GOVERNMENT PROGRAMS: WHAT ARE THE NEAR-TERM PROSPECTS?

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and
Ross B. Talbot*

Our first task is to look for the factors likely to be associated with farm policy innovation. Granted that each major farm policy change has been a unique blend of factors, the absence or presence of some of these factors is a useful basis for predicting in advance whether major policy will be enacted or implemented. Past predictions of major enactments made on this basis have been accurate on balance. Less accurate predictions have been made about the direction and content of such programs.

Some major enactments had not been generally anticipated (perhaps those in 1956, 1963, 1965), and presumably the major efforts which failed were not usually predictable failures. However, some major laws had been anticipated well in advance of the session during which they were passed (1929, 1933, 1938, 1948, 1962). As for the quiet years, it had usually been fairly clear that no major legislation was likely to be passed.

The factors of farm policy change are related to leadership and, also, to the context in which change must take place. Let us first look at the precedents with respect to leadership.

Leadership

Passage of major policy ordinarily requires a planned, persistent effort by a well-positioned and vigorous leadership. Past sources of such leadership have been:


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4. Commodity blocs composed of interested legislators.

5. Farm organizations seeking to enhance power and to increase farm income (of importance during several years, key leaders in 1922 and 1938).

6. Other groups seeking to enhance their power or to advance some public interest concept have been important participants in leadership on several occasions, including government agencies (1936, 1938, 1949, 1956), business organizations (1929, 1954), and labor unions (1949).

During 1968 and 1969, numbers 1, 2, and 3 above are the most likely sources of effective leadership. However, the political context, as described below, does not seem particularly amenable to substantial policy change. Nor is there likely to be substantial commercial farm income improvement.

**Political Context of Farm Policy Change**

1. **Context of the executive branch.** Three factors affecting the posture of the executive branch with respect to farm policy are as follows: (a) time periods within the electoral cycle, (b) relative prominence of domestic policy, and (c) relations with Congress.

   a. During the first post-election year or two, a new administration may support policy revisions. Also, during election years, demands for increased farm income are likely to encounter a low threshold within the administration.

   b. Both the normal concerns and the normal constraints of farm politics are less prominent during wartime, when the Chief Executive is seeking to mobilize resources for war. In the present limited conflict, the Administration has tried to minimize the effects of limited war upon the domestic policy. However, as needs of the present war have increased, the Administration has probably diverted resources which would otherwise have been used for agricultural policy. It has been the function of congressional agriculture committees during such a period to seek to prevent the executive from overriding the usual political and "equity" criteria for farm policy.
Although the wartime executive remains under pressure to meet peacetime domestic objectives, he finds in general that he is allowed more freedom in the choice of mechanisms. World War I, for example, occasioned the first use of the government marketing corporation. This was then put into mothballs for the decade following the war, and used again in the crisis of depression.

c. Observing the swinging pendulum of presidential-congressional power relationships, clearly most farm legislation has been passed during periods of executive dominance. However, Congress has still had an impact on farm policy during such periods, because the President has often given way on farm policy as a means of shepherding his power for use on other matters. For example, during World War II, the Roosevelt Administration reluctantly allowed the inauguration of high, fixed price supports in order to keep rural legislators supporting his vexed administration.

2. Context of the Congress. The congressional agriculture committees, in their function of ironing out farm programs, have been a most useful access point for commercial farm interests which commodity legislation has served. These committees, when preparing bills for enactment, could be counted on to increase income benefits and in other ways to make these programs more pleasing to their constituency. Lately, the committees may be losing the confidence of their legislative bodies, as their membership drifts away from the mainstream of liberal support which has been essential for passing their farm programs.

As Table 1 indicates, agriculture committee membership falls increasingly within the conservative coalition, even while recent farm programs have been passed mainly by the liberal coalition. The lack of harmony with their supporters is revealed in the committees' most recent efforts to get major legislation passed on the floor. In 1967, as we shall see, the committees' offerings were often rejected or revised substantially before passage. There is reason to question, too, whether the Democratic coalition which passed President Johnson's domestic legislation will continue in its present form.

3. Context of the courts. Ever since the first major production control measure was invalidated by the Supreme Court (U. S. v. Butler, 1936), farm policy makers have been mindful of the Court's existing concerns, although policy makers perhaps have a poor record of anticipating the future concerns of the Court.
Table 1. Agriculture Committees Versus Their Congressional Supporters.

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<tr>
<th>Conservative Coalition Support Scores*</th>
<th>Both Parties</th>
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<tr>
<td></td>
<td>D</td>
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<tr>
<td>Average of House Committee on Agriculture</td>
<td>1963</td>
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<tr>
<td></td>
<td>1965</td>
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<td></td>
<td>1967</td>
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<td>Average of Senate Committee on Agriculture and Forestry</td>
<td>1963</td>
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<td>1965</td>
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Average Conservative Coalition Support Score (89th Congress) of House members who voted for (against recommitting) the Food and Agriculture Act of 1965 = 24.7

*Based on Congressional Quarterly's calculation of the percentage of roll calls on which the Representative or Senator voted in agreement with the position of the conservative coalition.
Again as in the New Deal, farm policy offers inviting targets for judicial scrutiny should the Supreme Court expand the boundaries of its present concern over race discrimination embedded in economic policy, or should the Court find other dimensions of the 14th Amendment -- such as restrictions on economic policies which have the result of constricting residence patterns of citizens of the United States, and policies which definitely even if inadvertently channel internal migration. In the case of Brown v. Board of Education (1954), Chief Justice Earl Warren remonstrated that the Court is interested in preventing "sophisticated" discrimination as well as "simple-minded" discrimination. Given the present character of the Court, and the nature of the times, the Court may be expected to pursue its interest in sophisticated and silent discrimination, and perhaps even to develop an interest in inadvertent discrimination.

4. Termination dates. Most recent farm income legislation must be renewed periodically, because termination dates are written into the legislation. Of course, payments to farmers must be funded in yearly appropriations, although CCC price support operations may in theory continue indefinitely, using existing capital or authorized credit.

5. Electioneering. As an election issue the importance of farm policy to farmers is relative to the importance of other issues and the importance of candidate personalities. It is relative also to the level of farmer frustration, which stems from perceived conditions or from experience under an incumbent administration. Put another way, the "farm issue" will be more important to farmers if it does not have to compete for their attention with such issues as war and domestic disturbances, and if attention to issues is not overridden by farmer identification with an attractive presidential candidate. If farmers are feeling an economic pinch due to indebtedness, inadequate income, or other factors, the "farm issue" may be paramount in any case.

In addition, frustrations from whatever source tend to be cumulative during a given administration. As Table 2 suggests, farmer support tends to dwindle as an administration becomes familiar to them.
Table 2. Farmer Disillusionment With the Incumbent Administration
In A Rural Iowa District (Iowa 7th).

<table>
<thead>
<tr>
<th>Year</th>
<th>% Democrat</th>
<th>% Republican</th>
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<tr>
<td>1946</td>
<td>37.0</td>
<td></td>
</tr>
<tr>
<td>1948</td>
<td>43.1</td>
<td></td>
</tr>
<tr>
<td>1950</td>
<td>37.7</td>
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<tr>
<td>1952</td>
<td>32.6</td>
<td>67.3</td>
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<tr>
<td>1954</td>
<td></td>
<td>60.4</td>
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<tr>
<td>1956</td>
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<td>55.4</td>
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<td>1958</td>
<td></td>
<td>51.5</td>
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<td>1960</td>
<td>44.2</td>
<td>55.8</td>
</tr>
<tr>
<td>1962</td>
<td>43.9</td>
<td></td>
</tr>
<tr>
<td>1964</td>
<td>53.5</td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>40.9</td>
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Table 3. Summary of Factors.

For policy change

- Wartime experimentation
- Possibility of new Administration
- Approach of termination dates
- Farmer frustration
- Possibility of judicial intervention

Against policy change

- Lack of well-positioned, vigorous leadership
- Balance of power between Congress and President

For A Higher Commercial Farm Income

- 1968 election year
- Congressional leverage in wartime
- Congressional oversight
- Farmer reaction against government

Against Higher Commercial Farm Income Policy

- Competing war demands
- Weak congressional committees
- Relative importance of personalities and non-farm issues in next election
Summary of Factors in Farm Policy

The general situation is neither wholly favorable nor unfavorable to legislation. It remains to be seen whether adequate leadership will be forthcoming from the Administration during the election year or during the two years following. On the side of new policy is the tendency of wartime problems to generate novel solutions, and the fact that legislative termination dates are approaching. Farmer frustrations also give urgency to the search for new policy.

It is not clear whether commercial farmers will lose or gain from such changes as are made (see table 3). In support of a higher commercial farm income policy: 1968 is an election year; Congress has leverage because the President needs its cooperation in conducting a major military conflict; farmers are unsatisfied. Against higher commercial farm income policy: the Administration gives war needs the highest priority; the congressional committee link in the farm policy chain has become critically weak; and there is a possibility that the clash of presidential personalities, and interest in other pressing issues, will crowd out farm policy as an important election issue.

The Near-Term Prospects

Having outlined the general political context of American agriculture today, we now proceed to examine the near-term prospects for political action to alleviate the "farm problem." The main thrust of our earlier analysis was: the time is not ripe for major changes in basic farm legislation. This section of our exposition assumes that there is a logical consistency in American politics in that policy follows power; where the elements of power are not available the forces of change will not prevail.

What can farmers expect from the 90th Congress (1967-68)?

The easy, reasonably accurate, answer seems to be: not much. However, we will attempt to outline an answer by posing and discussing three subordinate questions: What has been passed thus far? What legislation will probably be passed? What will more than likely not be passed? And why not?

1. What legislation has been passed thus far?

(a) Agriculture appropriations for fiscal 1968.
All in all, the Johnson Administration received about what it has asked for -- an appropriation of nearly $5 billion. The major controversy centered around the issue of whether to reimburse the Commodity Credit Corporation (CCC) for losses sustained in fiscal 1966. The President and Secretary Freeman decided to request only enough ($1.4 billion) to cover anticipated losses for the current year. The Senate voted to restore the full amount; the House was adamant in its demand to uphold the Administration's request, and the House position prevailed. The issue here was actually more concerned with inflation and budgetary deficits than it was with farm programs or farmer incomes.

The P.L. 480 appropriation was cut back some $167 million; the ASCS allocation was whittled down about $29 million; and the food stamp program ($185 million) was paid for by a direct appropriation rather than through the proposed use of tariff receipts under "Section 32."

(b) Food Stamp Act Revision.

A second major legislative decision (as of mid-December, 1967) of direct concern to farmers was the extension for two years of the Food Stamp Act of 1964. We cannot try here to unravel all the political implications of this bill, but it involved conflicts of ideology, and pointed up the persistent urban-rural conflict over allocation of costs and the assumption of responsibilities. Divisions on this bill revealed, again, a lack of party unity -- particularly within the Democratic Party, and also among the major farm organizations. It was difficult even to get the bill reported out of the rural, conservative House Committee on Agriculture. When the bill did emerge there was attached a cost-sharing provision which would have required each state to pay 20 percent of the costs. Chairman Poage (Democrat, Texas) declared that "there is not a state in this Union that is so poor that it cannot pay $1 out of $5 to feed these poor people." Congressmen Belcher (Republican, Oklahoma) favored killing the bill altogether. However, the House by a 173-191 roll-call vote rejected the cost-sharing provision. Democrats voted 49-164 against the amendment (N.D. 2-132, S.D. 47-32), while Republicans supported the amendment, 124-27.

After extensive debate in both Houses, culminating in sharp disagreements between the House and Senate versions and almost irreconcilable differences in the conference committee, a two-year bill was finally passed with authorizations of $200 million for fiscal 1968 and $225 million for fiscal 1969.

(c) Wholesome Meat Act of 1967.

Surely one of the most interesting developments concerning food legislation pertains to the passage of the Wholesome Meat Act of 1967. Meat processors who sold only within a single state have been exempt from USDA meat inspectors. For some years there have been a few voices in Congress protesting "The Jungle-like" conditions which ostensibly prevailed in these non-federally inspected plants. Little was done, although it now appears that the USDA had fairly well confirmed the accuracy of these charges through spot checks conducted in 1962 and 1967.

Through newspaper and magazine disclosures, skillful leadership in both the House and Senate, an aroused consumer-housewife public, and the stubborn and reluctant tactics of the American Meat Institute and the Western States Meat Packers Association, this simmering issue gradually escalated into a full-scale legislative assault, led by Representatives Smith (Democrat, Iowa) and Foley (Democrat, Washington) and Senators Montoya (Democrat, New Mexico) and Mondale (Democrat, Minnesota).

When the House first passed the bill on October 31, it was just another example of moderate-type "creative" federalism, with Federal funds to be used as an inducement to the states for the improvement of their administration of intrastate processing plants. The Senate version, passed on November 28, gave the USDA inspection control over nearly all intrastate plants, and permitted the respective governors the discretion of placing intrastate plants under USDA jurisdiction immediately.

The Conference Committee report was very close to the Senate version, although the provision relating to the governors' power was deleted. House conferees Poage and Gathings (Democrat, Arkansas) refused to sign the conference report, but the measure had acquired such a political momentum that the report was accepted on December 6 by a voice vote in the Senate and a 336-28 roll-call vote in the House.
It appears that no other significant food legislation will be passed in 1967. Congress did approve House Joint Resolution 267 late in March, which authorized an additional three million tons of food grain to India at an estimated cost of $190 million. However, the Department of State and the USDA already had the authority to make this decision. The Administration asked for Congressional approval in order to strengthen its diplomatic moves to push India toward more self-help and to maneuver other Western food-exporting nations into a position of "lending more of a helping hand."

Other legislative acts and resolutions which passed pertained to the transfer of tobacco allotments and acreage-poundage quotas, to the extension for three years of the special milk programs for the Armed Forces and veterans hospitals, and other special laws of minor importance.

What bills will most likely be passed by the 90th Congress in 1968?

By far the most important decision to be made next year in the area of food legislation will be concerned with the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480). This law was extended for two years by the Food For Peace Act of 1966, so its future, in some form, must be decided by the second session of the 90th Congress. P.L. 480 will almost surely be renewed again, but there are very serious questions as to what will be its scope and magnitude.

Probably every person concerned with food assistance to the less-developed nations is concerned that there is, actually or impending, a "world food crisis." There are, however, serious and fundamental disagreements as to what the U.S. should do to alleviate this crisis. Capsuling the issue in too simple a manner, there are three fundamental positions. First, the general farm organizations, except for the AFBF, would move toward expanding production of food grains in the United States in order to feed the hungry nations. According to a recent editorial in Wallace's Farmer: "We are in the best position of all the countries in the world to expand food production quickly. We have the land, the capital, the production supplies, and the skilled farmers to do it."2/

Secondly, the Farm Bureau would abolish the present price support laws, institute a more extensive land-retirement program, and use the money that would be "saved" to purchase surplus food in the "free market" for shipment to the less-developed nations.

On the other hand, and third, there seems to be a consensus among the agricultural and development economists that the U. S. cannot feed the hungry nations, at least for more than a few years—perhaps to 1975. Moreover, they contend that it is not in the interests of the new nations to receive this food assistance, other than to meet short-run national emergency conditions. Rather, the prime emphasis should be on self-help assistance in the form of various types of developmental aid. This position is clearly set forth in the May 1967 report of the President's Science Advisory Committee.3/

The USDA finds itself caught in a political dilemma. The ideological inclinations of the Freeman Administration seem to indicate a preference toward "feeding the hungry world," but mounting military expenditures, an already serious budget deficit, and a bitter and aggressive demand for a far greater allocation of federal funds to the metropolitan areas, do not permit an all-out attack in "the war on hunger."

Our best guess is that this Congress will extend the Food for Peace Act of 1966 for one more year, that appropriations will be about the same ($1.6 billion), perhaps a slight increase. If the hot war in Viet Nam is transformed into a type of "cold war," then the all-out production school might well prevail.

Secondly, it looks as if Congress will make some extensive amendments to the Consolidated Farmers Home Administration Act of 1961. These amendments would provide for a considerable increase in federal financial aid, through the assistance of the Farmers Home Administration, for low middle-income commercial farmers, under-employed farmers, and rural development. S.1504 passed the Senate by voice vote on August 28, but the bill has not yet been acted on by the House Committee on Agriculture.

Finally, the USDA has recently asked Congress to overhaul the Packers and Stockyards Act of 1921. From November 1965 to November 1966, 10 packers went out of business, owing farmers

some $3.25 million for livestock. Farmers and farm organizations are in full agreement that this malpractice should cease, and farm leaders seem to agree with the USDA's proposed revisions of the basic law.

What farming legislation will probably not be passed in the 90th Congress and why?

Throughout most, if not all, of American history, farm leaders and many farmers have been convinced that they need more bargaining power in order to negotiate on more equal terms with those to whom they sold their product, and from those who sold them the tools of production.

For some years, farm organizations -- and especially farm cooperatives -- have been of the opinion that the Capper-Volstead Act of 1922 exempted cooperatives from the provisions of Federal anti-trust legislation. U. S. Supreme Court decisions in 1960 and 1963 have given them some concerned second thoughts. Moreover, increased emphasis in the area of contract farming and vertical integration have led farm groups to the conclusion that they need federal protection against large-scale business organizations involved in the production, processing and distribution of food products.

This controversial issue is packed with complexities but, looking at the matter simply in terms of the legislative process, it can be summarized as follows: the Senate did pass an Agricultural Producers Marketing Act (S.109) in 1967, although several weakening amendments had to be accepted in order to get the bill out of committee. The proponents of the bill anticipated that the House Committee on Agriculture would strengthen the proposal, but it emerged from that committee in about the same form as it had passed the Senate.

At this juncture, the farm organizations -- except for the AFBF -- asked the House Rules Committee to "kill" the bill. And it looks very much dead, at least for the 90th Congress. In the expressive phrase of the NFO, "What was hoped for was a bill that would give the chickens a bit more protection from the fox. What we have instead is a bill that in a number of respects protects the fox."4/

Another major area of farmer concern is that of food imports. Imports of dairy products tripled in 1966 -- 9 billion pounds of milk equivalent were imported in the 1965 calendar year as contrasted to 2.7 billion pounds in calendar 1966. "Junex" (a butterfat/sugar mixture) went from 4 million pounds imported in 1965 to 105 million pounds in 1966, and attempts by the USDA to curtail these imports through the use of Section 206 of the Sugar Act were unsuccessful. However, the new dairy import quotas, proclaimed by the President on June 30, have caused a sharp decline in dairy imports.

Meat imports have increased to the point where it is estimated that they will equal from 5.7 to 5.9 percent of the domestic consumption in 1967, as contrasted to 4.2 percent in 1965. The cutoff point, based on the Meat Import Control Act of 1964, has not yet been reached, and some meat producers are having serious second thoughts as to the acceptability of that piece of legislation.

The Dairy Import Act of 1967 was introduced as S. 612 by 56 Senators in January, 1967, but it seems quite doubtful that it will be passed. The American farmer must export in order to prosper, and farm exports of some $6.7 billion are anticipated for the current fiscal year, with about $5.1 billion of that amount as dollar sales. The remark by Raymond Ioanes, director of the Foreign Agricultural service, at the USDA's recent Outlook Conference, seems to sum up the dilemma: "Too many people -- and I will not exclude people in our own country -- want to have all the pleasure of trade without any of the pain." At this point it would appear that the Administration's opposition, including the threat of the Presidential veto, will prevent the passage of any dairy or meat import control legislation.

During the early part of 1967, when carryover stocks of wheat and feed grains were relatively low, there was considerable political talk about the need for a grain reserves bill. H.R. 12067, introduced by Congressman Purcell (Democrat, Texas), would have required the CCC to maintain stocks equal to 20 percent of the annual domestic use and exports of wheat, 15 percent of field grains, 6 percent of soybeans, and the same for rice. Somewhat comparable bills have been introduced in the Senate by McCarthy (Democrat, Minnesota) and McGovern (Democrat, South Dakota).

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Purcell was unable to get his bill out of sub-committee; the vote was 8-6 against reporting. Those who favored the measure based their arguments largely on national security reasons, although Secretary Freeman clearly had economic and political objectives in mind, too. He expressed his unhappiness at the demise of the Purcell bill by observing that the measure would have boosted market prices for wheat and feed grains by 10 cents a bushel, thereby raising farm income by as much as $500 million.

The AFBF led the opposition to the grain reserves bill. They viewed it as just one more piece of evidence that the USDA wanted to control the farm economy, and they were sharply suspicious that -- even with legal protection -- the reserves would be used to lower market prices, if these prices reached parity or above.

Early in January of this year, the USDA sent to Congress a bill (H.R. 1400) which would have substantially revised the financing procedures for the Rural Electrification Administration. An Electric Bank and a Telephone Bank would have been set up to administer the financing of both these REA programs. In Chairman Poage's words, it was the "major piece of legislation" before his committee this year. The bill, as finally reported, was unacceptable to the National Association of Rural Electric Cooperatives and the National Farmers Union, who were the primary advocates. Thus it seems doubtful that the bill will be acted on by this Congress.

The AFBF-sponsored Wheat and Feed Grains Act of 1967 will almost certainly never leave committee. Revisions to the U. S. Grains Standards Act may be accepted. A so-called National Labor Relations Act for migratory farm workers is being considered by the Senate Labor and Public Welfare Committee and the House Education and Labor Committee, but it is not likely to be passed.

The NFU has resurrected its proposal, first made by M. W. Thatcher in the mid-1940's, for a National Agricultural Relations Act. The basic idea is for the establishment of federal control

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over matters of price and supply, commodity-by-commodity, and after winning a referendum vote for the producers of each commodity. Apparently the NFU will have a draft bill ready for introduction by the 1968 session, and the USDA seems to be analyzing several versions of this type of bargaining-power legislation. However, the NFU is the only major farm organization supporting this approach, so the odds are against its acceptance, although it might prove to be helpful for campaign purposes in 1968.

What about the policy-making role of the USDA?

At the moment, the Secretary of Agriculture is being pulled and hauled in several incompatible directions. The White House demands a farm policy that decreases public costs, maintains "cheap" food, and increases -- or at least stabilizes -- farm income. The farmer expects to receive parity through voluntary, but costly, federal price support programs. To some extent, the food-deficit, less-developed nations look to the USDA as a residual supplier who will be able to step in during time of famine, drouth and rising population. The food-surplus western nations have come to view the United States as the world leader of the so-called "free world," which seems to mean that we must be reluctant to exploit the "dollar" markets, but be willing to fulfill the food needs of the "local-currency" markets.

In a sense the USDA had learned to live with this mixture of political incompatibilities by developing a kind of food version of Keynesian economics. The so-called voluntary commodity programs are to be manipulated so that supply moves upward by lowering the acreage requirements for participation in the price support programs, while increasing or stabilizing the compensatory payments. When we need less production, the procedure is reversed.

The technique is hardly infallible, to be sure. Natural disasters and biological enemies -- among other uncertainties -- intervene to distort the economists' curves, but American foreign policy has recently proven to be by far the most recalcitrant variable. When food stocks moved down to rather low levels, compensatory techniques were employed in late 1966 and early 1967 to move the supply curve upward. But the "heating-up" of the
Vietnam war made it most difficult for the Secretary of Agriculture to move dramatically in the relief of farmer suffering from the new heap of piled-up food. Low farm prices, in turn, have left farm interests disenchanted with the Food For Peace program and somewhat cynical relative to the major aims of the Administration's farm program.

Already moves have been made to decrease the 1968 production of wheat, feed grains and soybeans, but this procedure means added treasury costs in an economy already "over-heated."

What can the farmer expect from the USDA in 1968? First, the wheat and feed grains programs for 1969 will quite likely be announced after the Democratic National Convention in late August and before the presidential and congressional elections in early November. We do not feel it is cynical -- but only realistic -- to forecast a minor "improvement" in the size of the compensatory payment and the acreage-reduction payment.

Second, the USDA will do its utmost to bring about more emphasis on federal policies favoring a decentralization of industry into the medium-sized cities and towns (1,000-5,000 population). This struggle is far from won. Even winning, of course, means only a small-sized cut of the development funds for rural America, but the size of the cut is important.

Third, the USDA will learn to manipulate the nine self-help criteria in the Food for Peace Act of 1966, and its eventual successor. Burdensome food surpluses will be exported while a shrinking domestic food reserve will still be protected by a skillful application of the criteria. All in all, these criteria may well prove to be a flexible and adaptable political tool.

Fourth, the USDA will continue to find some way to live with the results and the failures of the Kennedy Round negotiations. It will surely be most difficult to reconcile a free trade program based on the economic law of comparative advantages, and a mildly protectionist program based on the "reasonable" protection of domestic producers, with the aggressively protectionist policies of the European Economic Community and, possibly, the predatory trading policies of the Soviet Union and Eastern Europe.
What is the outlook for government food programs in 1969-70?

The American farmer is caught in Tocqueville's circle of determinism. It may be that the narrow "verge" of the farmer's circle has caused the mounting frustration, discontent, and even alienation, to which we earlier made reference.

So many external factors tend to control a farmer's destiny that he is free to act only within a political world over which he has less and less control: the 1968 elections, Vietnam, the costs of the ABM missile system, the "moon race," funds to curb race riots and to further urban rehabilitation, the Foreign Assistance Program, nagging and proliferating international trade barriers. Nevertheless, we hazard these general statements about the farm political situation in 1969-70.

First, the Food and Agriculture Act of 1965 expires in 1969. If the Democrats control the Presidency and the Congress, we guess that the law will be extended for another four years in approximately its present form. Should the Conservative Coalition control both branches, then a bill like the AFBF's Wheat and Feed Grains Act might be enacted.

Second, the "War on Hunger" will probably be stepped up a notch or two.

Next, the rural-oriented centers of power in Congress are unlikely to generate enough votes to pass an up-dated version of the Capper-Volstead Act for farmers and their cooperatives. The problem is that the AFBF, NFU, NFO, National Council of Farmer Cooperatives and, to a lesser extent, the National Grange, are not agreed on either strategy or tactics.

Fourth, there may be massive inputs for rural developmental assistance, but only if military expenditures are abruptly reduced.

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9/ de Tocqueville, Alexis. Democracy In America. Andrew Hacker edition. New York. Washington Square Press, 1964. p. 331. "Providence has not created man entirely independent or entirely free. It is true, that around every man a fatal circle is traced, beyond which he cannot pass; but within the wide verge of that circle he is powerful and free: as it is with man, so with communities."
Finally, there will most likely be many other food-oriented legislative bills proposed, and even some passed during the 91st Congress. It does not appear, however, that they will have much direct impact relative to farm prices and farm income. Food legislation protecting the consumer will be in evidence, and some type of REA "Bank" bill will probably be enacted -- once the loan-subsidy issue is resolved. Food for welfare and educational programs will be expanded -- school lunch, special milk, food stamps, and direct distribution.

Congress may have reached the political position where it will be possible, even necessary, to pass restrictive legislation concerning the amount of government payments which can be received by any single producer. Using 1965 crop year, and excluding price-support loans and purchases, something over $1 billion would have been "saved" if no payments for the various programs had exceeded $5,000 per producer. If that cut-off figure were raised to $10,000, then the "saving" would have been over $609 million, with less than one-third as many farmers affected.10/

All in all, our estimate of the situation is that the near-term prospects for farm-food legislation is not dismal; the status quo, in terms of renewing existing legislation, can probably be maintained. The scientific-technological revolution has made dynamic changes in the economics and sociology of American agriculture; it has yet to bring its full weight against the politics of that same agriculture.