselves on their conservative business dealings and good judgment. Caught in an impossible financial bind and facing public humiliation, a number of farmers lost their farms, and many lashed out at those in their communities who seemed blameworthy, particularly bankers. Quite a few farmers committed suicide. Those of us in the cities could only wonder what had gone wrong. Why would farm families overextend themselves so dramatically? Why would they take out loans that they could not live long