

Agriculture by Susan B. Cohen

Farm coalition fractured in Senate

The bottom line of tradeoffs among legislators, and between the Senate and White House, is ominous.

The Senate passed its version of a new four-year farm bill on Sept. 18 by a vote of 49 to 32. The bill guts some of the key commodity programs, at a time when farm producers are in the toughest economic bind since the 1930s.

The administration first demanded that the Agriculture Committee cut out all price supports, then demanded deep slashes, and succeeded in the end in securing a committee bill within \$100 million of the Stockman ceiling.

As of this writing, the House version of the bill, slightly more in line with producers' demands, has not yet been scheduled for consideration. Work on the farm legislation is proceeding against a deadline of Sept. 30, when existing legislation expires.

Underlying the fracas over the farm bill is a very basic policy dispute—pitting the advocates of a return to the proven policy of parity, only dimly reflected in existing farm programs, and the advocates of a pure “free-market” agriculture. Advocates of both views in the farm sector would prefer a one-year extension of existing legislation, so that this basic policy issue can be thrashed out during the election year of 1982. It may yet come to that in the House.

Senate debate focused on several key issues: the dairy program, which has been the primary scapegoat for budget austerity since the

Reagan administration took office; the target price program for the major grains; and the peanut, tobacco, and sugar programs, critical elements in the compromises the White House made with Southern legislators for their votes on the budget package.

Senator Roger Jepsen of Iowa took up the axe against the dairy program, clashing bitterly with fellow committeeman and Republican Rudy Boschwitz of Minnesota. Boschwitz fought to defend the committee's original dairy provisions, approved earlier by the administration, that would have supported dairy prices at 75 to 90 percent of parity depending on projections for “surplus” stocks.

Jepsen proposed an amendment that guts the dairy program altogether. Jepsen's plan, which was voted up after two efforts at compromise by Boschwitz were narrowly defeated, will freeze the dairy support price at the present level of \$13.10, or about 65 percent of parity, and put all authority for the future adjustments in the hands of the secretary of agriculture with the stipulation that program costs are not to exceed \$750 million.

Elimination of the target-price program, under which producers receive government checks for the difference between average market prices and a “target price” set by Congress, ostensibly in line with production costs, was one of the

administration's original demands. However, under pressure from producers and the imminence of financial disaster in the farm sector, Secretary Block abandoned that stance several weeks ago and shifted to an attempt to “lower the Treasury's exposure” by pushing target prices down as far as possible.

With Senator Lugar's (R-Ind.) amendment to eliminate the program as a foil, Senator Dole (R-Kan.) went on the offensive for the administration, seeking to reduce target-price levels for wheat to \$4.00 from \$4.20 and for corn to \$2.70 from \$2.80. Production costs for wheat *presently* stand at \$4.13, and that does not include land charges!

But the administration's plans threatened to go awry when Lugar, also a member of the Agriculture Committee, defied his own committee's consensus and proposed an amendment fundamentally altering the peanut program. Majority Leader Howard Baker proved unable to kill it, and for a time the door was wide open for sinking the entire bill.

A compromise measure on the peanut program by Senator Mattingly (R-Ga.) was approved only narrowly. But the Lugar move in defiance of Agriculture Committee chairman Jesse Helms had already opened the way for a similar attack on tobacco and sugar.

An angry Helms threatened at one point to pull the bill off the floor, but the administration's steamroller proved capable over the next two days of defeating attacks on both the sugar and tobacco programs. At the last minute on Sept. 18, the Republicans simply shut off further debate on the bill, and moved for an immediate vote.