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TIME FOR A VETO THREAT ON THE FARM BILL

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One politically difficult but critical role of the President of the United States is to draw the line in budget debates when Members of Congress buckle under constituent pressure and attempt to open the spending floodgates. The President provides the essential check in the legislative system, acting on behalf of the nation to enforce budget discipline.

President George W. Bush recently played this unenviable political role by issuing a firm veto threat against Congress's attempts to add billions of dollars in extra spending as a response to the September 11 attacks. By standing firm, the President appears to have given responsible lawmakers the support they needed to prevent understandable emotion from overwhelming good budget sense.

Given this example of White House firmness, it must be very confusing for many Americans—perhaps especially World Trade Center widows and bankrupt small businesspeople in Manhattan—that the President has failed to show the same determination in the case of farm subsidies. A farm bill (H.R. 2646), cynically if adroitly renamed the Farm Security Act of 2001 to take full advantage of the response to the September 11 attacks, would add \$69 billion in extra farm subsidy spending over the next decade compared with current law—even though most subsidies today do not go to low-income farmers.

If ever there were an open-and-shut case for presidential firmness on unnecessary spending, this farm legislation is that. But the President in effect has merely given nuanced signals of displeasure. Some observers surmise that, with control of the House next year perhaps resting on the rural vote, President Bush is under pressure to put party before country on this issue. To avoid that presumption, he must do one simple thing—issue a clear and unequivocal threat to veto the farm bill. He must then back that up with strong support for lawmakers and Administration officials trying to rein in the runaway bill and enact real reforms in America's ruinous farm programs.

The legislation's supporters paint a heart-rending picture of a good-neighborly bill helping America's hardscrabble small family farmers. Some even make the fatuous argument that the huge bipartisan package is needed to strengthen national security in these difficult times. But this farm legislation in reality

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would be one of the worst raids on the pocket-books of ordinary Americans in recent years. In fact, over 80 percent of the handouts go to the biggest landowners, who make up less than one-fourth of the nation's farmers. Moreover, farm income appears headed to an all-time high this year. Yet large subsidies go to household names in Hollywood, the media, and the sports world—people not exactly known for poverty or dedication to the land. Healthy sums also go to many lawmakers who are eager to cast a vote for the extra billions.

The farm legislation Congress is so speedily considering is not actually required until next year, when the package of agricultural programs is due for reauthorization. But supporters of the legislation mapped out a strategy well before September 11. This was to be the first major reauthorization bill out of the blocks in order to take political advantage of the then-bulging surplus.

After the terrorist attacks, one might have thought that the farm lobby—whose members could hardly be thought of as victims of the assault—would be willing to curb its appetite and allow more pressing needs to take precedence in the line to eradicate the budget surplus. Instead, the bipartisan backers of the bill, together with the congressional leadership, seem determined to force the bill through Congress as quickly as possible while the money is still there. As Senate Budget Committee Chairman Kent Conrad (D-ND) explained with refreshing honesty, “The money is in the budget now. If we do not use the money... it is very likely not going to be available next year.”

The President needs to block this unseemly haste to pass a bill that is bad policy and an outrageous giveaway. He needs to demand a careful and measured review of America's farm programs and a final bill that will institute real reform and restrict the handouts to the needy.

The last farm bill, enacted in 1996, included important reforms to change the incentives so that farmers would grow crops in response to market conditions rather than try to maximize their subsidies from the taxpayer. Since then, Congress has eroded many of these reforms. The current bill would erode them further with a 65 percent increase in subsidies from the taxpayer. The aim

seems to be to create an industry that is uniquely protected from downside commercial risk while allowing some large landowners to receive huge subsidies—in many cases, for literally doing nothing with their land.

Ranking Senate Agriculture Committee member Richard Lugar (R-IN), with the support of Agriculture Secretary Ann Veneman, introduced legislation that would have steered the structure of commodity support programs toward need rather than acreage. Senator Lugar also included a form of insurance that would encourage farmers to make sensible, more market-based decisions to curb their own business risk. But a bipartisan collection of farm belt members sidelined his reform proposal.

Meanwhile, the overwhelming percentage of subsidies continues to go to the largest, and generally more profitable, agribusinesses, not to struggling small farmers. Money also goes to affluent “hobby” farmers who dabble in farming or who profit from shrewd investment advice on securing the taxpayer subsidies. For example, Portland Trailblazers basketball star Scottie Pippen, whose salary will top \$18 million this year, has pulled in over \$100,000 in subsidies over the past five years for *not* growing crops on land he owns in Arkansas. Other celebrities who have utilized the subsidies include Sam Donaldson, Ted Turner, and David Rockefeller. Many of the Members of Congress on the farm committees who are voting for the huge increases in subsidies also have significant farm interests and will do very well if the programs are expanded.

The scale of the routine excesses in the proposed farm bill dwarfs even the most questionable demands of New Yorkers, Washingtonians, and Virginians hard hit on September 11. Moreover, there is nothing temporary about the “help” being sought in the misnamed Farm Security Act. If the President is truly determined to speak for all Americans in these difficult times, he must send a message to Congress that is loud and clear: Without real reforms in farm programs and a sharp cutback in costs, this farm bill will never become law.

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