The Dairy Lobby Buys the Cream of the Congress

by Frank Wright

As agriculture ceases to be a major occupation for the American people, it also loses prominence as the preserver of the country's values and traditions. We still recognize democracy's debt to the soil through terms like "fleecing the public," "milking the company," and "porkbarrel," but the words have followed technology and money to the cities and attached themselves to the more glamorous industries like oil, banking, and aerospace. The pork porkbarrel can't possibly stand up anymore to the cadmium porkbarrel or the cable television porkbarrel.

This doesn't mean that farming has completely lost the ability to favor—and be favored—by Congress. While newer industries may monopolize the more experienced legislators in matters of give and take, men like Thomas Dodd or the late Robert Kerr, the dairy lobby has gotten remarkable results this year by investing in Senators and Congressmen publicly thought to be less inclined to serve the lobbyists—men like Edmund Muskie, William Proxmire, Harold Hughes, Hubert Humphrey, and Wright Patman.

These men would never be found doing the same thing for oil that they have done for milk, but perhaps milk money is thought to enjoy the sanctity of the product from which it is made. In any case, the dairy lobby's investment in these legislators, and others, has paid off handsomely—while the dairymen bought into last year's election campaigns for about $1 million, they stand to get back as much as 300 times that amount after congressional pressure, applied in large degree by those who received the money, forced the Nixon administration to reverse itself on the question of milk price supports for 1971.

On March 12, Secretary of Agriculture Clifford Hardin announced that the support level would remain at the $4.66 per hundredweight in effect for

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1970. The price applies to what is called "manufacturing milk," a basic grade used to make butter, cheese, and nonfat powdered milk. Whenever the market price falls below the support price, the government begins buying, thus assuring the farmer he will have a place to sell at a guaranteed price. The Agriculture Department expects that these subsidy payments for the marketing year now ending will approximate $380 million, not quite as much as the C-5A overrun, but a goodly amount of pocket money, nonetheless. The government-owned milk goes into the school lunch program, is distributed among the poor, and is dispersed overseas.

In his March 12 announcement, Hardin said that production was adequate to meet the nation's needs, no surplus was accumulating, and most milk was being sold by farmers to processors at prices higher than the support level, so there was no reason to raise the support. It was all very much in keeping with the Administration's general desire in farm affairs to rely as much as possible on the free market.

However, by March 25, just 13 days later, the Secretary had changed his mind. The support level would be raised after all, to $4.93, an increase of 27 cents. The price took effect April 1, the beginning of the new marketing year under the farm subsidy law.

The dairy industry, with a few noteworthy exceptions, like Land O'Lakes, was ecstatic, declaring the increase a great break for the milk-producing farmer. Some industry experts, though, saw trouble ahead. If farmers responded by sharply increasing production, there would be an oversupply, and free market prices would likely drop accordingly. Under those circumstances, they said, the Administration's action could cost the taxpayers up to $300 million in increased subsidies to buy the surplus.

In view of that financial risk and the fact that President Nixon's proposed budget for the coming year already envisions a deficit of several billion dollars, the success of the lobbying campaign that prompted Hardin's turnabout was even more impressive. The leaders were the country's biggest milk-producing cooperatives, particularly the Associated Milk Producers, Inc. (AMPI) of San Antonio, Texas. AMPI, an outgrowth of the constantly burgeoning merger movement among farm co-ops, is only two years old. But it represents approximately 32,000 member farms in 20 midwestern states ranging from the Canadian border to the Gulf of Mexico, and it markets about 10 per cent of the nation's milk.

Milk is Thicker than Water

The milk co-ops descended on Washington, in person and by mail. Their allies in Congress helped in two ways—by rushing to introduce legislation that would require the Administration to raise the support price and by lining up in private to urge the Administration to reconsider. Generally speaking, Democrats took the former course, and Mr. Nixon's fellow Republicans, not wishing to break publicly with him, took the latter. (The lobbyists favored Administration action because it was easier than buying a new law.)

Some of the congressional support for the subsidy increase may have grown from a real interest in the welfare of farmers, but much of it seems to have grown out of large campaign contributions.

During the past two years, according to records filed with Congress, Representative W. R. Poage (D-Texas), chairman of the House Agriculture Committee, received $5,000 in contributions from the dairy industry political financiers—even though he had no opposition for reelection in 1970. The record says that an additional $11,500 was spent on an appreciation dinner (or dinners—it is difficult to tell from the record) for Poage and Representative Wright Patman (D-Texas), chairman of the House Banking and Cur-