

Agriculture by Cynthia Parsons

Farm crisis bill defeated

Republicans and Democrats prove how little they know about the principles of American agriculture.

In his June 9 address to the House Agriculture Committee, U.S. Agriculture Secretary John Block provided no alternative to shrunken farm programs and sweeping bankruptcies. Block rejected the largely Democratic compromise legislation called the Farm Crisis Act of 1982, because it would "provide potential short-term relief for purely political reasons at the expense of the longer-term viability of our agricultural industry."

The bill was in fact no solution, but Block's reasoning was absolutely wrong. He and Paul Volcker will turn U.S. farms into tiny manure-using plots with the slogan "agriculture must be free to respond to market conditions," depriving the consumer of modern food production.

The Farm Crisis Act was defeated largely by the Republican members of the House Agriculture Committee on June 18 in a 21-21 tie vote.

At the beginning of the year at least 30 Democrats pulled together legislation intended to pacify their constituents. The defeated bill would have reopened the Farm Act of 1981, in order to release emergency agricultural credit under provisions of the Emergency Agricultural Credit Act of 1978, under which no disbursements have been made since 1981; and would have encouraged exports by an export credit revolving fund to be funded by \$1 billion in FY 1983. A further

provision called for increasing farm storage facilities.

This effort was a House rejoinder to Sen. John Melcher's (D-Mont.) more comprehensive bill—which is stuck in committee. That bill would not only reopen the 1981 Farm Act to restore emergency loans, but would mandate lower interest rates and a return to parity. Senate Agriculture Committee Chairman Jesse Helms has stated that similar bills will be discussed this month.

All the legislation drawn up over the past six months, with the exception of Melcher's, reinforced the lie that U.S. farmers are over-producing. The Crisis Act called for paying farmers to reduce production by keeping fields idle or growing alternate crops.

Over the long term, the bill would cripple the ability to produce excess crops for export or for sale in the United States at cheaper prices. Under normal conditions, farmers can cheapen the cost of production by increasing efficiency, and that is what most farmers want to do. But this can only happen if prices are set on the basis of parity, or something like 90 percent of the cost of production, leaving a margin of profit adequate for reinvestment and improvements.

By contrast, the Democratic Congressmen's bill would force farmers to hold a national referendum to determine whether cropland taken out of production would

be increased to 15 percent starting in 1983. If the referendum passed, commodity loan rates would be increased by 10 percent. If it failed, a voluntary acreage reduction program would go into effect when carryover stocks reached predetermined levels. In any case, farmers would have to reduce acreage to qualify for a loan rate increase.

Block accurately stated that it was "too late" this year to help anyone by this means (the 1982 wheat and feedgrain crops are already planted) and that a referendum would "leave no choice but to implement acreage-reduction programs." Block stated that the "market is signaling that a reduction in output is needed this year" but the reduction should be voluntary and at no expense to the government. Block's office explained his intent more straightforwardly: The "welfare recipients"—beneficiaries of loan rollovers from the government—must be axed, meaning some 10-15 percent of U.S. farmers.

Block sees "excess production" as a consequence of "excess farmers." His notion of the free market is to subject agriculture to the mercies of the Federal Reserve's credit dictatorship. Survival of the fittest under Paul Volcker's regime means that the medium-sized farmer, the backbone of modern U.S. agriculture, will be eliminated. As for the rest of a hungry world, Block's June 9 comment is that "the market is signaling that a reduction in output is needed this year." Block told Congress that "I do support the use of credit programs to promote agricultural exports." As acreage is cut and producers eliminated by Volcker, this is a rather perfunctory reassurance.