

# Drought relief bill won't do the job

by Patricia Salisbury

As the destruction of the nation's farming proceeds apace, the much-ballyhooed drought aid bill, passed in differing versions by the House and Senate at the end of July, is a totally inadequate sop, intended for public relations consumption in a politically explosive election year.

From the outset it has been clear that the administration and Congress intended no serious address to the crisis facing the nation's agriculture. Administration spokesmen, throwing around terms such as "windfall" and "Christmas tree" legislation, warned that the financial aid provided by the bill would not be permitted to exceed the "savings" the government would realize from lower subsidy payments as a result of the failure of crops. The result was to set farm lobbyists and congressmen from one agricultural sector against another, in an effort to throw the crumbs which the bill will provide to *their* special constituencies. The result is a bill which, even in its most generous Senate version, will do almost nothing to alleviate the destruction being wrought by the continuing drought.

This bill, inadequate as it is, has been denounced by the administration as threatening to destroy the Reagan budget plan and trigger automatic spending cuts, as mandated by the Gramm-Rudman balanced budget law. Following passage of bills by the House and Senate on July 28, budget director James C. Miller warned that Congress must restrain the cost of drought relief and other pending legislation to \$5.9 billion, or the 1989 budget deficit would exceed the Gramm-Rudman limits.

The cost of the more generous Senate version of the bill is \$6 billion, while the official estimate of drought-caused damage to the farm industry is a minimum of \$10 million. The Office of Management and Budget has estimated that the drought relief and other pending measures could cost nearly \$9 billion. One of the pieces of legislation described as competing with the drought relief bill by the OMB is a \$200 million hunger relief bill.

The centerpiece of the aid bill is a provision that would pay farmers who lose over 35% of their crop, 65% of their usual income. However, the legislation has placed a limit of \$100,000 on the aid to any individual farmer, a figure which clearly does not provide serious aid to even the medium-size independent family farmer whose operation will, in general,

turn over \$100-500,000 a year. Drafters of the bill have estimated that under the formula, farmers who qualify would get about half of their usual income. However, in Maryland, Deputy Secretary of Agriculture Robert L. Walker predicted that the financial relief would actually amount to "less than 10%" of the \$269 million in estimated crop loss for Maryland for 1988. There is no indication that the bill's architects considered in their discussions what would be necessary to maintain the independent family farmer and the food supply.

A second aspect of drought relief is contained in the Senate bill, but not in the version passed by the House. It is critical to the maintenance of the nation's livestock and milk and meat production, the area in which rapid recovery is impossible if already-decimated herds are permitted to be further devastated. The Senate version would allow livestock, poultry, and fish farmers in eligible counties to receive low-cost government grain or subsidies with which to buy grain on the open market, whether or not the farmer himself produces grain. The House version would give aid to such farmers only if they grow their own grain, ignoring the fact that farmers who normally purchase feedgrain on the market are facing vastly inflated prices and short supplies this year. In Pennsylvania, state agencies have estimated that dairy feed prices have increased about 34% since last year. In Iowa, dairy farms are reportedly dipping into vital winter feed reserves months ahead of time. The difference in cost between the two bills, mostly because of this provision, is \$2-3 billion.

## Livestock herds at stake

One important victim of the cost-cutting mentality was a provision of the bill passed by the House Agriculture Committee, which would have raised the support price of milk by 50¢ per hundredweight. After vehement objections from administration spokesmen, and an outcry from congressmen purportedly representing the non-dairy sector of agriculture, this provision was watered down to cover only a three-month period starting in April and ending in June 1989. Early in the debate on the bill, chairman of the Senate Agriculture Committee Patrick Leahy (D-Vt.) had correctly pointed out the particular need to help livestock farmers and dairy farmers maintain their herds, noting that "without rapid assistance, we would lose a large number of foundation herds and consumers could be facing a steep price increase." The conditions for just this loss are written into the relief legislation.

The administration and Congress are dicker on this bandaide legislation, with the prospect that it will be further watered down, despite the fact that even Agriculture Secretary Richard Lyng, after returning from a visit to 10 farm states, reported to the President that while rain had helped in some areas, "even the best corn is not in very good shape. Some soybeans will recover, but it may be too late for corn to recover." The number of counties throughout the country designated drought disaster areas stands at 2,168 in 42 states, with 12 states having all their counties so designated.