

# PAPERS PRESENTED

## SOURCES AND USES OF AGRICULTURE'S POLITICAL POWER\*

*Don Paarlberg\*\**

### INTRODUCTION

The farm lobby has been remarkably successful in winning Congressional favors. Preferences have been won for farm people in many areas: taxes, transportation, working conditions for hired farm labor, and above all in the enactment of commodity programs like price support and production control for the leading crops. The foregoing initiatives all reflect, to a greater or lesser degree, various special interests of farm people.

Other legislative ventures are more expressive of the general interests of farm and sometimes non-farm people. Among these are research, education, improved resource use, crop reports, outlook work, use of grades and standards, food aid, oversight of the commodity markets, disease control, and assurance of wholesomeness in the food supply.

The focus of this article is primarily on the commodity programs. These are by far the most costly and, in my judgment, the least useful of the agricultural favors granted by Congress. In fiscal year 1987 the cost of the commodity programs was \$23 billion.<sup>1</sup> This amounted to an average of about \$10,000 per farm, although some farmers got multiple millions and many got nothing. It was equal to about half the net income of all agriculture.<sup>2</sup>

Farm people now number 2.2% of the population.<sup>3</sup> My high school civics teacher said that in a representative government, numbers were decisive.

---

\* This article is based upon the keynote address delivered at the annual meeting of the American Agricultural Law Association on October 15, 1987.

\*\* Professor Emeritus, Department of Agricultural Economics, Purdue University.

1. WEBSTER COMMUNICATIONS CORP., *THE FOOD AND FIBER LETTER* 2 (1987) [hereinafter WEBSTER].

2. UNITED STATES DEPT. OF AGRICULTURE, *AGRICULTURAL STATISTICS* 43 (1986).

3. *Id.*

For agriculture this appears not to be true. How can this disproportionate influence be explained? I offer ten reasons:

### I. THE PUBLIC IS FAVORABLY DISPOSED TOWARD FARMERS

Farmers on the whole have a good public image.<sup>4</sup> Every poll confirms this, although many farmers think or profess to think that the public is against them.

Some years ago a major farm organization began a public relations initiative. Groups of three or four farmers would go to supermarkets to visit with the customers and educate them about what good people farmers were. When they finished their assignment, they stopped to report at the Department of Agriculture. "Guess who got educated," they said. "We did! The customers in the grocery stores think farmers are good people."

The idea that farmers are worthy citizens traces a long way back. It was given powerful impetus in France 250 years ago by Francois Quesnay, leader of the Physiocrats, who taught that all new wealth comes from the soil and that farmers are therefore especially worthy citizens. The idea was carried to the United States by Thomas Jefferson and took quick root in the new country, which had an abundance of new land and a great many people eager to farm. The idea persists strongly to this day. Farmers are seen as producing the most-needed product of all. They are viewed as hard-working, independent, and God-fearing, the cornerstones of democracy. They are seen as the epitome of sociological soundness—working close to nature, the son apprenticed to the father, carrying on a great agrarian tradition. There is considerable nostalgia in this perception, but there is some undeniable confirmation in fact. It probably is true that legislative gains by farmers are not so much prizes won by the exercise of political power as benefits conferred by an indulgent state.

### II. THERE ARE MANY "AG ALUMNI"

The farm population, as of 1985, was 5,355,000. From 1930 to 1974, the period of maximum off-farm movement, 33,000,000 people left agriculture, six times as many as those presently on farms. Many of these farm-leavers are still around, maintaining some part of their original pro-farm bias. The half-life of a pro-farm attitude may be as much as a generation. To these "ag alumni" should be added the people who produce and sell to farmers their input items, such as machinery, chemicals, and fertilizer. And one must add also those who buy, process, transport, finance, and merchandise farm products. Altogether these agribusiness people outnumber the people on the land by a ratio of four to one. Concerned as they are with the eco-

---

4. W. BROWNE, PRIVATE INTEREST, PUBLIC POLICY AND AMERICAN AGRICULTURE 90 (1988) [hereinafter BROWNE].

conomic well-being of their customers and suppliers, these food-industry people tend to support, with various degrees of enthusiasm, many farm initiatives. Altogether the food sector provides about 20 percent of America's jobs. Those who try to measure farm influence by the number of people on farms are guilty of a gross underestimate.

### III. THE "FARM STATES" ARE THOUGHT TO HOLD THE BALANCE OF POWER

Some fifteen states, from the Mississippi River to the Rocky Mountains, and from the Gulf to the Canadian border, are considered to be the "farm states." They are thought by many politicians to hold the balance of power in presidential elections. In 1948 Harry Truman, Democratic candidate for the presidency, made a strong pitch for the farm vote, attacking the Republicans for having "stabbed the farmers in the back." He turned the campaign around and won the election. Ever since then the politician's perception has been that the farm states will be instrumental in putting into office the party that responds most visibly to their wishes. Hence the great political solicitude for their well-being as the politicians perceive it. I do not know of any competent study done by a political science researcher that confirms or refutes this judgment, but in politics the perception is more important than the objective fact.

Farmers have disproportionately strong representation in the Senate. Every state has two senators. South Dakota, a farm state, has as many senators as Pennsylvania, an industrial state with seventeen times as many people. Farm lobbyists call the Senate the Upper House because it usually "ups" agricultural appropriations that originate in the House.

### IV. FARM POLITICIANS MAKE COALITIONS WITH NON-FARM GROUPS

Members of the House and Senate committees on agriculture work out agreements with colleagues who have labor constituencies. They agree to vote for an increase in the minimum wage in turn for support on the farm bill.<sup>5</sup> They agree to vote for food stamps and school-lunch programs if the consumer lobby will vote for higher farm price supports.<sup>6</sup> They agree with the senators and congressmen from the textile belt to vote for quotas on imported cloth in exchange for votes on a marketing loan for corn.<sup>7</sup> A coalition among labor, consumers, and agriculture contributed much to the passage of the 1973 Agricultural Act.<sup>8</sup> Neither the farm legislators nor their logrolling colleagues acknowledge to their respective constituencies that these voting trades have taken place. In fact, a farm legislator might make a

---

5. J. PETERS, *THE 1977 FARM BILL: COALITIONS IN CONGRESS*, reproduced in HADINGER & BROWNE, *THE NEW POLITICS OF FOOD* 250 (1978).

6. PAARLBERG, *TOWARD A WELL-FED WORLD* ch. 24 (1988).

7. *Id.*

8. GUTHER, *THE FOOD LOBBYISTS* 24 (1980).

stirring speech in his home district, critical of labor unions, welfare recipients, and big business firms for actions purportedly or actually hurtful to Americans, while at the same time giving aid and comfort to these alleged enemies. The political effectiveness of this kind of logrolling is evident in the results obtained.

#### V. CONGRESSIONAL REORGANIZATION INCREASES FARM STRENGTH

About fifteen years ago Congress reorganized itself to spread the power around, to democratize itself. It reduced the power of the party leadership, clipped the wings of the committee chairmen, created many more subcommittees, and gave almost every member a fiefdom of sorts.<sup>9</sup> It not only increased the staffs of the committees and the subcommittees, but also tripled the staff in the House.<sup>10</sup> The increased staffs both accommodated and invited increased lobbying efforts. The subcommittees, undisciplined by the overall committee chairmen, responded to their respective constituencies with little regard for the compatibility of the whole. The result was a fragmentation of the general interest. The subcommittee on feed grains voted for what the corn farmers wanted without regard for the wishes of the constituents of the dairy subcommittee or of the subcommittee on livestock. The dairy subcommittee in turn voted for the dairy whole-herd buyout program, dumping beef on the market without concern for the interests of the cattlemen. The overall committee chairman, shorn of his power, had no way to force reconciliation of these conflicting programs; he simply packaged them up and sent them forward. The party leader, reduced in his power, could no longer establish a party position. Responding to this opening for the special interests, the lobby groups surged forward. The number of major farm lobbies is now more than three times as great as thirty years ago.<sup>11</sup> Moreover, the degree of government involvement in the pricing and production of farm products is correspondingly greater.

#### VI. MONEY IS A POWERFUL INFLUENCE

The rise of political action committees is a powerful force for agriculture. The total number of PAC's increased fivefold during the four years from 1977 to 1981.<sup>12</sup> Of the nineteen current members of the Senate Agriculture Committee, thirteen have each received more than a million dollars from political action committees since 1972.<sup>13</sup> The contention of the recipients is that this money doesn't influence legislation; it merely gives the con-

---

9. See generally HARDIN, CLOSING THE BACKDOOR ON FEDERAL SPENDING (1984).

10. BROWNE, *supra* note 4, at 28.

11. *Id.* at 29.

12. CONWAY, PACS, THE NEW POLITICS AND CONGRESSIONAL CAMPAIGNS, reproduced in CIGLER & LOOMIS, INTEREST GROUP POLITICS 29 (1978).

13. WEBSTER, *supra* note 1, at 3.

tributor access to the lawmaker. But the gross evidence is that this is a myth. The commodity groups especially noted for the huge size of their contributions are dairy and sugar. These are also the two commodity groups that receive grossly more than their share of special favors.

There are now more than one hundred groups that have checkoffs—so much a bushel or a hundred pounds, collected at the point of first marketing, supposedly for research and promotion.<sup>14</sup> But part of this money goes to build up the personnel of the commodity organization, and some of it finds its way into lobbying activity.

#### VII. SPECIALIZATION AND THE DIMINISHING NUMBERS OF FARMERS MAKE IT EASIER TO ENACT FAVORED LEGISLATION

This statement seems implausible. But as farmers grow fewer in number, a legislature favorable to farmers can afford to be more generous to each one. There are a few more than two million farms. A farm program cost of \$23 billion means, as has been said, an average of about \$10,000 for each farm. It is highly unlikely that such a great per-farm benefit could be supplied if there were six million farmers, as there were when I was a boy.

And specialization contributes to the growth of farm programs. In the day of the general farm, the interests of feed production and animal husbandry had to be balanced at the individual farm level, as did the concerns of butterfat markets and soybean sales. But with specialization these concerns are separated and individually targeted at the various accommodating subcommittees.

Commodity interests no longer offset one another at the individual farm level. And Congress is so constituted as to accommodate these undisciplined special interests. Specialization helps explain the relative decline of the general farm organizations and the use of the specialized commodity groups. The farm front is now fragmented and the political sum of the new parts is greater than the former whole. "In union there is strength," we once said. Now it appears that the breakdown of the centralized strength has resulted in greater total strength for the separate parts.

#### VIII. THE MEDIA AS A POWERFUL PRO-FARM FORCE

In recent years such public figures as Willie Nelson, Jane Fonda, Jessica Lange, Cissy Spacek, and Sally Field contributed mightily to the perception that virtually all of agriculture was in crisis. One TV evening news staffer asked a farm organization for a "farmer who will cry on television."<sup>15</sup> As a result of strong focus on the "farm crisis," 83% of respondents in a 1986 national CBS news poll felt that half or more of the farmers were in finan-

---

14. BROWNE, *supra* note 4, at 102.

15. *Id.* at 91.

cial trouble.<sup>16</sup> While significant numbers of farm people were indeed in deep trouble, the true proportion was more like 15 or 20%. Even at the height of the financial crunch, the rate of farm failures was well below that of non-farm business.<sup>17</sup>

While the average per capita incomes of farm people were marginally lower than those of non-farm people, the average equity of farm-operator households was a quarter of a million dollars, four times the national average.<sup>18</sup> The focus in farm policy debates is on farm versus non-farm income, where farmers are on the average at a small disadvantage. Nothing is said about the other measure of economic well-being, where farm families are ahead by a wide margin.

One USDA policy person is said to have commented that the protest movement with its media support added \$10 billion to the cost of the commodity program package in the Food Security Act of 1985.<sup>19</sup> The media support for farm causes reflects—and augments—the generally favorable perception of farm people.

#### IX. WE CAN'T AFFORD TO STOP

During more than half a century, the commodity programs have been built into land values, mortgaged indebtedness, living levels, community services, and expectations. Their abrupt termination would be exceedingly harsh to many individuals and communities. Even some who regret that the programs have continued are reluctant to terminate them. Some say we have passed the point of no return. Perhaps the main reason for continuing them is the undoubted pain of their discontinuance. We are hooked on them; they are a form of addiction.

#### X. THE SPECIAL INTERESTS HAVE SUPERSEDED THE GENERAL INTEREST

The rise of special interests in agriculture is but a part—and a small part—of a general phenomenon. Two centuries ago the founding fathers met in Philadelphia to draw up the Constitution. They sought to balance the general interest with the special interest, and succeeded in doing so. But in recent decades this balance has been lost. Most of what is said here could be said of labor, industry, defense, health, and education. Common Cause, a public-interest organization, expresses dismay about the growth of the special interests. "The special-interest state is a system in which interest groups dominate the making of public policy. These interests legitimately concentrate on pursuing their own immediate—usually economic—agendas, but in

---

16. *Id.* at 90.

17. ECONOMIC REPORT OF THE PRESIDENT 112 (1984).

18. AHEARN, FINANCIAL WELL-BEING OF FARM OPERATORS AND THEIR HOUSEHOLDS 27 (Agricultural Economic Report 563 Sept. 1986).

19. BROWNE, *supra* note 4, at 112.



so doing they pay little attention to the nation as a whole.<sup>20</sup>

The tragedy is that the use of the legislative forum in the pursuit of narrow self-interest, while it may yield short-run gains, often results in long-run losses. This is true of many of the commodity programs. The supported prices, which are the heart of these programs, pursued for more than half a century, have yielded these adverse consequences:

- (1) Cotton growers have lost out to foreign cotton growers and to man-made fibers. King Cotton has abdicated to foreign rulers, and here at home, his throne is being usurped by upstart challengers.
- (2) Sugar producers have lost much of their market to high-fructose corn sweeteners. They are slowly committing suicide.
- (3) Tobacco growers have lost to foreign growers. Formerly exports of tobacco were a major foreign-exchange earner; now we import almost as much tobacco as we export.
- (4) Beginning farmers, who lack land and acreage bases, lose to established farmers who have production rights.
- (5) Tenants have to pay artificially high rents to landlords who hold acreage allotments.

Farmers experience growing dependence on government. The government programs, most of which are voluntary, are made so attractive that even farmers who disapprove of them are persuaded to participate. Independence, that treasured attribute, is being eroded away. The commodity groups have estimated the dollar value of agriculture's goodwill and are selling it off at so much a year. They need to know that one cannot sell off an asset and continue to possess it.

#### CONCLUSION

A major question is whether a system of entrepreneurship and representative government can continue to indulge special interests on the present scale—agriculture, labor, business, defense, health, education, and others. Self-indulgence and the consequent government outlays have given us a growing list of problems: a huge budget deficit; growing national debt, much of it held abroad; an increasing trade imbalance; and a weak dollar. We have lost much of such autonomy as we formerly had in international financial affairs.

Recent disturbances in the financial markets are in part a consequence of these indulgences. The centrifugal force of the special interests threatens to pull the country apart. The center may not hold. So much is being risked for seeming gains of so short a life.

This article has sought to explain the sources of agriculture's political power and examines the effect of that power on the commodity programs, which are assessed unfavorably. In other areas agriculture's political power

---

20. COMMON CAUSE, *THE GOVERNMENT SUBSIDY SQUEEZE* 11 (1980).

has been used for good purposes in the general interest. These have already been named: research, education, improved resource use, crop exports, disease control, the use of grades and standards, assurance of wholesomeness in the food supply, and many other initiatives.

The critical question for agriculture is not the acquisition of political power; that is already excessive. The real challenge is wise use of such power. When agriculture's political power has been used in response to the general interest, it has been advantageous; when it has been used to gratify the special-interest groups, it has all too often proved, in the long run, to be hurtful, and hurtful not only to the general interest but, in the long run, to the special interests that invoke it.