PRACTICAL POLITICS FOR AGRICULTURE

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Agricultural legislation in 1985 will be developed in an atmosphere rife with uncertainties. However, we do know that the forum in which it will be developed is the Congress, and it is therefore political. As a result, it is important to remember the practical aspects of the political system.

It is especially important for extension public policy analysts to note the political nature of the process because of the vital role which the extension service can play in public policy education. As a former employee of the Extension Service at Kansas State University, and a former student of Barry Flinchbaugh and Roy Frederick, I have a real appreciation for the work you do.

Jim Hildreth and the Farm Foundation are to be commended, not only for their ongoing work in policy education, but for their recent outreach directly to Congressional staff. Not long ago in Hagerstown, Maryland, the Farm Foundation sponsored a policy education workshop for Congressional staff, along with the Congressional Research Service and the House and Senate Agriculture committees. It is a very worthwhile initiative to get that policy education to those people who are working in a political environment.

In my experience as a Congressional staffer and then as an observer from near and far, I have noticed that the Congress often faces different courses of action suggested by differing motivations. There may be a course of action suggested by economics, a course of action dictated by ethical concerns, and a course of action dictated by political concerns. However, my observation has been that when the final decision is made, the one that dominates is politics. This is a fact of life that we have to consider.

Webster's dictionary provides some interesting definitions of politics. One definition is "Politics is the art or science of government, relating to government." A second definition is "The art or science of influencing government policy." A third definition is "The art or science of winning or controlling a government", which is interesting. Even more interesting is another definition, "Politics is competition between interest groups or individuals for power and leadership in a

government or in a society". Another definition of politics — "Activities characterized by artful or dishonest practices" — starts to get dangerous. The final definition of politics is, "The total complex of relations between man and society".

Apart from such broad terms as the latter, there are some interesting reminders of what politics really is in these definitions. One, influencing public policy. Another, a competition between interest groups, could be particularly relevant to the 1985 farm bill. And thirdly, the contest for power and leadership and direction.

Dale Stansbury, a graduate of Ohio State, was formerly Chief Economist of the Senate Agriculture Committee. Dale once told me, "Any legislation can move through Congress as long as (1) it is supported by a constituency, (2) it is not opposed by the administration and (3) it fits within the budget." That probably is still an accurate picture of the parameters in which we operate today.

First, let us explore the viewpoint of an individual congressman or senator, and the influences that he or she feels and perceives. Secondly, we will review the institutional nature of — that is, the process of developing — a farm bill, and thirdly, take a look at the setting in which the farm bill will be developed.

From the perspective of an individual senator or an individual congressman, they feel political pressures in a couple of ways. One is simply from the grassroots constituent, the voter. This is the person who writes those letters to the senator on notebook paper that talk about the neighbor's auction, the son's economic distress, or the problems that they have dealing with their banker. They convey the feeling that they don't see any hope. They are looking for some glimmer of a way out. That's one element of feedback that a senator or congressman gets from the grassroots constituent, the voter.

In addition to the mail there is the direct, press-the-flesh, grassroots contact. Not long ago Senator David Pryor of Arkansas met with our group, the National Council of Farmer Cooperatives. He is running for re-election this year. He has been out on the stump. He has been at the county courthouse, the grain elevator, the gas station, the country road, and he gets a certain feeling from the people he visits with there. In this particular case, the feeling he was getting was that no one knows the answers to our farm problems, but what we have now is not working. Basically, they are telling him that anything would be better than what we have now.

In addition, the relevant organizations will be influencing policy. Besides the grassroots constituent, the voter back in the home state or district, there is also the lobbyist in Washington, D.C. This person is right there in the nation's capitol and is a very close participant in the process. A lobbyist can do several things for the congressman. He can provide information in a form that the congressman needs. He can

help the congressman formulate positions. He can provide campaign contributions. He can invite the congressman to speak to a group and provide him an honorarium.

A lobbyist or a Washington organization or a trade association provides a valuable communications network. Senator Dole is always very happy when the Wheatgrowers newsletter talks about what Senator Dole did for the wheat farmer in a given week. The newsletters, the information network, are something that the commodity organization offers to a congressman. That lobbyist is many times the go-between from the individual congressman to the relevant commodity or constituency group. The Washington representative is the one who can ask the people out in the country to call in and make their views known on a moment's notice to influence legislation.

For a congressman or senator, expectations are created which suggest the areas in which they are to specialize. These are generally defined by their state or district. For example, Milton Young was a long-time Senator from North Dakota. For many years he was known as "Mr. Wheat". That was a tremendous political plus for him to be able to go home and say, "Yes, they call me Mr. Wheat." The wheat farmers of that great state quickly got the idea that he was a significant power when it came to policy relating to that commodity. Whatever the background of a congressman, the expectations that they are there to meet are defined by the key commodities in that person's home state or district. It may be sugar, it may be cranberries, it may be specialty crops, it may be livestock. If a person describes himself as a farm state senator or a cotton state senator or a cornbelt senator, that immediately gives an indication of where he is headed.

Next, let us review the political pressures on the institutional structure in the process of developing a farm bill. I will deal first with the committee structure and then the full chambers of the House and Senate.

First of all, the Agriculture Committees are not representative of the people at large. They are not representative of their entire chambers either.

If you were to sketch a geographic distribution of the home states of the members of the House and Senate Agriculture Committees you would find they come very close to coinciding with the geographic distribution of cash receipts from agriculture commodities. In other words, if agriculture is big business in the home state, then that senator or congressman has an interest in getting on the agriculture committee. This is all very well intentioned. If agriculture is important to that congressman or senator's constituency then he wants to represent them and he will attempt to get on the agriculture committee.

The operation of the committees differs somewhat between the Senate and House. In the Senate there is an informal leadership along

commodity lines. Generally speaking, there is less partisanship in agriculture than on other committees. The commodity coalitions are really much more significant. Of course, there are party divisions and philosophical divisions, but the key coalitions focus around commodities.

The way the Senate Agriculture Committee has typically operated is that the senior members of the respective parties from the major producing regions of a particular commodity get together and work things out. It is almost a gentleman's agreement. If Senators Dole, Zorinksy or Boren from the wheat states can get together and talk about wheat, then they will produce something acceptable. Senator Huddleston and Senator Helms from the tobacco producing states of Kentucky and North Carolina will get together and work out something on tobacco. The senators from Nebraska and Iowa, in this case, from their respective parties, might get together and work out something on corn or soybeans. The point is that one group will honor the other. The implication is, I won't meddle in cotton if you won't meddle in wheat. So the groups get together and work out their differences commodity by commodity and then package it all together. Then the challenge becomes how to shoehorn it all into the budget, and that is where the tradeoffs begin.

In the House of Representatives it is a little more formal than that. There are specific subcommittees in the House Agriculture Committee, such as the Dairy, Livestock and Poultry Subcommittee; the Cotton, Rice and Sugar Subcommittee; the Tobacco and Peanuts Subcommittee; the Wheat, Soybeans, and Feed Grains Subcommittee; and other subcommittees a little more broadly organized. While the leadership structure is a little more formalized, the objective is basically the same as in the Senate.

What about party politics? As noted above, the real issue is commodity politics, not party politics. In agriculture there is less partisan distinction than in almost all of the other contentious issues and committees with which Congress deals. However, the fact remains that the party structure is still the environment in which the policies are developed.

Congress is organized along the lines of a two-party system. We have a majority leader and a minority leader. The majority party names the chairmen of the committees based on seniority, the majority names the leadership for the entire chamber, e.g. the Speaker of the House or the Majority Leader of the Senate, and then the most senior member of the minority party operates as the counterpart to the chairman. They each have a staff. Every senator and congressman, of course, has their individual personal staff. Committee chairmen have additional staff members on the committees. The total professional staff of the Agriculture Committee is divided into two-thirds of the people who work for the chairman and the majority party, and the other one-third of the staff members who work for the senior minority party member

and those on his side of the aisle. So while there is less partisanship, there remains this party structure in which it all operates.

Winston Churchill said something like, "This democratic form of government is extremely inefficient, in fact, perhaps it is the worst form of government in the world, except for every other form that exists today." There are probably great inefficiencies in the system, but we haven't found a better system for the people at large.

Some analysts say that, in effect, the United States has gone beyond a two-party system to a system with 535 different political parties — one for each Congressman. There is less identification with a party than there is individual name recognition that a congressman wants to establish in his or her own district. In other words, a person runs as himself, not as a person wearing a party label stuck across his forehead. This point is important, but Congress still operates within the framework of the two-party political structure.

Another consideration is outside organizations or other factors. Many other interest groups are getting involved in the development of farm policy, and this can lead to internal conflicts. Not long ago I was meeting with members of a milk marketing board from the United Kingdom. They are actually members of a cooperative, but unlike in this country, all the milk in the United Kingdom is required to be marketed through a single statutory cooperative. We were discussing agricultural policy with this group and they quoted a saying about agricultural policy from their country, "Up corn, down horn". I asked what that meant. They said that "corn" represents the grain sector, of course. "Horn" represents the cattle sector, that is, dairy or beef. "Up corn, down horn" means that when the price of corn and hence the price of feed goes up, then the profit margin of the feeder, the cattleman goes down. While we might look at it differently in this country, there is a lesson there. "Up corn, down horn" might be the attitude of United States cattlemen after the government actions of recent years. Agribusinessmen in the United States are more concerned and more actively involved in farm policy in '84 and '85 than they have ever been, and it will be interesting to see what kind of impact they have in '85.

Recently I met with the National Pork Producers Council's Farm Policy Committee. For the first time, that organization is formulating some specific recommendations or, at least, keeping track of what is being developed. If they see something that is adverse to their interests, they may be prepared to make a counter reaction.

Burton Eller, the chief lobbyist of the National Cattlemen's Association, talked about the role of the cattle people in the farm bill process the other day. He said that in the past they have been like Baptists who had been absent from church. Now they are going to be inside the church but in the back pew. They may not be in the front row and they may not come up to the altar. They will if they have to, but they

are going to be inside the church keeping track of what is going on. That is where the cattlemen say they are in the farm bill process. The PIK Program, the Dairy Diversion Program — these factors got the attention of the livestock sector and the agribusiness sector over the last couple of years. They decided that they are going to be involved in order to at least keep track of what's happening if not, in fact, to directly try to influence it or make specific recommendations.

Our association, the National Council of Farmer Cooperatives, is really in the middle. We are an organization of farmer-owned associations and we are extremely sensitive to that. I know who our owners are, they are the farmers out there. But we, too, are going to be more active in 1985. We are working on domestic and international trade policy recommendations so that we can add our voice of support for farm organizations on those positions which we think are particularly important. We are working through the farm and commodity organizations to do that. Recently I had breakfast with the new Chief Executive Officer of the National Corn Growers Association. They have established an office. They are gearing up and building up their organization, and we met with them to share ideas with them. That is the cooperative, supportive role that we will be taking. It is a more active role that realistically recognizes the influence of the commodity groups with their specific focus on a given title of a particular farm bill.

As many know, the United States Department of Agriculture (USDA) publishes a yearbook. In my review of that USDA annual, I found some interesting discussions of problems caused by reduced corn yields from last year's drought, surplus stocks of some commodities, falling farmland values, and so forth. These factors are familiar to all of us. Yet the interesting thing about these factors is that I was reading about them in the USDA yearbook of 1930. In a sense the lesson is that certain things never change.

Another interesting thing about this yearbook is that on the inside cover are pictures of the members of the Federal Farm Board, constituted and operating back in 1928-30. It is an interesting reflection of how policy structures have changed. Perhaps we are poised for another change in the farm bill in 1985.

Of course, change comes only gradually and incrementally, but there are those in Washington who are pointing to the need for a policy shift. They are saying that in addition to the traditional goals of farm policy — (1) supporting farm prices and income, (2) facilitating adequate supplies, and (3) encouraging orderly marketing — a fourth goal needs to be added. The fourth policy goal would be that of competitiveness in international markets. American agriculture is exporting much more than we did in the 1930's when farm programs began and it is time for a modification to reflect this change.

We should consider the setting for the development of the farm bill

in 1985 compared to what it was in 1981. Recently I blew the dust off a copy of the proceedings of the USDA Agricultural Outlook Conference from November of 1980. Some of the best brains in the business, both inside and outside of government, were expressing the view there that the double digit inflation of the late '70's would continue, exports would continue to boom and expand and we could plan our programs accordingly. That is exactly what Congress did. Based on a certain set of optimistic assumptions, the Congress adopted higher loan rates and escalating target prices in an effort to offset double digit inflation.

That was the setting in which the farm bill was developed in 1981. In 1985 I see a different setting on the horizon. The economic setting will be dictated by high budget deficits and efforts to control spending. I think there will be severe budget pressure in 1985 as well as concern about exports falling from their high of $44 billion in 1981 down to $38 billion in 1984. We expect to see the value of farm exports recovering somewhat this year but the actual volume, the actual amount of exports, continuing to decline a little bit, with the prospect of some recovery next year. Even so, this concern about exports will be another factor in 1985.

As Will Rogers once said about the budget, "The budget is a mythical beanbag. Congress votes mythical beans into it and then tries to reach in and pull real beans out." Will Rogers also said something like, "You have a budget like you have a limit on a poker game. You have an absolute limit. You are not supposed to ever go beyond it — that is until at least an hour after the game has started." In a sense that is the way Congress has been operating its budget process.

In 1981 Congress adopted a first concurrent budget resolution and then they adopted a farm bill which fit within that budget resolution. This may seem surprising in light of all the publicity about massive farm program spending of nearly $20 billion, but it is true — according to the estimates at that time. I was recently cleaning out files and discovered a copy of the estimate of the total cost of the 1981 farm bill at the time it passed. The total cost over the five year period of the bill was estimated at $19 billion. In fact, two years later we spent that much in a single year! As economists say, perhaps "the totals do not add due to rounding". . .

In fact, Congress developed a farm bill in 1981 that fit the estimates and the budget constraints that existed at the time. However, funding mechanisms such as the Commodity Credit Corporation allow spending on these programs to function as an open-ended entitlement. In contrast to the earlier estimates, farm program spending reached record highs.

Another influence on policy development is what some have called the 80/20 problem. If 20 percent of the producers produce 80 percent of production, that means 80 percent of the producers produce 20 percent of the production. The truth of the matter is that the 80 percent

may only have a small share of production, but they have 80 percent of the votes.

Congress is going to be hearing from the countryside that there is economic stress. The typical response of Congress to economic stress on the farm is to increase the loan rate a nickel or make some other upward adjustment in support levels. Perhaps that is an unrealistic response in this day and age. Of course, we must recognize the great variability among producers. Perhaps a third of the farmers hold their land debt-free, another third is in the middle, and the other third are up to their eyeballs in debt. Politically, there will be calls for help, but the problems of the final third are not going to be solved with a nickel on the loan rate and Congress needs to recognize that fact. Throughout this time, farm policy will be caught in the conflict between the desire to spend money to solve farm problems contrasted with the limitations on overall spending as we work to control the deficit.

In closing, there are three rules of international diplomacy which perhaps apply to practical politics as well. Charles DeGaulle stated these three rules for diplomacy: (1) Always seize the initiative. (2) Always stay "in" with the "outs", that is, cultivate relationships with both the party in power and the party out of power. A recent example would be Soviet Foreign Minister Gromyko meeting with candidate Walter Mondale. He is staying in with the outs, making sure he has connections on both sides. And finally, (3) Never get caught between the dog and the fire hydrant.