

Agriculture by Susan B. Cohen

Fact and fancy in Reagan's script

Reagan not only puts his foot in his free-market mouth, but defends Butz's pratfalls.

The Reagan campaign has lately put into circulation the candidate's support for, as the slogan goes, "100 percent of parity—in the marketplace." The interesting thing is not so much that the slogan is a self-contradictory nonsense phrase.

What is significant is the fact that the severity of the economic crisis in the U.S. farm sector—the worst since the 1920s, with bankruptcies right and left, markets in disarray, net income plunging, and our livestock industry prostrate—is creating conditions of near desperation that may impel producers to grasp for just the kind of straws Ronald Reagan is holding out.

Under such circumstances, it is appropriate to clearly distinguish fact from public relations ploy in the former movie star's pronouncements on farm policy.

Early on Mr. Reagan created the impression that he did not, in fact, know what parity is. In Kansas, in late March, Reagan was asked his position on parity. He said: "I wish I could answer the question for you that I know is a technical question. I have to confess to you that I am not as familiar with some things as that." Later, as the *New York Times* reported, he told journalists that he actually did know what parity was, but didn't want to talk about it "until I had talked more to both sides of the issue."

After Mr. Reagan had presumably "talked to both sides of the

issue," he promptly began talking out of both sides of his mouth. "I support 100 percent of parity," he told a Wisconsin audience in April, "in the marketplace." In other words, so long as the government doesn't get involved.

Parity, it so happens, is not a "free market" concept. Mr. Reagan is believed to be a good actor, but he's not that good. Parity refers to the federal government's explicit commitment to intervene to enforce orderly markets in agricultural products such that the necessary price level is maintained; the price level is established on the basis of full cost of production plus net profit for required rates of reinvestment.

Furthermore, Ronald Reagan's free-market advisers have stated publicly and explicitly their opposition to any, even existing, federal farm programs. The Committee to Fight Inflation, headed by former Federal Reserve Chairman Arthur Burns, has written a position paper acknowledged to be consistent with Mr. Reagan's views. The paper states in black and white that laws such as those on farm price supports and minimum wages should be dismantled. The committee, constituted in the past month, prominently includes former Treasury Secretary William Simon, named among the possible Reagan Vice-Presidential candidates.

As indicated in the farm policy statement released by the Reagan campaign last week in connection

with the Republican platform discussions in Detroit, Mr. Reagan is leaning heavily on the record and reputation of former Agriculture Secretary Earl Butz, the steward of the Nixon-Ford "free-market agriculture" program. Under examination, that record doesn't hold up very well.

Under Butz, the Reagan people like to say, federal farm subsidies went down and net income went up 16 percent, while under the Carter-Bergland administration it was the opposite. What is omitted is the fact that after farm income went up, it came right back down—from 1973 to 1977, well before Mr. Butz exited, net farm income dropped \$10 billion and production costs soared.

That fact is by no means surprising. While Reagan apologists like to complain about the Carter grain embargo—and in fact routinely resort to tough invective on the embargo whenever they are pressed on the actual content of Mr. Reagan's farm policy—it should be remembered that it was none other than Earl Butz who implored farmers to plant "all out" and then presided over not just one, but three successive embargoes.

There are further indications that Mr. Butz's judgment may not be very reliable. In August 1977, he could be found complaining to a UPI reporter that hardly anyone in Washington was smart about agriculture—with the exception, Mr. Butz emphasized, of Jimmy Carter, whom Earl Butz described as having both the farm knowledge and practical political skills to accomplish the job. Earl Butz called Jimmy Carter "the most skilled politician who has been in the White House since Franklin D. Roosevelt."