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Bush's Farm Fiasco

by James Bovard

In May, President Bush signed one of the most wasteful farm bills that Congress has ever enacted. Though the estimated cost of the handouts continues rising ever closer to \$200 billion over the next six years, Bush refused to squander any of his political capital protecting the American taxpayer.

The hottest controversy in congressional deliberations over the farm bill has been the question of payment limits. The House Agriculture Committee approved a bill that was supposed to cap payments at \$550,000 per year per farm, while the Senate Agriculture Committee came in with a cold-hearted limit of \$275,000 in handouts per farm per year. The House and Senate conferees "compromised" by allowing each farmer to snare up to \$360,000 per year.

The Senate's parsimony caused great anguish among farmers who believe such a stringent limit violates their natural right to a regal standard of living, courtesy of Washington. Sen. Jean Carnahan (D-Mo.) urged her colleagues to revise the bill "to protect rice and cotton growers" whom, she said, the payment limit would "disproportionately affect." Rep. Charles Stenholm (D-Tex.), the patron saint of USDA boondoggles, whined, "The Senate payment limitation language was written by folks who don't necessarily appreciate the significant differences in agriculture among the various parts of the United States Cotton and rice are more expensive to grow."

No one has produced any evidence that rice and cotton plantation owners are being forced to grow crops at gunpoint. Yet simply because they choose to produce certain items, their representatives in Washington apparently believe they are entitled to unlimited handouts in perpetuity.

This is another in a long history of idiotic debates about federal programs that have no right to exist. Back in 1990, the congressional farm bloc was outraged over proposals by Sen. Harry Reid (D-Nev.) and Rep. Dick Arme (R-Tex.) to limit federal handouts to wealthy farmers. Several congressmen characterized the proposals to end handouts to big farmers as suspiciously akin to communism.

Rep. Robin Tallon (D-S.C.) warned, “We do not have to imagine what life would be like without a responsible farm program. We need only look to the Soviet Union, where people will wait in line for hours in hopes that they can buy a small portion of beef or bread.” Rep. Pat Roberts (R-Kans.) warned, “This effort to end participation of our most successful farmers and investors in the farm programs sounds a lot like the way the Poles and Russians organized their agricultural policy before the Berlin Wall came down.”

The Freedom to Farm Act

This year, Sen. Richard Lugar (R-Ind.) was practically the lone well-informed Republican senator who sought to derail this farm bill-farce. Lugar warned that the lavish new subsidies would result “almost inevitably” in “vast oversupply and lower prices” as well as demands for even more subsidies.

Conservative and free-market forces brought little intellectual artillery to the farm-bill battle. Instead, many conservatives were content to rhapsodize over the wonders of the 1996 so-called Freedom to Farm Act (the last major previous farm legislation). Such praise vivifies how few people in Washington look beyond the deceptive label congressmen attached to legislation.

Back in 1996, House Speaker Newt Gingrich hyped the farm bill as a triumph of his Republican Revolution, bragging, “We passed the Freedom to Farm Act, which includes ending the [farm] subsidies after 60 years” of government handouts. In reality, the “Freedom to Farm Act” was one of the clearest examples of the hypocrisy of Gingrich and many other Republican congressmen.

The 1996 farm act gave subsidized farmers more than 3 times as much in cash handouts in 1996 and 1997 as they would have received under the previous five-year farm bill. Wheat farmers got 50 times more in subsidies for their 1996 crop than they would have gotten if Congress had merely extended existing farm programs. And when crop prices went south, Congress scrambled to appropriate more billions for farmers in 1998 and every year thereafter. And with each new bucket of handouts thrown at farmers, Republicans repeated their praise of “freedom to farm.”

Bush is responsible

The Republican congressional leadership never made a vigorous attempt — either in 1996 or this year — to abolish farm programs. While GOP congressional leaders proudly voted against the latest bill, they did little or nothing to attempt to frame the debate in a way that would end the waste.

But responsibility for the farm bill debacle rests first and foremost with George Bush. Historically, congressmen run wild with promises of lavish subsidies and it is only the veto threats of a dutiful president that limit the fiscal damage. On farm policy, as in other domestic areas, Bush has been AWOL. When Bush signed the bill, he bragged that the farm bill was “generous” aid from “a compassionate government.”

Buying votes is the only farm policy that most politicians understand. But politicians do not have the right to be generous with other people’s paychecks. While Bush and other administration officials sought to justify the various buckets of dollars in the bill, they never addressed the issue of why Uncle Sam should be in the aid business.

The Bush administration — like its predecessors going back to Herbert Hoover — appears to have learned nothing and forgotten nothing about farm policy. The main effect of farm programs is to force farmers to do inefficiently what they would have done efficiently without subsidies, to force Americans to pay more for food, to drive up the price of farmland (thereby undermining American farmers’ competitiveness), and to squander pointlessly tens of billions of dollars a year. Every subsidized crop (except sugar cane) would still be grown in America even if the USDA never handed out another bushel of greenbacks. The issue is not whether the United States will have ample food in the future, but whether politicians will continue controlling American agriculture.

The modern paternalism

Agricultural policy epitomizes the mindless paternalism of modern times. USDA is a bureaucratic leviathan that, because it was created to benefit farmers, continues grinding away regardless of how many farmers it harms. After decades of Keystone Kops economic planning, politicians continue their stranglehold on American farming — like a feeble monarch who refuses to relinquish power regardless of how badly he mismanages his domain.

Farm programs have always cost taxpayers and consumers far more than they have benefited farmers. Agricultural policy has perennially squandered two, three, four, or more dollars to give one dollar in benefits, always wasting money and then spending more to camouflage the waste. For too many years, much of the USDA’s budget has been spent concocting plausible excuses for giving the rest of the budget to farmers. This is simply the measure of Congress’s incompetence — designing a transfer program that loses most of the loot in the shuffle.

Agriculture has been the biggest political intervention in the economy for more than 70 years — the most constant federal effort to manage the economy, to control producers, and to reallocate capital — and the most consistent failure. Agricultural policy is the clearest example of the economic debility of our political system. Government economic interventions are almost

always the union of power and ignorance. Congress's contempt for farmers' efficiency is the clearest proof of congressmen's inability to manage the American economy intelligently. Farm programs have always cost taxpayers and consumers far more than they have benefited farmers.

In 1930, the New York Times, surveying the wreckage of agricultural markets after the federal government tried to drive up wheat prices, concluded, "It is perhaps fortunate for the country that its fingers were so badly burned at the very first trial of the scheme." Despite an unbroken string of failures, the federal government has continued disrupting agriculture ever since. The practical problem with farm programs is not that they are malfunctioning in the new century, but that they have never worked well and Congress has never been able to make them work. Almost all the mistakes of the past are still being repeated: only the names of the secretaries of agriculture and of the farm-state congressmen and senators have changed.

Bush's embrace of the farm bill should be a warning to anyone who still expects the president to stand up for principle, for taxpayers, or for anything aside from campaign contributions. Republicans and conservatives, mesmerized by Bush's current poll approval ratings, may assume that he can sign off on an endless number of boondoggles with no damage to his credibility or reelection chances. But his passion for a perpetual war on terrorism has not conferred upon him the right to misgovern Americans.

*James Bovard is the author of **The Farm Fiasco** (1989) and **Feeling Your Pain: The Explosion and Abuse of Government Power in the Clinton-Gore Years** (2000).*