

Agriculture by Susan B. Cohen

David Stockman needs an education

Before squawking about Agriculture's 'handouts,' the former congressman should look to where his last meal came from.

David A. Stockman, designated by President Ronald Reagan to be chief of the Office of Management and Budget (OMB), stated in his confirmation hearings on Jan. 7 that, in his view, farm produce price supports and subsidies are "clearly obsolete."

This statement was not some casual aside on Mr. Stockman's part, but a reiteration of a view he has held since at least 1978, when he wrote a lengthy diatribe against farm price-support programs to Agriculture Secretary Bergland.

What makes the apparent views of the OMB director-designate of particular significance now is that they reflect a misinformed prejudice concerning agricultural policy that is shared by others in even more important positions in the Reagan cabinet's advisory circles.

The Heritage Foundation, for instance, has issued a 365-page proposal for the 1982 budget which recommends eliminating 84 percent of current USDA programs that represent nonagricultural activities, in the view of Purdue University Professor Don Paarlberg, author of the proposal's USDA section, and cutting the budget for the rest of the USDA programs by 60 percent, from \$5.5 billion to \$2.2 billion.

It is recommended that the price support loan program—and, mind you, this is a *loan* program not an income transfer program—be reduced by \$1.9 billion, and that lend-

ing by the Farmers Home Administration (FmHA) be halved.

In the current atmosphere of budget-cutting and austerity-mongering, the prejudices and misinformation exemplified by Mr. Stockman's recorded views on agriculture can serve to help implement disastrous proposals. The crux of the prejudice, more readily identified as the freemarket conceit, is the assertion that the farm price support programs constitute some sort of a handout, or "subsidy."

As then-Representative Stockman put it in his 1978 letter to Bergland threatening congressional enactment of a "cold-turkey policy" for American agriculture: "It is understandable, if not excusable, when members of Congress from commodity-growing regions come trotting in with dog-eared claims and lame justifications for special dispensations that will force the taxpayer to absorb the predictable risks inherent in any line of business activity, including farming. But I would certainly hope that the USDA could exercise some semblance of leadership by occasionally resisting these self-serving, parochial claims. . . . It is about time that the department stop playing nursemaid to the proliferating array of cry-baby commodity groups in this country."

Stockman demonstrated a manner of characteristic detachment from even the market reality for which he otherwise claims to be a

champion in protesting to Bergland that it was "bad enough" for the government to "subsidize" farmers who have suffered drought or other natural disaster losses, but that "the principle implicit in your potato rescue is that producers must be indemnified for nature's acts of beneficence and bounty as well."

But it is precisely the "naturally" volatile fluctuations of market prices that are an impossible problem for the independent owner-operator. In fact, for virtually every year since 1948, American farm producers have produced at a loss, papering over the difference with a growing mountain of indebtedness, loans secured against the value of owner equity, which now threaten to sink the entire farm sector in a collapse of production if not outright bankruptcy.

"If farm operators think that they can do better for themselves with big spreads," said Stockman, "huge machinery investments and scientific farming practices than with a 10-acre-plot, a mule, and last year's *Farmers Almanac*, then let them start assuming the obligations of commercial businessmen—cash-flow management, asset structure optimization, market oriented cropping patterns and futures mar-

This line of thought is phony as the proverbial three dollar bill. The independent owner-operator has been assuming the full line of "commercial business obligations" for years—but there is no sane individual who will claim that such obligations include the obligation to continue producing at a loss. Stockman's prescription is, as he seems cynically aware, a program for a return to 18th century agriculture in America.