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THE INFLUENCE OF FARM INTEREST GROUPS IN THE AGRICULTURAL POLICY-MAKING PROCESS

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APPROVED BY

DISSERTATION COMMITTEE

TO

MOM AND DAD

KARIN AND AMBER

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

THE INFLUENCE OF FARM INTEREST GROUPS IN
THE AGRICULTURAL POLICY-MAKING PROCESS

CHAPTER I

AGRICULTURAL POLICY

Introduction

This research employs Salisbury's (1969) exchange theory to examine interactions between interest group lobbyists and congressmen on matters concerning agricultural legislation. The relationship between exchange inducements and policy output are also analyzed. Before, however, discussing exchange theory and goal attainment, Chapters I and II review agricultural policy and interest group literature, respectively.

Agricultural policy is a substantive area that demands attention for study for several reasons. First, agricultural policy can change the world. What happens to the price of pork can affect consumers' demands. A determination of United States wheat prices does influence foreign buyers and other nations' policies. Second, agricultural policy is now used in international ideological and power struggles.

For instance, the United States may trade food for peaceful reasons, for oil, to gain access to new markets, or to express international policy as with the 1980 grain embargo against the Soviet Union. The European Economic Community was formed for economic protection. As a part of this economic protectionism, the European Economic Community may protect some of its own agricultural commodities while being antagonistic toward nonmembers' agricultural products. Third, United States balances of trade payments have become more and more dependent on agricultural exports. Especially from 1972 to 1974, agricultural exports served to mediate the impact of the international oil cartel. During this period, oil import costs rose from $6 billion to $26 billion; at the same time, agricultural exports increased from $9 billion to $22 billion. Fourth, since World War II, foreign nations have developed international economic communities that can have an impact on our domestic agricultural policy system. This means we must view our agricultural policy decisions as a part of a global agricultural policy system. Fifth, world population projections and present distribution problems bring United States agricultural policy to the fore for perusal. Decisions must be made whether to expend nonrenewable resources all at once to provide comfort to the globe's present population, or whether renewable resources (agricultural products, for example) should augment the availability of nonrenewable products. It is this balancing of nonrenewable and renewable products that brings agricultural policy into this particular discussion. Sixth, at the same time that global demands are being made on all agricultural policy systems, but especially on the United States system, the perpetual problem of low, variable prices must be dealt with. Study concerning this issue would involve determining the extent of government subsidization of the agricultural community to insure global welfare. Seventh, the domestic agricultural policy system involves a plethora of actors. For example, our system involves commodity groups, general interest groups, and public interest groups. We should be studying agricultural policy to determine how these groups feel agricultural policy should be approached. Eighth, the agricultural policy system provides a setting involving people and institutions across time (O'Rourke, 1978: 4-5) and, thus, is useful as a substantive area from the study of which general hypotheses regarding policy making may emerge.

The primary theme of United States agricultural policy from the 1930s until the passage of the 1973 farm bill was the maintenance of farm incomes. Emphasis then was on efficient production, economy of farm scale, soil conservation, and price supports. From 1973 through 1976, because of prospects for foreign food exports, the main emphasis of agricultural policy has been on increased production. The result of this change was that some of the nation's farmers faced hardships as the availability of some agricultural products exceeded the demand for such products. In 1977, farm legislation reinstated the concept of income maintenance. Income maintenance, to date, however, has been tempered to the extent that budgetary responsibilities have prevailed (Browne, 1978: 3).

This author perceives the agricultural policy as being composed of two large areas: domestic and foreign. Though these areas of agricultural policy are not unrelated, the categorization is useful. Within each of these subareas, more specific policies take shape. The examination of these two areas is the task of this chapter.

Domestic Agricultural Policy

Domestic agricultural policy is composed of the following policy subareas: price supports, food distribution, regulation, conservation, education, research, rural development, and farm credit policies. Each of these subareas has undergone evolutionary changes since the beginnings of this country and throughout the aging of the U.S. Department of Agriculture (USDA).

A concomitant aging process has occurred in the farm community itself. In 1945 there were 5.9 million farms, in 1978, 2.7 million farms. The 1945 farm labor force (farm operators, hired workers, and unpaid family workers) was approximately 11 million, the 1978 figure was about 4 million workers (U.S. Congress, 1978a, p. xi).

Considering acreage and assets, in 1950 farms averaged about 210 acres and $43,000 in total assets. In 1978, farms averaged nearly 400 acres and $106,000 in total assets (these dollars are based on 1967 prices) (2-3). Given the historical trends, it is projected that there will be around 2.5 million farms in 1980, 2 million in 1990, and 1.6 million or fewer in the year 2000. Gross sales in 1990 are to be $100,000 or more for 20 percent of all farms and less than $20,000 for about 50 percent of the farms (25).

But agricultural policy does not just deal with farmers;[1] it also has applications for nonfarm populations. In 1970 there were about 53.9 million people living in rural areas[2] or approximately 26.6 percent of the total population. The absolute rural population was about the same as in 1960; however, since the total population increased, the portion of the total population that was rural decreased from 30.1 in 1960. Agricultural policy is important to all of the rural population, not just the farm population, because agriculture has affected rural, urban, and metropolitan economies (Marshall, 1974: 18-19). Likewise, nonrural areas have influenced rural areas in the sense that the nonrural areas provide a source of livelihood for those leaving the rural areas (22).

To cope with this diverse agricultural population, rural and nonrural, a wide variety of programs and services have been developed (see Appendix A). A review of some of these is presented forthwith.

Price Support Policy

Talbot and Hadwiger (1968) have stated that concerns surrounding price supports,[3] one of the main agricultural policy areas of the last three decades, include who the program is for, to what extent will price supports be provided, what guidelines must be met in order to qualify, and who is empowered to direct the program. They also state that price support policies involve a wide variety of mechanisms, such as the use of Section 32 funds[4] to buy up meat for the federal school lunch program. That is to say, price support policies are not limited to direct price supports for basic and nonbasic commodities (208-208), even though other authors have considered price support policy to refer strictly to direct governmental support of farm commodities. The discussion here of price support policy considers both direct and indirect mechanisms.

Price supports have been in use since the early 1920s (Anderson, Brady, and Bullock, 1978: 376). They, however, were used only after it became apparent that the traditional philosophy of government nonintervention in economic matters was failing. Demands for price supports arose during the 1920s because post-war European importing nations had too few dollars with which to purchase American products. Thus, American farm prices remained depressed for nearly two decades; the substitution of tractors for horses only made matters worse as production increased at an even more rapid rate. The result of the continually depressed farm market was a nation that came to perceive government contracts as a means to remedy inequities created by open markets (Cochrane and Ryan, 1976: 22).

Early Forms of Price Supports. Initially, in 1921 and 1922, price supports took the form of protective tariffs. Despite their intent, however, these price supports were little more than symbolic as farm production greatly exceeded public demand (Anderson, et al., 1978: 377). Beginning in 1924, the concept of using a government corporation to buy surplus commodities was developed in the McNary-Haugen bills. Under this plan, surplus grains purchased by the government corporation would have been exported and sold at world market prices; any losses incurred were to have been recovered by taxing domestic farm commodities. Though this form of price supports was considered in five sessions of Congress, it never became legislation (Anderson, et al., 1978: 377); Cochrane and Ryan, 1976: 22-23). In 1929, a Federal Farm Board was established. As a price support mechanism, this board was to assist farmers by supporting farmers' cooperative marketing organizations via finance loans that were to be used to buy surplus commodities (Cochrane and Ryan, 1976: 23; Rasmussen and Baker, 1972: 19-20; Rasmussen and Baker, 1969: 70).

Agricultural Adjustment Act of 1933. The next major effort at price supports came about with the passage of the Agricultural Adjustment Act of 1933. This legislation provided for production controls in order to reduce the surplus of farm commodities. If a farmer did volunteer to reduce his basic crop acres,[5] he became eligible for cash benefits which were financed by taxing the first processor of an agricultural commodity (Anderson, et al., 1978: 377; Rasmussen and Baker, 1969: 70-71). The amount of the processor's tax was to be equal to the difference between the fair exchange and the market value (Talbot and Hadwiger, 1969: 264). To further reduce agricultural products on the market, commodity loans were provided for farmers, and the government made direct purchases of surplus commodities (Anderson, et al., 1978: 377). Overall, the objective of the Agricultural Adjustment Act of 1933 was to obtain parity prices[6] for agricultural commodities. Parity is a concept that relates relative purchasing power. Specifically, parity is the price a farmer wants for his commodities in order to insure that he has the same fair or just buying power as farmers had from 1909 to 1914 (Talbot and Hadwiger, 1968: 10).

Further price support approaches were introduced in 1934 by the Bankhead Cotton Control Act and the Kerr Tobacco Control Act. These two acts used market quotas to determine the amount of cotton or tobacco that could be marketed without being taxed. Producers who did not participate in the programs, by reducing their acreage, had to pay sales tax on their products. Also, these two acts introduced the use of referendums to determine whether the programs would be extended beyond the first year of operation. Two-thirds of the cotton and three-fourths of the tobacco producers had to vote to sustain each program in order to insure their continuance past the initial year of implementation. Marketing agreements were used beginning with fluid milk in 1933. Later such agreements also were applied to fruits, vegetables, tobacco, rice, and peanuts (Rasmussen and Baker, 1969: 71-72).

Soil Conservation and Domestic Allotment Act of 1936. In 1936, after the Supreme Court declared the Agricultural Adjustment Act of 1933 unconstitutional because of the act's production control provisions, the Congress passed the Soil Conservation and Domestic Allotment Act of 1936. This legislation attempted to maintain farm income by paying farmers for taking soil-depleting crops out of production. It just so happened that the soil-depleting crops were those in excess supply. The real intent was to provide financial support using the guise of payments for soil conservation (Anderson, et al., 1978: 377-378; Rasmussen and Baker, 1969: 73-74; Talbot and Hadwiger, 1978: 264-265).

Agricultural Adjustment Act of 1938. USDA's basic price support legislation was enacted in the Agricultural Adjustment Act of 1938. This legislation emphasized the regulation of marketing rather than the production of agricultural commodities. The primary commodities covered were tobacco, corn, wheat, rice, and cotton. Producers were provided quotas based on acres or units of the commodity. If the producer overproduced, then he was penalized; if the producer reduced his production and not his allotted acreage guidelines, he became eligible for commodity loans, parity payments, and/or soil conservation payments. Mandatory marketing quotas for corn, cotton, rice, and tobacco could be implemented if two-thirds of the producers agreed in a referendum. Payments were also to be made for retirement of land and the legislation continuing the Soil Conservation and Domestic Allotment Act. Parity prices and parity income were goals of the legislation. Finally, surplus disposal programs were possible as reserves accumulated as a result of nonrecourse loans. Disposal programs included a food stamp program for those on relief, free distribution of food, school lunch programs, and subsidization of cotton and wheat exports (Anderson, et al., 1978: 378; Rasmussen and Baker, 1969: 74-75).

Wartime Measures. Due to World War II needs, the early 1940s were marked by government urging increased production. Farmers were inspired to follow government's beck given increased prices and appeals to patriotism. Almost overnight the concern for excessive supplies dissipated. In December, 1940, USDA called for farmers to farrow as many sows in 1941 as in 1940. April, 1941, brought a USDA announcement that hogs, dairy products, chickens, and eggs would be supported at above market prices. Cotton, corn, wheat, rice, and tobacco had their loan rates increased up to 85 percent of parity in May, 1941. These same rates were extended beyond 1941 for cotton, corn, wheat, peanuts, rice, and tobacco. Coming on the heels of the May, 1941, announcement was the Steagall amendment in July, 1941. This stated nonbasic commodities whose production was to be increased would receive prices of at least 85 percent of parity. Again, in October, 1942, price supports increased with corn, cotton, peanuts, rice, tobacco, and wheat and Steagall's nonbasic commodities to receive no less than 90 percent of parity. Steagall's nonbasic commodities included: manufacturing milk, butterfat, chickens, eggs, turkeys, hogs, dry peas, dry beans, soybeans for oil, flaxseed for oil, peanuts for oil, American Egyptian cotton, Irish potatoes, and sweet potatoes. Even more lucrative prices were ahead. Price support increases came in June, 1944. Cotton's price support was increased to 92.5 percent of parity while the parity level for corn, rice, and wheat was set at 90 percent. At first, this would appear to be no increase for corn, rice, and wheat. This is not so. In 1942, even though the support prices for corn, rice, and wheat had been raised to 90 percent parity, the legislation provided the President could use an 85 percent level for these commodities if he felt their prices were causing increased poultry and livestock prices. He could take such action in the interest of national defense.

Other measures used to increase farm income during World War II involved relaxing penalties for production beyond acreage allotments as long as the harvest was war crops. Marketing quotas were used throughout the war on barley and flue-cured tobacco and until mid-1943 on fire-cured and air-cured tobacco. Marketing quotas were used for wheat until early 1943. The purpose of the quotas was to induce producers to provide crops needed for the war effort (Anderson, et al., 1968: 378; Rasmussen and Baker, 1969: 77-79).

<u>Agricultural Act of 1948</u>. The Steagall amendment of 1941 had declared that no new commodity legislation could be enacted until two years after hostilities had ceased. Since President Truman officially declared war had ended on December 31, 1946, all previous commodity legislation did not expire until December 31, 1948 (Cochrane and Ryan, 1976: 24). Major debate of the Agricultural Act of 1948 (Hope-Aiken bill) focused on whether to have high, fixed support prices or to have lower, flexible supports.

High, fixed supports were advocated by most Democrats in Congress while Republicans generally favored the sliding scale. Ultimately, a compromise was reached. Clifford Hope (R KS) , chairman of the House Committee on Agriculture, who had proposed price supports at 90 percent for basic commodities until June 30, 1950, instead had his legislation approved until January, 1950. The Truman administration, along with most Republicans, favored Senator Aiken's (R VT) bill that embodied price supports from 60 to 90 percent of parity depending on whether supplies were high or low, respectively. With the exception of tobacco, the sliding scale would have applied to all basic commodities when quotas or allotments were in effect. The Aiken portion of the 1948 legislation was to become effective January 1, 1950. Because of the Agricultural Act of 1949, however, the Aiken portion of the 1948 legislation was never effectuated (Matusow, 1967: 139-144; Benedict, 1953: 472-475).

Also notable was the modernization of the parity formula. The 1948 legislation revised the pattern of relationships of the commodities' parity prices. Changes in productivity of commodities since the original base period of 1910 to 1914 were reflected by using market prices of commodities during the most recent ten-year period (Benedict, 1953: 475-476). Included in the new parity formula were wages paid hired farm laborers and war-time payments made to producers as found in the prices of commodities and in the index of prices received. Application of the new parity formula was not inclusive of all commodities. Whichever was higher, the old parity price or new parity price, was to be used for basic commodities through 1954. If the new parity formula price was more than 5 percent below the old parity price, a transitional parity equal to the old parity price less 5 percent was to be used until the transitional parity became less than the new parity formula price (Benedict, 1953: 475-478).

Of lesser importance, the 1948 legislation permitted loans for cooperatives to be used for construction of storage facilities (Rasmussen and Baker, 1969: 81). Though the Commodity Credit Corporation was directed not to provide price supports of nonbasic commodities (except potatoes[7]) that were perishable in unprocessed form, the Secretary of Agriculture was authorized to provide supports by using Section 32 and school lunch funds. Furthermore the Commodity Credit Corporation could support prices through loans, purchases or payments on processed and storable nonbasic commodities (Benedict, 1953: 477-478).

<u>The Brannan Plan of 1949</u>. Harry S Truman had always favored flexible support prices, but the 1948 election analysis indicated farmers voted for the Democrats because farmers were determined to have high, fixed price supports. This seeming contradiction has been explained as being a

result of positions taken by Democratic congressional candidates and of the Production and Marketing Administration's campaigning for high, fixed supports while Truman stumped for low, flexible supports (Matusow, 1967: 191-192). The Truman administration's 1949 agricultural policy proposals reflected the farmers' demands for high, fixed prices and more. This plan, revealed on April 7, 1949, came to be known as the Brannan Plan and was to cause great debate over solutions to the farm problem. Eventually the controversy surrounding the Brannan Plan catapulted Secretary of Agriculture Brannan into the national limelight, to the extent that Brannan's very name stirred political antagonisms (Matusow, 1967: 191-193).

Several aspects of the Brannan Plan contributed to the political uproar surrounding the plan. First, the plan was proposed without consultation of farm groups or agricultural representatives in Congress. Second, Brannan attempted to steer away from the parity price concept, which farmers felt so akin to, and attempted to develop an income standard to determine a fair return for farmers. It just so happened that the Brannan Plan based its income standard on the period from 1939 to 1948, some of the most lucrative years farmers had ever had. Since the income standard was a moving base, dropping one year and adding another each year, agriculture could look forward to high prices for some time to come. Certainly, this was a political stroke of genius by Brannan as farmers would probably tend to vote for the party that gave them the best deal. For this reason it was opposed by Republicans. Also, the prices would continue to be high thus providing incentive to provide greater production control, an approach the supporters of Aiken's flexible price supports despised. Third, government bankruptcy was the cry of those who opposed paying producers for the difference between the market price and the support level for perishable commodities. Brannan's intent was to insure that perishable commodities, such as potatoes, would no longer spoil in the fields. With the exception of the Farmers Union, major farm interest groups, still reeling from costly production and marketing controls of World War II, refused to face the possibility of such controls again. They claimed that income payments would only cause continued overproduction and an ever mounting taxpayers' bill would accrue from income payments. Fourth, controversy surrounded the limitation on the size of farm operation for receiving income support. Brannan proposed income support for not more than 1,800 units of product for any one farm. One unit equaled 10 bushels of corn, 8 bushels of wheat, or approximately 50 pounds of cotton. Any farm producing more than the maximum amount would not receive support on the excess (Matusow, 1967: 195-208; Christenson, 1959: 49-50; Benedict, 1953: 484-490).

Agricultural Act of 1949. Despite the bitter struggle over the Brannan Plan, Brannan was a winner of sorts. He had favored inflexible supports at 100 percent of parity; the Agricultural Act of 1949, though providing flexible supports, set the supports higher than the 1948 legislation. For instance, tobacco, corn, wheat, and rice had supports ranging from 75 to 90 percent for supplies ranging from 130 percent to 102 percent of normal production. This is in contrast to the 1948 scales that provided for price supports of 60 to 90 percent and for a range of 130 percent to 70 percent of normal production. The 1948 legislation was even more directed toward Brannan's high supports when one considers that the 1950 crop would have support levels of 90 percent of parity if marketing quotas or allotments were in effect. Similarly, a support level of 80 percent was set for the 1951 crop. Failure to approve marketing quotas (except tobacco) would result in the support level decreasing to 50 percent of parity (Benedict, 1953: 481-482). The 1950 crops were bound to have controls given the overabundance of commodities (Matusow, 1967: 214-215).

Parity was revised in 1949. New inclusions involved wages paid to hired farm labor, interest, taxes, and war-time subsidy payments made to producers to keep consumer prices low. Since the Democrats had regained control of both houses in 1948, they made a bid to retain future farm votes by providing that the parity price of any basic commodity could not be less than the same parity price as computed under the Agricultural Act of 1948. This stipulation was to apply from 1949 through 1953. In effect, this meant whichever was higher, the 1948 or 1949 parity formula price, would be used through 1953. Senator Aiken's 1948 sliding scale, therefore, was negated by the Democrat's 1949 legislation.

By and large, the remainder of the 1949 legislation was routine. One new section, 417, was added to the Farm Credit Act of 1933. Banks for Cooperatives and the Central Bank for Cooperatives could make loans for up to 80 percent of the cost of construction for storage facilities. These loans were to be made to cooperative associations.

Overall the 1949 act meant high support prices through 1954 (around 90 percent parity). This was interpreted as a return to the policies of around 1940, which eventually lead to overabundance, the same situation that faced this nation in 1948 (Benedict, 1953: 483-484). Finally, henceforth, the Democrats were known as the party that subscribed to high support prices (Anderson, et al., 1978: 379).

Korean War Measures. As a result of legislation passed in June, 1952, to amend the Defense Production Act of 1950, basic commodities were supported at 90 percent parity or higher through April, 1953. This stipulation was contingent on producers not disapproving marketing quotas. July, 1952, brought another extension of 90 percent parity for basic commodities. This legislation extended the high support prices to the 1953 and 1954 crops if the producers had not voted against marketing quotas. Whichever was higher, the parity price based on the old or new formula, was to be used as the effective parity price through 1955. Finally, extra long staple cotton had become a basic commodity for price support purposes under the July, 1952, legislation (Rasmussen and Baker, 1969: 82).

Agricultural Act of 1954. In January, 1953, Ezra Taft Benson[8] became the Secretary of Agriculture. Benson was a proponent of eliminating government control of agricultural programs (Schapsmeier and Schapsmeier, 1975: xvii), but was willing to support low, flexible price supports (71). This philosophy was reflected in the Agricultural Act of 1954 as price supports for basic commodities had a spread from 82.5 percent parity to 90 percent for 1955. With the exception of tobacco, which had a 90 percent of parity price support, after 1955 basic commodities' price supports ranged from 75 to 90 percent. Wool also received a price support of from 60 to 110 percent of parity as provided by the National Wool Act (Rasmussen and Baker, 1969: 83). To reduce surplus agricultural commodities, the Agricultural Trade Development and Assistance Act was passed in July, 1954. Better known as Public Law 480, this legislation permitted reducing surpluses by providing food aid to friendly less-developed nations (Cochrane and Ryan, 1976: 32).

Agricultural Act of 1956. Agricultural surpluses continued to mount through 1956 despite lower, flexible prices. To offset this tide, the Eisenhower administration proposed the Soil Bank concept in the Agricultural Act of 1956. This plan involved two types of reserves that were to reduce acreage for production (Cochrane and Ryan, 1976: 77). In return for farmers setting acres for the Acreage Reserve Program and Conservation Reserve, farmers received payments (Rasmussen and Baker, 1969: 84). The Acreage Reserve Program was in effect from 1956 through 1958, the Conservation reserve from 1956 to 1972. Generally, both programs failed to solve agriculture's problem of overproduction (Cochrane and Ryan, 1976: 78).

Price Support Programs in the 1960s. The election of President Kennedy marked an abrupt reversal of the previous eight years of Republican agricultural philosophy. The Kennedy administration proposed to reduce the ever-present problem of surpluses by expanding surplus disposal channels and by relying on government control to reduce production. Food distribution to the needy was expanded, a food stamp program was proposed, further expansion of Public Law 480 was legislated, and Kennedy sought expanded commercial exports. A system of mandatory supply and management devices was proposed to meet the problem of high surpluses. These plans were long term; however, the immediate crisis was the excessive cost of storing government surpluses.[9] To reduce the 1961 corn and grain sorghum surpluses, the Feed Grain Act of 1961, was passed. This provided a price support of not less than 64 percent parity for corn if producers participated in the program. Participation meant setting aside 20 percent of the acres a producer had planted for these crops in 1959 and 1960. The program did reduce production, government surpluses, and program costs despite an increase in corn yields in 1961. Dealing with the 1962 crops, the Act of 1962 was enacted. With the exception of wheat, producers were to voluntarily divert acres of feed grains from production. In return, producers were to receive guaranteed price supports and land diversion payments (Cochrane and Ryan, 1976: 79-81; Rasmussen and Baker, 1969: 84-85). To determine whether wheat producers were to receive high support prices and mandatory acreage allotments or low support prices (at only 50 percent of parity) and no controls on the wheat acres to be produced, a referendum was held in 1963. The wheat producing voters soundly defeated the high support price and mandatory acreage allotment plan (Hadwiger, 1970: 250; Hadwiger and Talbot, 1965: 299-315). The Agricultural Act of 1962 extended the 1954 legislated National Wool Act for four more years and Public Law 480 through December 31, 1964 (Rasmussen and Baker, 1969: 85). Finally, the Agricultural Act of 1964 was passed. Proponents of high support prices and mandatory acreage allotments for wheat sought and received passage of legislation that provided support prices and voluntary compliance with acreage allotments for wheat; that is, no referendum could be used to mandate a wheat producer's participation in the wheat program (Cochrane and Ryan, 1976: 81-82).

The Food and Agricultural Act of 1965 marked the end of the Kennedy-Johnson agricultural legislation. It extended from 1965 through 1969 and was typified by low price supports, production payments, and land diversion payments. Commodities provided for included wheat, feed grains, milk, wool, and cotton (Cochrane and Ryan, 1976: 82; Rasmussen and Baker, 1969: 87-88). A new aspect of agricultural policy was the establishment of a cropland adjustment program. This permitted producers to convert cropland to land for the purpose of conserving water, soil, wildlife, forest resources, open spaces, national beauty, recreational resources, or to prevent air or water pollution. In return for these conversions, producers could enter into five- and ten-year contracts that provided for producer payments up to 40 percent of the value of the crop that could have been harvested from the land (Rasmussen and Baker, 1969: 88).

Agricultural Act of 1970. The 1970 Agricultural Act came at a time with a Republican in the White House who contended, just as Benson had in the 1950s, that the less government intervention in farm programs, the better. Included in President Richard Nixon's farm program were pricing and price supports near the market level. Direct income payments instead of high price supports were another feature.

New to the jargon of farm legislation was the concept of "set-aside." Set-aside was really akin to the old Democratic method of keeping land out of production, but with a proviso that all other land could be planted to whatever the producer wanted. Producers who did set aside acres of wheat, upland cotton, and feed grains qualified for price supports.

Loans were another component of the Nixon legislation. Parity was still used to determine some price supports. Small cotton producers received special attention. Other price supports involved milk, wool and mohair products, and beekeepers.

When the Agricultural Act of 1970 was signed, the set-aside and freedom-to-plant provisions remained intact. Loan and price support levels were very similar to those found in the 1965 act. A new feature provided a limitation of $55,000 per commodity per person on the amount of program payments. The limitation applied to wheat, corn, and feed grains.

An aspect of the 1970 legislation that has had long-term influences on agricultural policy was a program for beekeepers. This program enabled beekeepers to collect for damages[10] done to their colonies that had been damaged or destroyed by harmful agricultural chemicals. Of course, beekeepers had to show proof of damages. The significance of this is that for the first time indemnities could be collected due to the side effects of farm production (O'Rourke, 1978: 138-142; Cochrane and Ryan, 1976: 83).

Agriculture and Consumer Protection Act of 1973. Secretary of Agriculture Earl Butz was basking in the limelight when the Agriculture and Consumer Protection Act of 1973 was passed. The Soviet grain deal of 1972 had increased prices, and in many areas of the world improved economies provided optimism that there would be unprecedented demands for many of the United States commodities. Butz called for increased production in 1973, coupled with decreased set-aside payments to egg on increased production. Possible excessive surpluses in the future were ignored. This was the setting when the 1973 legislation was placed on the books.

Effective for the 1974 through 1977 crop years, the 1973 legislation provided only incremental changes from the 1970 act. For wheat, feed grains, and upland cotton there were no marketing quotas. Loans and target prices were applicable only to production from allotted acres. Set-aside provisions were included in the legislation. Unprecedented disaster payments were permitted for allotment acres when there were abnormally low yields, crop failures, or natural disasters.

A revision of the 1970 legislation concerned limits on payments. The 1973 legislation specified the maximum amount of payment limitations that could be received was $20,000 per person (it was $50,000 per commodity per person in 1970). As in 1970, the Secretary of Agriculture was empowered to define "person."

A new concept "target price" was written into the legislation. The target price was used to determine the payments to be paid to individuals and were set by Congress. The difference between the target price of a commodity and the market equaled the payment (O'Rourke, 1978: 144-147). In effect, the parity concept was dead. Congress would develop procedures for determining the loan rates and target prices for subsequent crop years. Congress established the loan rates and target prices for 1973 without the use of a formula (Cochrane and Ryan, 1976: 84). As a result of needing to update the target prices for wheat, feed grain, cotton, and dairy products, the legislation provided for studies to determine the annual cost of production of these commodities (target prices were to vary as cost of production varied).

A cotton insect eradication program was to be established even though scientists and economists said the program was not feasible. Public Law 480 was to continue to provide commodities to be sold, donated, or bartered. Puerto Rico, Guam, and the Virgin Islands' residents became eligible for the Food Stamp program. Eligible strikers were to continue to receive food stamps. Finally, a new rural environmental program was established. This program permitted the Secretary of Agriculture to make contracts with eligible landowners and operators of land. The contracts were to be for purchasing perpetual easements, conservation practices, and anti-pollution practices (O'Rourke, 1978: 148-150).

Emergency Farm Act of 1975. In August, 1973, the Agricultural and Consumer Protection Act was passed. October, 1973, brought the Arab oil embargo. This lead to speculation that 1974 domestic agricultural costs would increase (e.g., fuel and fertilizer). On top of all this, prices of all major crops and livestock in the United States appeared to be declining. In this environment, the Emergency Farm Act of 1975 was passed and then vetoed by President Ford. Congress failed in its effort to override Ford's veto. Any pretense of attempting to protect the consumer was thrown to the wind with the development of the 1975 legislation. The Congress set out to save farmers by seeking higher target prices for wheat, feed grains, and cotton. The idea was to provide farm income through government deficiency payments. Furthermore, the Secretary of Agriculture continued to call for full production, and set-asides were not required for 1975 through 1977 crop years. Loan rates and target prices were increased only modestly. Costs of production continued to increase for farmers. In the end, United States economy stabilized, as did farm prices and costs. Meanwhile, foreign demand became strong relative to United States farm products (O'Rourke, 1978: 152-155).

Food and Agriculture Act of 1977. The 1977 Food and Agriculture Act was one of the most technical and comprehensive measures considered by Congress recently. Included in the legislation were 18 separate titles. These involved subject matter such as commodity support programs, food stamp programs, Public Law 480, rural development, federal grain inspection, wheat research, and nutrition education.

Events preceding this extensive legislation included tighter farm credit, depressed commodity prices, and prospects for a bumper wheat and corn crop at a time when surplus stocks were already excessive (Peters, 1978: 23).

The main controversy surrounding the 1977 farm bill was how high target prices should be. When the target price concept came into being in 1973, market prices were as high or higher than target prices; therefore, few deficiency payments were made to producers (Link, 1977: 2029). But, in 1977, farm prices were depressed, and Senate and House Agriculture Committees were seeking target prices higher than those of the 1973 legislation. Therefore, the total outlays for deficiency payments as a result of the 1977 legislation were likely to be high. If deficiency outlays were too high, they would come into conflict with the guidelines for the total agricultural expenditures as set according to procedures of the Budget and Impoundment Act of 1974 (Porter, 1978: 20-21). Eventually, the final legislation provided for higher target prices.

Wheat, feed grains, cotton, and rice were to have target prices based upon cost of production through fiscal year 1981. Peanuts, soybeans, and sugar beets were also to receive preferential treatment. As usual, loans were provided for several commodities. Included in the cost of production for determining target prices was to be costs of machinery, overhead, and variables, but the cost of land was not included. Finally, the formula determining the cost of production for a crop year was to be based upon the previous two crop years' costs.

New to the 1977 legislation was the idea of producer held wheat and feed grain reserves. The Secretary of Agriculture could acquire the reserves by using three- to five-year price support loans. As a part of the deal, producers would be paid to store their commodities. Legislated was a proposal for the President to negotiate with other nations to develop an international emergency food reserve. To assist producers in emergency situations, the Secretary of Agriculture was provided the authority to buy commodities when a domestic national disaster occurred, plus he could effectuate an emergency feed program in areas he determined required emergency attention.

As in the 1973 act, the beekeeper's indemnity program was extended; however, another indemnity program was implemented. This program provided indemnity payments to dairy farms for losses caused by nuclear radiation, fallout, and residues of chemical or toxic substances. Milk price supports were maintained at a level of not less than 80 percent of parity through March 31, 1979. Thereafter, milk price supports would be flexible, ranging from 75 to 90 percent of parity. Wool and mohair received a price support as well.

The controversial payment limitations had a change in the 1977 act. This legislation increased the payment limitations (it had been set at $20,000 per person in 1973) for wheat, feed grains, and cotton to $40,000 in 1978; $45,000 in 1979; and $50,000 in 1980 and 1981.

Allotments, disaster payments, set-asides, food stamps, and Public Law 480 also were all extended. The program providing for on-the-farm storage of grain was created. Under this program, which extends through 1981, a producer can receive up to $50,000, at a rate of no more than 7 percent interest, for construction, to equip, or to remodel structures for storage of dry or high moisture grain, soybeans, rice, and high moisture forage and silage (Link, 1977: 2030-2032).

Emergency Farm Act of 1978. Emergency farm legislation, Public Law 95-279 passed in May, 1978 (U.S. Congress, 1978b: 138). Sparked by farmers' displeasures with low prices and the Carter administration's attitude toward the farm price problem (Wehr, 1978b: 815), Congress provided increased target prices for wheat, feed grains, cotton, and rice if a producer had set-aside acres. Included also was a new borrowing authority of $25 billion for the Commodity Credit Corporation, up from a previous authority of $14.5 billion (Wehr, 1978c: 1153).

Food Distribution Policy

Food distribution policy is another major area of domestic agricultural policy. Included in this discussion are the earlier background of today's food stamp program, the contemporary program, and whether the food stamp program is a surplus food program or a welfare program.

The present-day food stamp program has a heritage which extends as far back as the Great Depression.[11] Originally, food commodities were directly distributed to needy people. Not until the food stamp program of 1939 to 1943 did this nation use a stamp program to provide food for eligible recipients. A full-fledged food stamp program was not implemented again until 1964. In general, food stamp legislation since 1964 has made the program more accessible to a larger number of people and has reduced this nation's emphasis of providing food directly to needy people.

Commodity Distribution in the Depression. As alluded to above, the food stamp program had its origin in the 1933 Agricultural Adjustment Act which provided for the support of farm prices by limiting agricultural production and reducing surplus farm commodities on the market (Agricultural Adjustment Act, 1933-34: Sec. 2, 8, 32, 34). Faced with an overabundance of farm products, 1935 amendments to the 1933 act attempted to increase the consumption of farm products by authorizing the Secretary of Agriculture to purchase farm commodities or their products. The act's intent was to divert farm commodities or their products from the natural avenues of the marketplace. In order to carry out the intent, the Secretary of Agriculture was authorized to use 30 percent of the gross receipts from all customs (Agricultural Adjustment Act, 1935-1936: Sec. 32, 774-775). Needy families and school lunch programs were the main outlets for the purchased farm commodities (U.S. Congress, 1977a: 1-2).

Early Food Stamp Plans. The first food stamp program resulted from the continuing need to consume surplus farm products. From May, 1939, until early 1943, a food stamp program was undertaken to provide services for families on relief, WPA workers, and any other people deemed to be needy by relief agencies. This program ended because United States war efforts required increased food supplies. Ironically, this country's food supply became so depleted during World War II that food was rationed.

Pilot Programs of the 1960s. Not until 1961 was a food stamp program implemented again, and then on only a limited basis (U.S. Department of Agriculture, 1962: 31). During the Kennedy administration, eight pilot programs were initiated to determine the effects of the food stamp program on surplus food supplies and on the spending habits of food stamp program recipients. More specifically, the pilot program was to indicate whether the supply of surplus farm products would decrease, whether the people involved in the pilot program would have improved nutrition, and how the pilot program participants would spend their "bonus dollars."[12]

Evaluations of the pilot program indicated that food stamp participants increased their purchases of meats, dairy products, poultry products, fruits, and vegetables. These expenditures were considered conducive to diminishing the agricultural problem of overproduction. Furthermore, more of the low-income families who participated in the program had "good" diets compared to those families which were not participating. (A good diet was one which provided a family with 100 percent or more of the needed amounts of each of eight nutrients recommended by the National Research Council [30]). Finally, the pilot program found that 85 cents to 95 cents of every bonus dollar was spent on food items (U.S. Congress, 1977a: 5-6); the remaining 5 to 15 percent was spent on nonfood purchases. Because the pilot program indicated that participants increased their food purchasing power, the pilot program was used as supportive evidence by the proponents of the Food Stamp Act of 1964 (3).

Food Stamp Act of 1964. The Food Stamp Act of 1964 authorized the Secretary of Agriculture to set up and finance a food stamp program when requested by a state. Furthermore, the act forbid the federal distribution of food to households wherever food stamp programs were operating. Finally, objectives of the legislation were to increase the use of surplus farm products and to improve the nutrition of low-income households (The Food Stamp Act of 1964, 1964: Sec. 4, 704).

Administratively, the 1964 food stamp program was designed so the federal government set the purchase criteria for issuing the allotted stamps and paid for the cost of the bonus stamps. State governments were required to establish income, resource, and assets requirements for determining eligibility for the food stamp program (The Food Stamp Act of 1964, 1964: Secs. 5, 15, 16, 704-709). Because eligibility was partially based on income and not just on whether an individual was receiving welfare, many more low income people became eligible. Another significant aspect of the legislation was requiring the states to set the income and asset criteria. A consequence of these state responsibilities was a wide range of eligibility regulations among the states; therefore, very low participation occurred in many areas of the nation (U.S. Congress, 1977a: 3-4). Furthermore, federal guidelines created prohibitive purchase requirements. In 1967, hearings on malnutrition and hunger in America found that the Food Stamp Program's purchase requirements for stamps caused financial hardship on many families. Thus, these families were unable to purchase food stamps (U.S. Congress, 1967: 217). Together, the federal and state actions caused an overall shortcoming of the food stamp program--inequitable allotment of food stamps (U.S. Congress, 1977a: 4).

Amendments of 1971. In 1971, several key changes occurred in the food stamp program. Briefly, these involved the following: national uniform income resource eligibility standards were implemented; purchase requirements were reduced for participants, especially low-income families; total coupon allotments were set at such levels that all participants were insured enough stamps so they could maintain nutritionally adequate diets; and state agencies were directed to seek out and inform eligible food stamp participants of the availability and benefits of the program (Food Stamp Act, Amendments, 1970: 2389-2394).

Overall, the 1971 amendments provided the framework for our present-day food stamp program. Perhaps even more significantly, the amendments meant more participants qualified for the program and increased benefits to participants. Also, the amendments decreased state control and increased federal participation. Together, these changes resulted in an increase of federal expenditures for the food stamp program (U.S. Congress, 1977a: 7).

Agriculture and Consumer Protection Act of 1973. In 1973, Congress extended the program through fiscal 1977 (Agriculture and Consumer, 1973: Sec. 16, 248) and required all states to implement the program by fiscal year 1975

(Sec. 10, 248). At the time of the extension, the program cost $2.2 billion with 12.2 million participants, the latter being up from 9.4 million in fiscal year 1971 ("Efforts to Revise," 1976: 607).

<u>Food Stamp Act of 1977</u>. In 1977, Congress provided a four-year extension to the federal food stamp program. The most salient part of the legislation was the elimination of the requirement for food stamp participants to pay for a portion of their stamp allotment (U.S. Congress, 1977b: Secs. 4, 7, 8, 961-968). Total USDA food stamp program spending limit for fiscal 1980 has been set at $9.5 billion. The fiscal 1980 participation was expected to be about 21 million recipients (Donnelly, 1980: 1312-1314).

<u>Surplus Food Program or Welfare Program</u>. The food stamp program has been described as serving the following purposes: income transfer, welfare supplementation, welfare equalization, supplemental social insurance, disaster relief, and supplemental feeding (Berry, 1978: 153). Today, one of the main controversies surrounding the food stamp program is whether the program is a surplus food program or a welfare program; consequently, there is considerable debate whether the food stamp program should remain in USDA or transferred to the Department of Health and Human Services.

Several reasons have been given for moving the food stamp program out of USDA. Charges have been made that several secretaries of agriculture have indicated a dislike for welfare. Families that accept food stamps generally have a need for other income as well. Functionally the food stamp program fits the Department of Health and Human Services better than USDA.

On the other hand, several reasons can be provided for keeping the food stamp program in USDA. Some groups seem to have better access to USDA than to the Department of Health and Human Services. Also, the support for a food stamp program may wane if its overt purpcse becomes income maintenance rather than to supply food for hungry people. A more selfish reason on the part of USDA and the agricultural community in general for retaining the food stamp program does exist. If the program were to be transferred, the political clout of USDA would be considerably reduced; without the food stamp program, USDA would primarily be supported by producers, a diminishing clientele (Hadwiger, 1976: 163).

Regulatory Policy

Regulatory policy has long been an aspect of agricultural policy. Grain inspections, to be reviewed first, is one of USDA's most salient regulatory areas. Other major areas that are or have been regulated include livestock marketing, commodity exchanges, cooperatives and corporations, and farm labor.

Meier (1979: 72) has stated regulatory policy consists of "immediate coercion to prevent individual conduct from transcending acceptable bounds." He has adapted his definition from the classic work of Lowi (1972: 300) who developed a policy taxonomy that included distributive, constituent, redistributive, and regulatory policies. Agriculture regulatory policy is nothing new. Gaus and Wolcott (1940: 13) stated that when USDA became a Cabinet level entity with a secretary, USDA's primary function was research, but as early as 1889 the department's first regulatory functions had already been bestowed upon it. In fact, in 1873 USDA attempted to regulate the treatment of cattle that were being transported. This regulatory effort was directed toward the railroads, but the regulation was largely ignored (1940: 22).

Other early regulatory activities centered around the inspection and grading of agricultural products, with the primary benefactors being consumers. A concern for unclean American meat and unhealthy live animals was exemplified by the passage of the Meat Inspection Act of 1906. This act amended earlier legislation of 1890 and 1891. In the same year, the Food and Drugs Act was passed. Expressed in the legislation were concerns about the nutritive characteristics of food. Did colored lard, for instance, have the same nutritional value as butter, or did sugar syrup have the same nutritional value as honey (Rasmussen and Baker, 1972: 14-16)?[13]

<u>Grain Inspection</u>. Two regulatory acts relating to grain were passed in 1916 and are in force yet today. These were the Federal Warehouse and United States Grain Standards Acts.

The Federal Warehouse Act was in part an attempt by the federal government to enable farmers to use stored grain for credit. USDA was to license all warehouse operators. If their storage facilities for certain grains were adequate, they were financially responsible, and they would operate a warehouse that was open to all users. In return for complying with these regulations, the federal government would issue federal warehouse receipts to farmers that could be used as collateral for bank loans. This act, therefore, really had two objectives: to restore grain warehouses across the nation and to get the maximum use from a producer's credit potential (Benedict, 1953: 154-155). The states, under the supervision of the federal government, carried out state warehouse regulations until 1931 (U.S. Congress, 1976: 103). Since that time, federal warehouse legislation has superseded state regulation. Today, the Federal Warehouse Act still provides for the federal licensing of employees of warehouse owners; therefore, federal regulatory activities are still supervisory in nature (105).

Due to total state regulation prior to 1916, there was varied application of warehouse and grain inspection regulations across the nation. But this patchwork regulation was only a part of the problem. Of more concern was who controlled the inspection of grain prior to 1961. Generally, inspection was controlled by boards of trade. These boards of trade were, in turn, controlled by purchasers at major terminal markets. Because of the influence of these purchasers, the inspection, handling, and grading of grain favored the purchasers of the major terminals. Farmers and shippers had to accept lower grade assignments for their grain and resulting lower prices. The real losers were the ultimate purchasers, domestic or foreign, who received a poor quality commodity, but the commodity was indicated to have been inspected as a high grade of grain.

To insure the integrity of the United States grain inspection and grading system, therefore, the United States Grain Standards Act was passed. Under USDA supervision, state and private agency personnel were to be licensed to carry out the intent of the legislation. The act included requiring official inspection and certification of grain, prohibiting official inspection personnel from having conflicts of interest, and prescribing certain penalties for violations of the act. Until 1968, the act provided for inspection and certification of all grain, shipped or delivered for shipment, transported in interstate or foreign commerce channels. After 1968, only grain exports had to be inspected and certified (U.S. Congress, 1976: 100-102).

Major amendments to the United States Grain Standard Act occurred in 1976. Initial impetus to revise the act stemmed from the illegal activities of individuals and companies in New Orleans and Houston in 1975. These illegal grains trading activities included bribing inspectors and shipping inferior grain ("Compromise Grain," 1976: 381). Following these disclosures, the General Accounting Office conducted a thorough investigation of USDA's grain inspection system at the request of Senators Hubert Humphrey (D MN) and Thomas S. Foley (D WA). Among other conclusions, the General Accounting System found the grain inspection system should be brought under direct control of USDA, the inspectors should be under uniform standards, and USDA should have the authority to directly control elevators that could easily circumvent federal regulations due to complex operations (U.S. Congress, 1976: ii). The Congressional Budget Office (1976: 14) cited conflict-of-interest cases as a reason for tightening federal regulations. For example, one board of trade had six of its seven members on its inspection committee, and these same six individuals were officials or employees of grain firms being regulated by that inspection committee.

The Congressional Budget Office's report on USDA's grain inspection system was released in February, 1976; by October 21, 1976, the grain inspection system had been revised. Legislated was a new Federal Grain Inspection

Service within USDA that was to be headed by an administrator appointed by the President and approved by the U.S. Senate. With the exception of qualified state inspection agencies in place as of July 1, 1976, all direct inspection at export locations was to be conducted by federal inspection. This included all United States and Canadian ports handling United States grain. State, local, and private agencies, who had met federal requirements, were to inspect inland locations. These requirements forced agencies to have accurate record-keeping, rotate their inspectors, and recruit, train, and supervise based on set standards. To curb the conflict-of-interest situations inspection agencies could not (with one exception) have any connection with the grain trade. The exception was allowed if the head of the Federal Grain Inspection Service decided the conflict did not compromise the integrity of the inspection service. A report of such waivers had to be submitted to the House and Senate Agriculture Committees within 30 days of such actions. For the first time ever, any grain that was being sent to export locations from interior points and all grain that was to be sent overseas had to be officially weighed and certified by federal or state personnel. Elevator personnel could do the official weighing and certifying, but only under close physical supervision by official inspectors. Finally, the 1976 legislation stipulated criminal and civil penalties for violations of the regulations. Criminal penalties included one year in prison and $10,000 in fines for the first offense and five years in prison and $20,000 in fines for any other violations. Civil penalties up to $75,000 could be imposed for infringing the regulations ("Compromise Grain," 1976: 381-382).

Packers and Stockyards Act of 1921. The Packers and Stockyards Act of 1921 was another forerunner of present USDA regulatory activities. This insured that the free market system prevailed when marketing companies handled the farmer's product. An attempt was also made to have fair commissions paid by the producers. In general, the act tried to establish fair business practices (Rasmussen and Baker, 1972: 83). Originally the Packers and Stockyards Administration administered the 1921 act; however, in 1977 its responsibilities were placed within the Agricultural Marketing Service, where it is today (U.S. Department of Agriculture, 1977: 2).

Commodity Exchanges. Until recently, a major area of USDA regulation has been of private commodity exchanges. Originally commodity exchanges were a part of twelfth century medieval trade fairs. During that time, contracts for commodities specified what the quality of the commodities would be when they were delivered. These regulations relative to selling for subsequent delivery were eventually codified into the Law Merchant. In essence, the contracts of the twelfth century were the precursors of today's futures contracts.

Futures contracting was introduced in the United States from England, developing extensively from 1850 to 1900 (Purcell and Valdez, 1976: 557-558). During that period, private associations such as the Chicago Board of Trade were established. As was the tradition of these private associations,[14] disputes concerning the buying and selling of commodities were to be resolved by merchants though, in theory at least, this private law making would be guided by the courts (Lurie, 1975: 1115-1116). The purpose of the futures market was to reduce the risk of producers, dealers, and processors when they bought and sold commodities. This was done by shifting the risk of price fluctuations to speculators using the process of hedging. Hedging permitted producers, dealers, and processors to contract in advance for the sale of their goods, thus reducing the uncertainty of price fluctuations. The speculator, on the other hand, accepted the risk of price fluctuation. He will buy commodities based upon the assumption of future prices, but will sell if he feels prices are going to be depressed. The speculator's profit or loss, therefore, is theoretically based on his ability to judge price movements (Purcell and Valdez, 1976: 559-560).

As was noted earlier, the development of commodity exchanges and the process of futures trading occurred rapidly during the last half of the 1800s. This was a result of the increased mechanization of farming, increased farm production, and the development of railroads and the telegraph. To accommodate this expanding production and ability to transport the commodities from the producer to the consumer, central marketing mechanisms were established--commodity exchanges (558).

Theoretically, futures contracts should have alleviated fluctuating prices and risk in general for the producers, dealers, and processors, but especially for the producers. Life should have been less of a gamble for the farmer in the late 1800s, but this was not the case. The railroads and warehouses in Chicago joined together to squeeze the producers. That is, railroads would charge extra cents per bushel if grains were not stored in certain elevators. Eventually, farmers faced even more problems, as increased prices led to increased production which, in turn, caused low prices. To top it all off, the farmers resented being manipulated by the speculators[15] (Lurie, 1975: 1120-1121). From 1890 to 1920 farmers sought legislation to regulate the exchanges, but to no avail (Lurie, 1978: 103). The regulation of the exchanges was being sought as a result of the failure of the exchanges to regulate speculative excesses and abuses. In 1921, Congress enacted the Futures Act. This legislation was to regulate the commodity exchanges, but was declared unconstitutional by the Supreme Court because it was based on the taxing power of the Constitution. The next year Congress passed the Grain Futures Act. This legislation was based on the interstate commerce clause and was upheld as being constitutional. Though the act later proved to be ineffectual, the legislation attempted to regulate the exchanges rather than individual speculators. Requirements of the act included having the exchanges federally licensed and declared as contract markets. In order to meet their requirements, an exchange had to accept primary responsibility for controlling speculative excesses and abuses; the act also provided some government action if speculative excesses did occur. This legislation was ineffectual because there were no legal provisions specifically written to prevent abuses by large traders or to permit unethical practices (Purcell and Valdez, 1976: 558-559).

In 1936, an attempt was made to strengthen regulation of the exchanges, specifically to insure that they, in turn, would curb abuses and excesses of speculators. The enactment contained provisions for federal regulators to limit the amount of future contracts traded each day. This measure was to provide a more open market based upon supply and demand; ironically, while this provision did stabilize the market, it also foreclosed any opportunity for the commodity market system to operate in a laissez faire atmosphere reminiscent of the nineteenth century.

The Secretary of Agriculture was given broad powers to apply the regulations of the act. If there was a violation, either in the past or subsequent to the passage of the act, the Commodity Exchange Commission (composed of the Secretary of Agriculture, Secretary of Commerce, and Attorney General, or their designated representatives) could issue cease-and-desist orders. Such orders were subject to court appeal. To induce compliance with federal regulations, the 1936 act stated that if a board of trade or a director, officer, agent, or employee of such a board refused to obey federal regulations, a fine of not less than $500 nor more than $10,000 could be levied. Furthermore, imprisonment of up to one year could be imposed separately or in conjunction with a fine. Finally, each day that an order was disobeyed was declared to be a separate offense. Clearly, the boards of trade were being closely regulated.

Not until 1968 were any major changes made in the regulating of commodity exchanges. Then, after rapid expansion of futures trading following World War II, Congress began to take steps to increase federal control even more. The 1968 legislation permitted the Secretary of Agriculture to disapprove a rule or regulation created by an exchange that was in violation of federal law. To insure the intent of Congress was followed, the Secretary of Agriculture could force the exchanges to apply all regulations that were not disapproved by the Secretary. Finally, the exchanges had to preserve the minutes and records of all their business meetings so that the discussions held at the meetings could be clearly discerned.

Subsequent to the 1968 legislation, the futures market rapidly increased, both in amounts and monetary value. From 1968 to 1969, trading increased by 20 percent; from 1969 to 1970, there was an increase of 22 percent; from 1971 to 1972, trading was up to 26 percent. Finally, the 1973 volume increased by 40 percent. Meanwhile, the legal staff to carry out the enforcement of the federal regulations did not increase despite a doubling of futures contracts from 1969 to 1973. Concomitant with this was the reduction of enforcement of regulations by the exchanges. The attitude of the exchanges was that if they could not have internal control of affairs, then why bother to take the time to insure regulations were being met by speculators. To make matters even worse, there were clear violations involving illegal practices at exchanges. According to Barton (1976a:153) the Commodity Exchange Authority was dismantled because of alleged charges of having permitted commodity exchanges to corner the market on soybeans, wheat, and other commodities intermittently from 1972 to 1974. This caused prices to artificially increase. Barton also felt the reform movement within Congress during 1974 might have contributed to the creation of the Commodity Futures Trading Commission. The net result was the transfer of 300 personnel from USDA, formerly with the Commodity Exchange Authority, to the Commodity Futures Trading Commission, a new independent regulatory agency. This agency was to regulate all futures trading. USDA representation on the commission was to be strictly a liaison who could attend and observe all proceedings, but was not to be a voting member of the commission. The new commission could by itself or through the Attorney General use litigation to seek redress from an exchange or individual who violated federal regulations. To assist in enforcement of the regulations, the act provided for penalties from $10,000 to $100,000 (Lurie, 1978: 104-107).

Dubnick (1979: 42) has speculated that as a result of the wholesale movement of employees from USDA to the Commodity Futures Trading Commission, conflict of interest would exist. But given the varied clientele of the Commodity Futures Trading Commission (not just agricultural producers), the agricultural producers' special treatment would probably wane in the future.

Cooperatives and Corporations. Regulation in the form of not being coerced to do something has been a part of agricultural policy since the 1920s. In 1890, the Sherman Antitrust Act was passed, largely in response to the consolidation of industrial corporations during the late 1800s. To the chagrin of farmers, their marketing associations, which were created to overcome the organized buyers of farm commodities, were not excluded from the antitrust legislation. With the passage of the Clayton Antitrust Act of 1914, however, agricultural cooperatives that did not have capital stock or did not seek a profit became exempt from antitrust legislation. On the other hand, the Clayton Antitrust Act was not all that helpful to the farmer since most cooperatives had capital stock at the time. Not until passage of the Capper-Volstead Act of 1922 were capital stock cooperatives exempted from antitrust legislation. Since that time the courts have indicated that cooperatives are not totally exempt from antitrust legislation. Cooperatives themselves are precluded from forming monopolies.

Because of the definition of farmer in the 1922 legislation, this act has had an effect on the farm structure. As then defined, a farmer was any person who worked to produce agricultural products. As a result, corporations, legally recognized persons, that produced farm products had been exempted from antitrust legislation (Hlavacek and Troll, 1978: 527-531). The net result of this legislation has been a burgeoning number of corporations, from 8,200 in 1957 to 28,090 in 1974. Though the corporations accounted for only one percent of all farms, their sales accounted for 15 percent of total cash receipts. Since many farm corporations are family farm operated, it is unlikely that generally farmers would believe all corporations should be abolished. Data indicate that in 1969, of 21,500 farm corporations, 90 percent were family corporations (not more than 10 shareholders). This 90 percent accounted for 80 percent of the corporate farm sales. Farmers are concerned with the nonfarm interests that invest in farming, because the nonfarm interests use a corporate structure for profits, capital gains, tax breaks, or further control within the agricultural community.

In 1969, the remaining 10 percent of the farm corporations, 1,797, provided 2.9 percent of total corporate sales. A majority of these corporations were located in California, Texas, and Hawaii. Some of these corporations were formed to insure a market for feed, breeding stock, or other farm inputs. Other corporations were formed to obtain a stable supply of raw materials for processing. This vertical integration[16] has served the purpose of providing conglomerates with increased market and coordinating power. Success in farming for the conglomerates has been best where products have been perishable, there has been a need for technical management and equipment, and a product's brand name has been involved (U.S. Congress, 1978a: 18-20).

O'Rourke (1978: 128-130) said the crux of the issue surrounding large conglomerates in agriculture is a concern with who will control agriculture. If family farms were on equal footing with conglomerates, everything would be fine, but family farms do not have as much survival power as do conglomerates. For instance, conglomerates have greater financial assets that could possibly permit them to withstand a poor crop year when an individual farmer would not have the same borrowing power. As noted earlier, conglomerates farm to control markets. If a processing firm owns a farm, therefore, not only is the market controlled, but comparative data on costs, returns, and yields are controlled. These comparative data, not as easily accessible as when there is a separation of producer and processor, can be monopolized by the firm in bargaining sessions with farm input suppliers. Finally, O'Rourke was concerned about family farmers since conglomerates would probably outbid family farmers for land. Whoever owned the land, as a consequence, would control agriculture.

Farm Labor. To a lesser degree, regulation has occurred in other areas of agricultural policy. Until December 31, 1947 (Craig, 1971: 54), USDA had at least partial responsibility for regulating Mexican labor. Responsibility for Mexican labor was originally located in USDA's Farm Security Administration; this responsibility was transferred to the War Manpower Commission in June, 1943 (46-47). Regulation of the transporting and employment of farm workers was retained by the Farm Security Administration. The regulations required that adequate housing and health and sanitary facilities be provided for farm workers. But the authority of the Farm Security Administration was weakened by Public Law 45 because of pressure from farm organizations. This legislation limited the scope of federal control over farm labor and limited the appropriations for the program; it also transferred the control of the program to the Extension Service. (The Extension Service became a part of the Conservation, Research and Education Agency in 1978 [U.S. General Services Administration, 1978: 127]). The program terminated in 1947 (Coalson, 1977: 67-69).

Other Regulated Agricultural Concerns. Pesticides, which came under control of the Environmental Protection Agency in 1970, were originally a responsibility of USDA (Dubnick, 1979: 31-33). Other regulatory policy, though never agricultural policy in the sense that it was a responsibility of USDA, has affected the agricultural community. Among these are regulations concerning the use of federal lands (15-21), minimum wage requirements, and workers' health and safety (26-30).

Conservation Policy

Conservation policy for USDA formally had its major beginnings during the Depression years; soil erosion due to winds was USDA's concern at that time. More recently, conservation efforts by USDA have involved developing drainage systems, stripcropping practices, irrigation systems, flood control projects, forest conservation, and resource conservation and development. These topics will be discussed in this section.

Beginnings of the Soil Conservation Service. A concentrated effort to curb soil erosion resulted from dust storms in 1934 and 1935. These storms picked up topsoil in the central states of the nation and deposited it as far away as the Atlantic coast. In April, 1935, a permanent national agency, the Soil Conservation Service, was established. It was to provide technical assistance to farmers to mitigate erosion. There had been smaller programs before, but this marked an important expansion of conservation efforts.

Within the Bureau of Chemistry and Soils, in USDA, agronomic problems were dealt with as early as 1894. That same year, this bureau published a farmer's bulletin documenting techniques for preventing soil erosion. More evidence of a concern for erosion came with the development of a division of soil erosion in the Bureau of Chemistry and Soils in 1908. Another bulletin on erosion was published by USDA in 1917 (Morgan, 1965: 1-2). Though it was intended to be in USDA,[17] the Soil Erosion Service was set up under the Department of Interior in 1933. Thus, a national soil erosion program was in place; it was to have two objectives. Demonstrations were to be used to show that erosion on croplands could be curbed, and the underpinnings of a permanent program were to be developed (Morgan, 1965: 10-11).

The Soil Conservation Service took over soil erosion responsibilities from the Soil Erosion Service. From the experience of the Soil Erosion Service, it became apparent that soil erosion demonstration projects could not practically be provided for all communities across the nation; farmer participation would be required to insure continuation of soil erosion adaptation. Using Texas wind erosion districts as models, USDA developed farmer-controlled soil conservation districts in 1934. Through these local governing units, the Soil Conservation Service has administered its programs.

Soil Conservation and Domestic Allotment Act of 1936. Another effort to control erosion was made by USDA through provisions of the Soil Conservation and Domestic Allotment Act of 1936. Farmers were paid on a cost-sharing basis for using soil-conserving techniques. Soil surveys have been a useful tool for conservationists. Once these surveys have been completed, soil conservationists can then develop plans as to what means soil conservation (for example, a drainage system, stripcropping, etc.) should be used on a tract of land.

In the 1950s, drought and wind erosion again became a problem for the Great Plains Region. To combat this, legislation was enacted that permitted the Secretary of Agriculture to contract with farmers to use acreage for grassland rather than low-grade cropland. These contracts were to be no longer than ten years; the Soil Conservation Service was to provide technical assistance on a cost-sharing basis.

Agricultural Conservation Program. Under the Agricultural Stabilization and Conservation Service, the Agricultural Conservation Program was developed in 1936. Provisions of the program included cost-sharing for farmers in the liming and fertilization of land shifted to grass, planting vegetative cover, and developing irrigation systems designed to conserve water and reduce erosion. Locally elected farmer committees created the plans that eventually were submitted to state and national levels for approval. This program came into conflict with the Soil Conservation Program because of the overlap in their efforts. More and more the funds for this program have been used to conserve water, reduce water pollution, preserve wildlife, and for recreation and beautification. Finally, in 1971, the program was renamed the Rural Environmental Assistance Program.

Watershed Protection. Conservation also has included watershed protection. In 1954, the Watershed Protection and Flood Prevention Act was passed. This enabled local organizations to apply for federal assistance for small watershed protection and flood control projects. These plans required state approval. Even more extensive assistance was provided through technical assistance, loans, or cost-sharing to build flood-preventing dams. These have formed reservoirs for many locales.

Dam Projects. Dam projects have been interesting because of the amount of inter-agency cooperation. Reservoir construction has been the responsibility of the Soil Conservation Service. Forestry responsibilities have been directed by the Forest Service. Farmers Home Administration has provided loans to local organizations. Water and sediment analysis has been provided by the Agricultural Research Service (this became a part of the Conservation, Research, and Education Agency in 1978 [U.S. General Services Administration, 1978: 127]), and economic impacts of projects have been determined by the Economic Research Service (this also became a part of the Conservation, Research, and Education agency in 1978 [U.S. General Services Administration, 1978: 127]).

Forest Conservation. Protection of our nation's forests has rested with the Forest Service in conjunction with the Department of the Interior's Bureau of Land Management.[18] Conservation practices that have been carried out by the Forest Service include selling mature timber to private interests, replanting of areas damaged by forest fires, and controlling grazing. Care has been taken to restore lands damaged by domestic use such as road building or mining activities. Improvement of wildlife habitat has been carried out to protect game and fish; management of hunting and fishing also has been used as a conservation practice to protect game and fish.

Resource Conservation and Development. Finally, resource conservation and development has been conducted by USDA. This program has involved recreational development, irrigation, drainage, and flood control projects, or timber and grassland work. Cost-sharing has been provided to local communities to carry out the projects. The function of the program has been to encourage economic development of rural communities through the wise use of natural resources. As with the reservoir projects mentioned earlier, these development projects have involved several USDA agencies, specifically the Soil Conservation Service, Forest Service, Economic Research Service, and Extension Service (Rasmussen and Baker, 1972: 88-99).

Education Policy

Long a part of USDA's undertakings, education for the public has been presented in several ways. One means is through the Extension Service. Other sources of education via USDA include public information made available by the Consumer and Marketing Service, plus formal education for federal career employees and blind people. In this section, each of these is discussed.

Extension Service. Primary responsibility for education in USDA has rested with the Extension Service (Rasmussen and Baker, 1972: 84). Created by the Smith-Lever Act of 1914, this agency began agricultural education by using county agents. At its beginning, the Extension Service was closely tied to the American Farm Bureau Federation. County agents felt it was necessary to organize farmers into farm bureaus so that farmers could compete with organized business and labor.

Financing of the Extension Services was critical to the American Farm Bureau Federation because frequently state aid for the Extension Service was based upon farm bureaus being organized in a locale, with the county agent working through the farm bureau. In the early stages, therefore, the American Farm Bureau dominated the Extension Service in many instances (5-7).

Extension programs have been centered around agricultural production, marketing, home economics, nutrition, 4-H programs, and rural development. The procedures have involved federal Extension Service personnel assisting state extension specialists; in turn, state specialists have aided individuals and county and area agents. Popularity of the extension concept has grown to the extent that it has been adopted in foreign countries where government specialists offer technical advice to farmers.

Public Information. Public education has also been offered in the form of public information. Sources of public information have included the Consumer and Marketing Service. This agency has produced data on supply, demand, and agricultural prices. Office of Information specialists have reached the public through visual presentations, press releases, radio and television programs, and publications. A National Agricultural Library (in 1978, this became a part of the Conservation, Research, and Education Agency [U.S. General Services Administration, 1978: 127]) located at Beltsville, Maryland, has served both domestic and international needs relative to agricultural literature.

Other Educational Endeavors. In 1921, USDA began a Graduate College. This institution has provided contemporary courses for federal career employees. Correspondence courses have also been available as well as educational television courses. For the blind student, a nature trail was initiated in 1968 in Washington, D.C. Also, in Colorado a trail for blind people was developed. Finally, some publications of USDA's library have been printed in braille.

Research Policy

Research undertakings have long been a part of USDA's activities. These research efforts may be described as many and varied. After reviewing USDA's early research efforts, plant, animal, insect pollution, food and nutrition, and utilization research will be discussed. The final portion of this section relates research adaptation, forest research, overseas research, economic research, and research supporting cooperatives. Finally, the pros and cons of USDA's research will be briefly stated.

Early Beginnings. As with USDA's regulatory heritage, the roots of its research reach back to this nation's early days. Formally USDA was established in 1862, but agricultural research actually began with the colonists heeding advice from the American Indian on how to plant corn, beans, and potatoes. Both George Washington and Thomas Jefferson performed experiments on their farms. Washington, in fact, developed a strengthened strain of wheat. Benjamin Franklin persuaded the State Department to have its overseas consuls send back seeds.[19]

The decade of 1830 to 1840 was critical to the new awareness for the need of increased food production and a need for federal aid for the agricultural community. During this decade railroads linked the producer to the population centers of the East. Furthermore, the threshing machine, mower, reaper, and steel plow were invented during this time (Moore, 1967: 3-5). Finally, from 1837 to 1842 the worst depression prior to the Civil War occurred. It crippled the farm community. The depression's severity was marked by interest rates as high as 30 percent.

Up to 1862, agricultural interests were located in the Patent Office. But agriculture had been given new status in 1839 with the creation of the Agricultural Division of the Patent Office. That same year the first federal appropriation to agriculture was made in an amount of $1,000 (Harding, 1947: 9-10). Since appropriations at that time were available until spent, another appropriation did not come until 1842. Appropriations from 1842 to 1845 were in amounts of $1,000, $2,000, $2,000, and $5,000, respectively (Moore, 1967: 5). No appropriation was made in 1846, in fact, work was momentarily discontinued. Beginning with renewed funding in 1847, appropriations were never terminated again. From 1837 through 1840, Commissioner of Patents Henry L. Ellsworth requested funds for collection and distribution of seeds, plants, and statistics. In 1841, he emphasized the need for the use of chemistry in improving crop production (Harding, 1947: 10-11). It was not until 1856, however, that experimentation was actually mentioned in an appropriations bill. In sum, the actual agricultural scientific work done in the Patent Office from 1839 to 1862 was limited to distribution of seeds and publications compiled from collected data. The Division of Agriculture's greatest contribution during this period was making this nation aware of the need for increased knowledge about farming (Moore, 1967: 5-6).

Plant Research. Plant research is one of the primary research areas of USDA. The primary agency that has had this responsibility is the Agricultural Research Service. But cooperation with agricultural colleges and state experiment stations has also been required to carry out plant research. Examples of successful research efforts have included development of red winter wheat at the Kansas

State experiment station and discovery of phytochrome, a plant protein molecule.

Animal Research. To improve dairy research, USDA developed its own dairy herd. Research results indicated that breeding with certain sires increased milk production. Other animal research has been done to determine what poison weeds exist. This has been especially important to sheep raisers.

Insect Research. Insect control had long been an area of research interest for USDA. The heydays of insect control began with the development of the insecticide DDT in 1939 (Rasmussen and Baker, 1972: 63-65). With the advance of the environmental movement in 1960, however, the uncontrolled use of insecticides began to wane. Passage of the National Environmental Act in 1969 ended the regulation of agricultural chemicals by USDA. The Environmental Protection Agency became the sole guardian of agricultural chemicals (Maney, 1978: 163-164).

Pollution Research. USDA began to analyze crops, soils, and water for pesticide contents in the early 1960s. Air pollution came under scrutiny in the late 1960s. The Agricultural Research Service, Forest Service, and state experiment stations have examined the ramifications of air pollution for plants and trees.

Food and Nutrition Research. Food and nutrition research received early support from Wilbur O. Atwater in 1869, who was the first director of the Office of Experiment Stations. Atwater created a program for food and nutrition research in USDA and the state experiment stations. It has been primarily conducted by the Agricultural Research Service. This agency has analyzed the contemporary diets of Americans and developed nutritious foods; it has also helped eliminate food hazards. An example of Agriculture Research Service's work was determining the nutritional qualities of fats and carbohydrates.

Utilization Research. An effort very beneficial to the producer has been utilization research. This has improved the likelihood that crops will be marketed by aiding in development of alternative outlets. Research has been conducted at five regional laboratories, four of these authorized by the Agricultural Adjustment Act of 1938. The fifth laboratory was begun in 1964 in Georgia. Other research efforts have been located in field stations at a dozen other locations. Several examples of this type of research were the development of potato flakes, penicillin, and frozen orange juice concentrate.

Research Adaptation. Adapting technology to agriculture practices has been a part of USDA's research effort, too. The laser beam has been used to agriculture's advantage for installing subsurface drains, construction of open ditches, and leveling land. An earth-removing machine, for instance, can cut at the desired soil grade level based upon the laser beam's detection of the desired grade. Aerial photography also has become a part of USDA's arsenal as has infrared photography and remote sensing. Remote sensing, for example, has been used to determine estimated crop production and for detecting forest tree diseases (Rasmussen and Baker, 1972: 67-72).

Forest Research. Forest research began in 1876. At that time, $2,000 was appropriated to study how to preserve and renew forests. In the more recent past, forest research has taken place in regional experiment stations; these were begun in 1908, strewn throughout the United States and Puerto Rico. Research has also been conducted at forestry schools and state agricultural experiment stations, which were begun at the turn of this century. The McSweeney-McNary Act of 1928 served as the backbone legislation for cooperative research efforts among private organizations, universities, forestry schools, and state experiment stations (Frome, 1971: 131-134). Other research and educational activities have been funded under the aegis of the McIntire-Stennis Act of 1962 (Rasmussen and Baker, 1972: 73).

Like so many other areas, forest research can be viewed as having both basic and applied components. Basic research has focused on genetics, fire, insects, diseases, tree physiology, soils, and water. Research having a more applied thrust has been directed toward wood utilization and air and water pollution. Control of air pollution emitted by the Tennessee Valley Authority's Kingston steam plant, for example, resulted from work carried out to curb the decline of eastern white pine trees. Exotic trees have been developed that have the characteristic of clean, straight trunks, producing up to 40,000 to 50,000 board feet of timber per acre (Frome, 1971: 131-139).

Overseas Research. Research conducted overseas by USDA was begun in 1958. Financing for this research has been provided through foreign currencies derived from the sale of surplus commodities. This research has included developing markets for this nation's agricultural products and basic research. Basic research projects have been undertaken in agriculture, forestry, agricultural economics, and human nutrition. The actual research has been carried out by foreign agricultural colleges and experiment stations using limited United States grant monies. Primary responsibility for overseas research has been with the Agricultural Research Service.

Economic Research. Economic research has been carried out by the Economic Research Service, previously called the Bureau of Agricultural Economics. Of all of USDA's research agencies, this agency has been involved in the most controversy. It was especially subject to attacks in the 1930s and 1940s when the agency examined the agricultural power structure and the values of the industry.

Forecasting research, also called outlook work, has been one facet of the Economic Research Service's undertakings. This research has provided farmers with the results of economic research that has permitted them to determine what to produce and market in the near future. Outlook conferences have been attended by agribusiness, state college, farm organization, and farm press representatives since 1923.

Production research has aided producers in identifying the best production techniques for commodities. As a part of this, the Economic Research Service has concerned itself with vertical integration, the control of a product from production to consumer by one firm or person. Also, economies of size in farming have been studied.

Several other economic research efforts have been conducted by USDA. Economic development research has stressed human needs and economic opportunities. Studies analyzing minority groups, population shifts, standards of living, community services, and employment opportunities have been exemplary of economic development research. Economic research also has examined the use of natural resources.

On an international level, economic researchers strove to walk a tightrope between commodity needs and international development. More to the point, they have tried to measure the impact of United States trade on recipient countries' economies.

Research for Cooperatives. Agricultural research supporting cooperatives has been a formal function of USDA since 1913 and has assisted rural people in organizing such cooperatives. These research undertakings have examined marketing associations, farm supply cooperatives, and service organizations. Generally, research projects have been geared to the requests of cooperatives themselves. The advantages and disadvantages, for example, of consolidating several dairy cooperatives might be studied.

Statistics. The Statistical Reporting Service was created in 1961 to disseminate statistics about production and distribution of food and fiber. As noted earlier, the government appropriated $1,000 to collect agricultural statistics. A Division of Statistics was authorized in 1863 to provide statistics on major crop production, livestock numbers, and farm prices. Then, the Crop Reporting Board was set up in 1905; this became a part of the Statistical Reporting Service in 1961 (Rasmussen and Baker, 1972: 73-79). Finally, in 1977 the Statistical Reporting Service was merged into the new Economic Research and Statistics Service (U.S. Department of Agriculture, 1977: 2).

Evaluating USDA's Research. USDA research has not been without its friends and foes. One of the classic works to support USDA research efforts is Harding's Two Blades of Grass. He stated early in his book that "research performed by Department of Agriculture scientists has been almost incredibly valuable to the American public, both in scientific advancement and in monetary terms" (1947: viii-ix). Hightower (1973: 22) on the other hand, raised the crucial, basic point as to whether the achievements of USDA's research outweigh the failures. He thought not. Hightower went so far as to indict the land grant colleges' mechanization research as "designed intentionally" to force most farmers off their land, for the benefit of agribusiness (37). Some work has been done on the systems involved in the agricultural research establishment (public and private organizations). McCalla (1978: 87-88) believes that at the project, program, and department levels funding beyond the general operating costs will dictate to a large extent what kind of research is conducted by the establishment, that is, what commodities will be researched or whether it will be basic or applied research. Agencies such as the National Science Foundation, Environmental Protection Agency, or commodity groups, foundations, and firms are likely to have the funds to provide flexible resources for the research organizations. Because of this funding capacity, these groups will probably have the most influence on agricultural research at the micro level. Finally, whether Hightower or Harding is correct is one question, but Olson (1978: 248-249) has also raised a very critical point. Olson contends that USDA's basic and applied research are for naught if policy research is not conducted. Policy research would deal with the consequences of technological advancements, that is, changes in social and value structures.

Rural Development Policy

Rural development policy began during the Depression and continues today. Originally begun to assist poverty stricken farmers, today rural development policy encompasses both farm and nonfarm populations. Discussion on rural development policy will be on: programs from the 1930s through the present day, concluding with the likelihood of success of today's rural development policies.

Federal Emergency Relief Administration. Rural development policy has expanded since its formal beginnings outside of USDA's authority in 1934. At that time, the Federal Emergency Relief Administration provided federal level support for rural development. In its infancy, this nation's rural development policy was concerned with the poverty of farmers. The entire nation was fighting poverty and depression. Emphasis of the Federal Emergency Relief Administration was not solely on short-term relief, as had been the case of relief programs before the agency's establishment, but rather on long-term rehabilitation. Indicative of this philosophy was a program of loans and grants to farmers that were to supplement direct payments. This was begun in 1934 (McConnell, 1953: 85-86). In 1933, a Division of Subsistence Homesteads had been created in the Department of Interior. This program enabled poor families, agricultural and nonagricultural, to be given land to build homes on. Handicrafts and other means of supplementing income were also taught to the program participants (Benedict, 1953: 326-327).

Resettlement Administration. Later, in 1935, yet another agency quasi-independent of USDA was set up. This was called the Resettlement Administration, and to it were transferred responsibility for the loans and grants program and the subsistence homestead project. Administrative materials for the new agency came from three sources: rural rehabilitation from the Federal Emergency Relief Administration, subsistence homesteads from the Department of Interior, and land policy from USDA. Primary focus of this agency was on transplanting farmers from marginally productive lands to good lands that could provide them with a living. Limiting the success of this program was the availability of land and the constant tug of war among the agencies that provided administrative support (McConnell, 1953: 86-87). Eventually, the Resettlement Administration dismantled due to the personality of its director, Rexford

Tugwell (88);[20] too much presidential guidance at the expense of Congress; and charges that the program was too socialistic (Benedict, 1953: 327).

Bankhead-Jones Farm Tenancy Act of 1937. At the termination of the Resettlement Administration, the Bankhead-Jones Farm Tenancy Act of 1937 was passed. This legislation, to many people, provided the legislative base for a rural poverty program. Included in the legislation was authorization for short-term rehabilitative loans and for retirement of submarginal land programs. The primary emphasis was on enabling tenants to become landowners. But the purposes of the legislation were doomed from the beginning. There were no appropriations for the rehabilitation portion of the legislation; the other two aspects of the act received only meager funding. The Farm Security Administration was constituted shortly after the passage of the Bankhead-Jones Farm Tenancy Act; this agency then took the place of the Resettlement Administration (McConnell, 1953: 88).

Farm Security Administration. Albertson (1961: 272) has stated the Farm Security Administration "was the aorta of the New Deal heart." The goal of the Farm Security Administration was to remedy the disparity between the prosperous and poor farmers. To achieve this goal, the program primarily involved extension work in the traditional sense. Other undertakings included supervising loans and small grants, farm debt adjustments,[21] and organizing marketing and purchasing cooperatives.

A small effort of the Farm Security Administration was the farm loan program. Loans were provided for 40 years at 3 percent interest. This was to enable tenants to purchase family size farms. Given that this program had originated in the Bankhead-Jones Farm Tenancy Act and referred to the shibboleth "family size farm," the entire Farm Security Administration was frequently defended by discussing the farm loan program.

Though eventually considered a failure, the resettlement projects were an attempt to do something for other than just those families on small farms. The Greenbelt project attempted to assist in suburban housing and community development. Another kind of resettlement project involved placing industrial workers in communities where they could augment their income by part-time farming. Attempts were even made to place industry in the rural areas. Most of these industrial placement projects were cooperatives, for the purpose of buying and selling. Individuals who opposed these cooperatives said they were similar to Soviet *kolkhozes*.

Finally, the Farm Security Administration operated a program for migratory labor. This was very limited, providing only minimum shelter and sanitary facilities to migratory labor, primarily in the West. The importance of this program was its acknowledgment of a rural population that probably never would settle on family-size farms (McConnell, 1953: 90-93). McConnell noted that the significance of the Farm Security Administration was not its array of programs, but "the sheer fact that the agency held the torch of rural welfare" (90).

The Farm Security Administration had its death knell in 1946 (McConnell, 1953: 111). This happened after intensive lobbying against it by many farm interest groups, especially the American Farm Bureau Federation. The program offended those that wanted to maintain indebted farmers in the North and West and poor blacks and whites in the South for cheap labor (Albertson, 1961: 273). During the days of the Farm Security Administration, concerns for rural poverty was not a strong suit for the American Farm Bureau Federation. In fact, during the 1930s and early 1940s, rural poverty was mentioned by the American Farm Bureau Federation most often when the group referred to government support of prices (McConnell, 1953: 98). A thorn in the side of the American Farm Bureau Federation was its lack of influence over the Farm Security Administration, despite the Farm Security Administration and its predecessor, the Resettlement Administration (only from December 31, 1936, to September 11, 1937 [Gaus and Wolcott, 1940: 232]) having been in USDA (1953: 125).[22]

Partially replacing the Farm Security Administration in 1946 was the Farmers Home Administration. This new agency continued two programs of the dismantled Farms Security Administration. The farm ownership program, begun under the Bankhead-Jones Farm Tenancy Act of 1937 and the water facilities program were transferred from the Farm

Security Administration; the Farmers Home Administration also acquired responsibility for production loans (McConnell, 1953: 111).

Eisenhower Administration's Program. During the administration of Dwight D. Eisenhower, a rural development program was created. The program strove for equal opportunity for the poor. USDA's Cooperative Extension Service coordinated the program (Rasmussen and Baker, 1972: 120). Decentralization was a characteristic of the program as local development committees directed existing agencies in efforts to increase farm output, job possibilities, vocational education, and farm output for defense purposes (O'Rourke, 1978: 188). Cochrane and Ryan (1976: 33) have assessed the impact Eisenhower's rural development had as "small."

Kennedy Administration's Program. Under President John F. Kennedy rural poverty was given some attention--more than during the Eisenhower administration, but less than during President Lyndon Johnson's administration. Kennedy's Rural Area Development program was similar to Eisenhower's Rural Development Program. In addition, however, there were two other programs. An Area Development Administration program was created to provide loans, technical assistance, and retraining for commercial and industrial enterprises. The other program was the Accelerated Public Works Program. This was to provide the rural poor public employment. An important philosophical change occurred during the Kennedy years. Poverty riddled farmers and their plights came to be recognized as distinct from commercial farmers and their problems. Since that time, federal assistance for commercial farmers has been based on some criterion other than poverty.

Johnson Administration's Program. President Lyndon Johnson's undertakings to stymie rural poverty were primarily through the Economic Opportunity Act of 1964. Under this enactment, youth programs, community action programs, and work assistance programs were the primary foci. The meagerness of Johnson's war on rural poverty is reflected in the portion of the Economic Opportunity program's first budget. Of $1 billion appropriated, only 4 percent was for rural assistance.

Rural Development Act of 1972. Under Presidents Richard Nixon and Gerald Ford, the Office of Economic Opportunity was dismantled, beginning in 1969 and ending in 1975. Nixon had assumed the real motive for Johnson's community action programs was to increase Democratic influence at the local level; consequently, he was highly suspicious of its intent. Thus, the demise of the Office of Economic Opportunity was anticipated from the very beginning of the Nixon administration (O'Rourke, 1978: 189-190). Rural poverty, however, was not ignored at this time. In 1972, the Rural Development Act became law. Under the administration of USDA, authority was provided for increased research for small farmers. Loans and grants also were to be given to community corporations, cooperatives, nonprofit organizations, profit-making organizations, and government agencies that worked with the rural disadvantaged. The act was a shift from USDA's post war support for agribusiness (Marshall, 1974: 84).

Despite the promise of the 1972 Rural Development Act there was little coordination of rural development efforts through 1977. Senator Dick Clark (D IA) described rural development in 1977 as having important shortcomings when he stated:

> The fact remains that a number of important authorities of the act have not been implemented at all, including the authority for funding local comprehensive planning . . . .
>
> Other authorities have never been adequately funded and have huge backlogs of applications ceilings. Administrative support and technical assistance are bottlenecks for programs even when funds are adequate.
>
> Perhaps equally important with adequate funding, the programs have never been woven together very well in our judgment. In concept at least, the business and industrial loans, the community facilities loan and grant program and the housing programs make a package and would be designed most effectively in concert. Comprehensive planning around new jobs and increased requirements for facilities and housing would lead to smoother and more effective development . . .
>
> Also we have made little real progress in reaching the poor with these programs (U.S. Congress, 1977c: 2-3).

Present-Day Program. Even in 1978, rural development continued to be administered through several entities. For example, housing programs were administered by the Department of Housing and Urban Development, USDA, and the Veterans Administration. Business loan programs were conducted by the Department of Commerce's Economic Development Administration, USDA, and the Small Business Administration. Likewise, funding for community facilities could be acquired through use of general revenue sharing funds, Department of Housing and Urban Development community development block grants, or USDA's 5 percent community development loan program (U.S. Congress, 1978c: 3). The extent of funding for rural development by agencies other than USDA was not necessarily small in amount. For fiscal years 1975 through 1977, for instance, the Department of Housing and Urban Development provided $1,522 million for nonmetropolitan areas. Of this three-year amount, $614 million was allocated to communities less than 10,000 in population (37).

Some of Senator Dick Clark's charges, however, were being answered. As early as 1977, the Carter administration formally had reorganized USDA so the Rural Development Service was placed in the Farmers Home Administration. Moreover, the reorganization called for a name change, and that chosen was the Farm and Rural Development Administration (U.S. Department of Agriculture, 1977: 3).

Several broad objectives have been formulated by USDA in 1978 to deal with rural development. First, there are to be improved rural economies and decreased rural unemployment. Second, access to rural services for rural residents is sought. Third, USDA's efforts are to be targeted toward the neediest residents and communities. Fourth, rural development policies are to be formulated and implemented using an ongoing process involving the private sector, and local, state, and federal levels of government (U.S. Congress, 1978c: 10).

Section 603 of the Rural Development Act of 1972 mandated that the Secretary of Agriculture was to provide leadership and coordination in conducting rural development policy, establish goals, and to report on the progress toward the rural development goals (39). As mentioned earlier, to assist in this undertaking, this nation's rural development efforts[23] are located in the Farmers Home Administration. Farmers Home Administration was chosen as the focal point of this nation's rural development policies because of its available administrative structure, considered to be as extensive as any development agency, public or private (11). Also, rural development was not a new mission to Farmers Home Administration. A large portion of Farmers Home Administration's community facility funds have been loaned for health and medical care facilities. Finally, symbolically, placing the rural development responsibilities in Farmers Home Administration recognizes that rural development includes both farm and nonfarm populations. This stems from the fact that Farmers Home Administration had long administered USDA's economic and community development programs (43).

Possibilities for a Successful Comprehensive Rural Development Policy. But is a comprehensive rural development policy really possible given the plethora of programs and agencies involved? Alex P. Mercure, Assistant Secretary for Agriculture for Rural Development, indicated obstacles to coordination of rural development efforts:

> . . . I have found that some [conflicts between programs] stem from legislatively mandated program purposes which are in conflict, some from 'turf' considerations, and, of course, some from the occasional perversity of human nature. In addition, in the rural development context, some stem from inadvertent and conscious urban bias (U.S. Congress, 1978c: 33).

Further, the former Rural Development Service requested the National Academy of Public Administration to assemble several of its members (among those involved were George H. Esser, Allen Schick, Harold Seidman, and James L. Sundquist) to examine alternatives for the Secretary of Agriculture to coordinate rural development efforts. Their analysis revealed that coordination of peer agencies' rural development programs by the Secretary of Agriculture would probably fail since he was given no legal authority to enforce coordination. Success was also likely to be limited because the effort was to cut across all levels of government. The past relationships of the involved federal executive agencies to state and local governments might pose problems. For example, USDA has traditionally worked with state and local levels of government, but the Department of Housing and Urban Development generally by-passes the state level and works with the cities, towns, or multi-jurisdiction agencies. Finally, the report indicated that success could best be achieved where there were agreed upon objectives among the federal executive agencies involved, and where the objectives could be attained shortly after agreement on them (U.S. Congress, 1978c: 102-107).

Rural development efforts appear to have been given new life under the Carter administration by its providing an administrative apparatus to carry out the 1972 Rural Development Act's mandate. However, given the inherent bureaucratic infighting, lack of legal authority for coordination by the Secretary of Agriculture, and the manifold programs and agencies involved, success of the national rural development efforts probably will be limited at best.

Farm Credit System

A discussion of capital and credit policy for agriculture must include several agencies and institutions that provide extensive coverage for rural America, plus public policy that in effect aids rural America in its financial endeavors. An example of the former is the Rural

Electrification Administration, of the latter, incorporation that affects agricultural investments. This section and the next two discuss the primary channels through which rural America acquires capital and credit.

Federal Credit System and the Farm Credit System. The Federal Credit System has historically been a major contributor of agricultural capital and credit. In fact, in 1977 when farm debt rose from $16 million to $118.7 million by January 1, 1978, the Farm Credit System provided approximately 33 percent of the $16 billion increase. This was about the same portion provided by the Farm Credit System as in 1976, but considerably less than the 42 percent parcel in 1975. The decline in the Farm Credit System's amount has been attributed to increased shares by commercial banks, life insurance companies, farm machinery dealers, and the Commodity Credit Corporation (U.S. Congress, 1978d: 3558).

Components of the Farm Credit System. When we speak of the Farm Credit System, we are referring to that user-owned and controlled system composed of Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives. Controlling and examining the system is the independent executive agency known as the Farm Credit Administration, under the control of the Federal Farm Credit Board. At the local level, over 500 Federal Land Bank Associations provide long-term first mortgage loans for the Federal Land

Banks, over 400 Production Credit Associations provide loans for periods up to seven years for the Federal Intermediate Credit Banks, and the district Banks for Cooperatives provide funding to more than 3,000 marketing, farm supply, and business service cooperatives. District located Banks for Cooperatives receive their financing from the Central Banks for Cooperatives located in Denver, Colorado.

As a user controlled and owned system, people at the local level have a great deal to say about who manages the Farm Credit System. Farmers and ranchers elect boards of directors for the Federal Land Bank Associations, Production Credit Associations, and their local cooperatives. Local cooperatives, of course, own the district Banks of Cooperatives. These three boards then select two members each to serve on the district Farm Credit Board (there are 12 Farm Credit Districts). A seventh member is appointed by the Governor of the Farm Credit Administration.

To direct this entire system, as mentioned earlier, is the Federal Farm Credit Board. This 13-member board is assembled by having the President of the United States appoint, subject to Senate confirmation, one person from each of the 12 Farm Credit Districts. Each appointee must be selected from three candidates who have been selected by the boards of directors of the Federal Land Bank, Production Credit Association, and cooperatives that use the Bank of Cooperatives in each district. The thirteenth board member is selected by the Secretary of Agriculture (Hoag, 1976: xiii-xiv). Atypically of most federal agencies, the chief executive officer of the Farm Credit Administration, the Governor, is not subject to presidential appointment. Instead, the Governor is appointed by and responsible to the board (U.S. Congress, 1978d: 3554).

Finances for the Farm Credit System. The Farm Credit System is financed by the sale of consolidated bonds and discount notes[24] via a fiscal agent who is employed by all 37 banks involved in the system (3550). Costs incurred by the Farm Credit Administration are not paid by the general public. The borrowers foot the bill for the costs that are prorated back to the system. A large part of the costs of the Farm Credit Administration involves paying about 250 of their personnel. Half of these 250 are examiners and auditors who oversee the loaning process throughout the country (3551).

Historical Background of the Farm Credit System. The roots of the present system extend back considerably beyond the Farm Loan Act of 1916 that provided for land banks that ultimately were to be farmer owned, plus joint stock land banks to be owned by private investors (Hoag, 1976: 213). The advent of the system can be traced to the early colonial days of this nation. The Land and Loan Bank of the Carolinas, operating in 1712, has been given the distinction of being the first farm credit bank in America. Eventually, 12 of the 13 original colonies had Colonial Land Banks. Similar to the present-day system, however, was the borrowing of Connecticut's land owners from 1732 to 1762. They received mortgages and purchased stocks from the New London Society United for Trade and Commerce. From the mid-1700s until the early 1900s, this type of credit system was almost completely absent from our credit schemes (209).

The cooperative credit approach was not used for about 150 years for several reasons. In the early stages of this country, when a farmer had financial difficulties he could easily pack his wagon and head West for new prairie land. In 1848, the lure of gold in California provided a quick source of income, and another place to go. During the Civil War, times were good for those who stayed home in the North and provided food supplies for the soldiers. The Homestead Act of 1862 added a new source of land when times got tough.

Not until after the Civil War did American farmers need credit. Then the increased production of the farmer began to surpass the availability of sound American dollars. That is, the American dollar was not being printed relative to the demand for it, because there was a scarcity of gold to back the dollar. As a result, the farmers and rural communities were hard pressed for a source of credit (Hoag, 1976: 210). At the same time, rural America began to exert itself by calling for the use of abundant silver to replace gold to back the dollar. Indeed, debt relief was the focal point of this movement (Morgan, 1970: 162-164). Compounding the farmer's problems was the introduction of farm mechanization that led to further needs for farm credit (Hoag, 1976: 211). Combining the use of improved fertilizers with the new mechanization caused previously mentioned overproduction; in turn, the overproduction meant lower farm commodity prices (Morgan, 1970: 151).[25] Rural credit was difficult to acquire because banks frequently favored urban investment. State and local financing generally was used only for urban improvements. Resentment of this urban favoritism was evidenced in the exclusion of merchants, professionals, stockholders in corporations, and business clerks from farm organizations (158).

To combat the credit crunch, farmers began to organize cooperative societies in the 1880s. Farmers felt that if they pooled their resources they could buy seed, fertilizer, and machinery in large quantities, thus, reducing the price per individual. Though some cooperatives did succeed, most failed. The lack of success was attributed to inadequate farm capital and to management inexperience (Morgan, 1970: 152).

In the 1900s, farm credit received its first hearings with the appointment of the Country Life Commission by President Theodore Roosevelt in 1908. After holding hearings in 40 states, before an estimated 12,000 people, the Country Life Commission recommended that there be a rural free delivery system, more educational efforts for rural America, creation of more cooperatives, and implementation of a cooperative credit system (Hoag, 1970: 211).

Farm Loan Act of 1916. By 1916, the beginnings of the cooperative credit system were authorized with the passage of the Farm Loan Act. The structure and approach to the new farm credit system were patterned heavily after the German farm mortgage system called landchafts that had been used since 1769 (American Institute of Banking, 1934: 425-431). The new Farm Credit System, as noted earlier, was made up of land banks and joint stock land banks (Hoag, 1976: 213). The actual chartering of the last Federal Land Bank was on April 3, 1917 (216). Because of the 1930s depression, the joint stock land banks were all liquidated by 1933 (221-223).

Agricultural Credits Act of 1923. Though the 1916 legislation had provided farmers with long-term credit, it was not until the passage of the Agricultural Credits Act of 1923 that farmers were provided some short-term credit. This problem stemmed from the fact that commercial banks could not grant loan extensions of 30 to 90 days during financial crises, such as from 1920 to 1921. Commercial banks' loan capacities were based upon deposits; therefore, if the banks needed deposit funds, they could legally demand the loan be paid. But farmers found it very difficult to get crops and livestock to market in less than a 30- to 90-day period in order to pay off the loan. The Federal Intermediate Banks were created in 1923 to assist in filling this void of short term financing. At their inception, the Federal Intermediate Credit Banks were provided capital by the United States Treasury. Not until 1956 did users begin to become owners of the Federal Intermediate Credit Banks (Hoag, 1976: 223-225).

Farm Credit Act of 1933. With the emergency credit situation during the early 1930s, the Farm Credit Act of 1933 was passed. This provided the last link in the Farm Credit System chain. Legislated were 12 Production Credit Corporations that were to provide capital and training for local Production Credit Associations. The Production Credit Associations were to institute a local network of lending agencies for short-term financing purposes (237).

Though the 1929 Agricultural Marketing Act had established the Federal Farm Board to finance and promote cooperatives, the depression of the 1930s curtailed much of the funding for this effort (229-230). Not until the passage of the Farm Credit Act of 1933 did cooperatives receive a financial boost. This act created 12 district Banks for Cooperatives and a Central Bank for Cooperatives. These Banks for Cooperatives were to provide financing and advice for purchasing and marketing cooperatives (239).

Present-Day Farm Credit Institutions. Today, the Federal Land Bank Associations provide funding to purchase farm property, rural homes, real estate for farm-related businesses, machinery, livestock, and for refinancing existing mortgages. Production Credit Associations insure financing for the production of farm commodities, production and harvesting of aquatic products, and buying, maintaining, or repairing rural homes. Finally, Banks for Cooperatives enable local cooperatives to have credit for their particular needs. When a Bank for Cooperatives does not have the financial capacity to fund a cooperative, the Central Bank for Cooperatives will assist the district banks (U.S. Congress, 1978d: 3550-3551).

Rural Electrification Administration

An appropriate place for discussing the Rural Electrification Administration is relative to USDA capital and credit policies since rural electric cooperatives are member owned. The Rural Electrification Administration was begun in 1935 by executive order. It became an independent agency when the Rural Electrification Act was passed in 1936. In 1939, the Rural Electrification Administration became a part of USDA (Halcrow, 1977: 408).

The Rural Electrification Administration was heavily sponsored by Senator George W. Norris (I NE); a powerful legislator of his time. But Senator Norris's efforts did not go unchallenged. Privately funded public power companies opposed and still oppose the Rural Electrification Administration. At the time of the original legislation the private power companies wanted the federal government to allocate them the federal funds to do the work necessary to extend electricity to all rural areas. Initially, the federal government did provide funds on a long-term cooperative loan basis to public power companies. In 1935, however, legal entanglements between the federal government and public power companies over power sites, water flow rights, and utility franchises caused rural electrification to be slowed down. Rather than wait for the issues to be resolved, Congress directed the Rural Electrification Administration to fund and support the development of rural electrification cooperatives to carry out the broad goal of providing electricity to rural America (Halcrow, 1977: 411-412).

It was hoped that rural electric cooperatives would borrow from the Rural Electrification Administration once they were established. Loans from the Rural Electrification Administration should have been attractive to the rural electric cooperatives as they were for a maximum of 35 years and at low interest. As a part of the loan agreement, rural electric cooperatives were to extend electricity to all customers within their operating area to the extent that the cooperatives had the capacity to do so (408-409).

Two amendments since 1935 have expanded the responsibilities of the Rural Electrification Administration. In

1949, it was authorized to provide loans for extending rural telephone service. The 1973 amendment created a Rural Electrification and Telephone Revolving Fund of approximately $5 billion. All financing of the fund comes from Rural Electrification Administration borrowers. A critical part of the 1973 act was the stipulation that Congress, not a President's administration, would determine the maximum loan ceilings for rural electric insured loans and rural telephone insured loans. The Office of Management and Budget, therefore, no longer sets the limits for insured loans; thus, funds that had been previously impounded by the Office of Management and Budget will be included in the future (Halcrow, 1977: 408-410).

Federal Crop Insurance Corporation

To aid farmers in coping with the natural elements, insects, and plant disease, Congress passed the Federal Crop Insurance Act in 1938. The legislation set up a government corporation called the Federal Crop Insurance Corporation. Drought in the 1930s was the primary impetus in establishing federal crop insurance since its main purpose was to provide protection from such catastrophes. This was essential in order to prevent financial ruin of farmers and to assist in providing stability to farmers' lives.

The Federal Crop Insurance Corporation was to formulate policy and provide research and experience for formulating federal crop insurance. It was authorized to set premiums per acre on a county-wide basis. Coverage for insured crops was to be a certain percentage of a farm's historical yield (for instance, 50 or 70 percent). The premiums were to cover crop losses, but not operating, administrative, or crop adjustment costs of the Federal Crop Insurance Corporation. An appropriation of $12 million was provided for the first fiscal year. To manage the corporation, a borad of five members was appointed by the Secretary of Agriculture (Halcrow, 1977: 425-426).

During more than 40 years of operation, federal crop insurance results have been mixed. From 1935 through 1945 the only crops covered were wheat and cotton; only $350,000 was appropriated in the 1945 Agricultural Appropriations Act. These were the worst years for federal crop insurance. In an attempt to save the program, legislation was passed to enable the Federal Crop Insurance Corporation to add coverage of other crops. Premiums for the new crops were to be based on experience. For the time period 1948 through 1956, six years were experienced when indemnities surpassed premiums. From 1956 through 1961, good crops were generally the norm. Beginning in 1958 and 1959, farmers could claim coverage for additional new crops by endorsement (426-427).

As of 1978, the Federal Crop Insurance Corporation provided crop insurance for 1,522 counties in 39 states. Twenty-six different commodities were covered in 1978, and the Federal Crop Insurance Corporation anticipated providing $2.3 billion of crop insurance in 1979. Indemnities are paid wherever crops fail; it does not matter how widespread the failure is in order for farmers to receive indemnities--county, township, or an individual farm. Justification for federal crop insurance lies in its ability to provide economic stability for farmers and, indirectly, for all of the rural economy especially when crop losses occur in successive years as in 1976 or 1977 (U.S. Congress, 1978d: 3528-3530).

Corporations

Forming corporations has its advantages in securing capital and credit. The Farm Credit Act of 1971 permitted lending to farm corporations strictly on a credit basis. Prior to the 1971 legislation, federal law necessitated considering personal and corporate liability for loans. Farm corporations, however, are ineligible to borrow from the Farmers Home Administration; even if they could, few would meet borrowing requirements (Halcrow, 1977: 418-419).

Incorporation also means credit advantages in other respects. First, there is continuity of operation. The corporation does not expire with the demise of stockholders and employees. Commercial lenders prefer to deal with organizations that have a permanency about them. Also, the ability of a corporation to borrow is generally not diminished by individual liabilities. This is very important to the agricultural industry in times of ever expanding capital needs.

Finally, incorporation frequently means tax advantages. Using 1977 rates, for example, could lead to a tax advantage in the following manner: If a farmer had \$60,000 of taxable income, he would pay \$26,390 in taxes. He would pay this amount in taxes even though \$20,000 of the \$60,000 was used for personal living expenses and the remaining \$40,000 was invested in the farm business. Suppose the farm operation is incorporated. The farmer would then collect \$20,000 as a salary for himself and he would leave the remaining \$40,000 in the corporation or invest it in the farm business. In this case, the individual would pay a total tax bill of \$13,530, combined individual and corporate income taxes. Because of incorporation the net savings would be \$12,860 (Halcrow, 1977: 421). For example, tax law that might permit this comes from the 1976 Tax Reform Law, Public Law 94-455. The standard method[26] of taxing corporations permitted a 20 percent rate on the first \$25,000 of corporate income, 22 percent on the second \$25,000, and 48 percent on the remainder. For 1977, individual taxes were 14 percent on the first \$1,000 of income and up to 70 percent on income over \$200,000 for jointly filing married taxpayers. Before the 1976 act, the corporate income tax rate had been 22 percent on the first \$25,000 and 48 percent on the remaining income (Halcrow, 1977: 419).

Gift and Estate Taxes

Even though only 2 percent of either federal or state revenues are derived from gift and estate taxes, they are important in determining the future economic structure of agriculture. With the passage of the Tax Reform Act of 1976 came a new tax schedule that combined the previously separated gift and inheritance tax schedules. The overall result was to reduce gift and inheritance taxes. Revision came about because from 1941 to 1976 the average farm size had doubled and the average capital per acre increased 10 times. Taxable estates, therefore, increased substantially for individual operators. These conditions provided incentive for real estate to be farmed by tenants rather than owner operators, a process inconsistent with traditional American farm policy. Revision of the gift and inheritance tax schedules was the response to reverse the trend toward more farm tenancy (Halcrow, 1977: 423-425).

Summary

Concerning the capital and credit policies, the Farm Credit System appears to provide credit to all sizes of farmers and ranchers. Incorporation could be an advantage to both family farmers and nonfarm owners (large investors having considerable income from nonfarm sources or corporations). Revision of the gift and inheritance taxes would appear on the surface to be a plus for the small family farmer. That is, he/she is more likely to be able to transfer his/her operation intact at death because of reduced tax loads. Halcrow (1977: 425), however, warns that the reduced transfer taxes could encourage investors outside of the agricultural industry. An apt description of the agricultural capital and credit policy discussed above indicates several financial beneficiaries; however, the jury is still out on the impact that this extensive capital and credit system has on the overall agricultural structure.

Foreign Agricultural Policy

As with the domestic side of United States agricultural policy, its foreign agricultural policy has many programs and approaches. Cochrane and Ryan (1976: 266-279) discussed such foreign agricultural policy tools as grants and donations, loans, credits, bartering, foreign currency sales, and export subsidies, just to name some items in the United States foreign agricultural policy repertoire.

No longer do we consider what happens in the international arena separate from and non-causal of what transpires in the domestic arena. Hjort (1978: 7) has stated that until the 1970s, domestic agricultural policy had been treated as separate from foreign agricultural policy. With the advent of the 1970s, however, and its attendant worldwide crop shortages, increased United States grain supports, and increased food prices, came an awareness that what occurs in the Soviet Union, for example, may just have an impact on United States domestic agricultural policy. This has been most recently exemplified by the 1980 grain embargo against the Soviet Union. Let us examine the linkages more closely.

It is fairly obvious when one analyzes the data that foreign demand, especially during the 1970s, has augmented the income of American farmers. For instance, United States agricultural exports have increased from $3.2 billion for 1950-1955 to $22.4 billion for 1975-1976. As a portion of the world agricultural exports, United States share has gone from 12.3 percent for 1951-1955 to 16.3 percent for 1975-1976. Beginning in the year 1973-1974, United States and the world's agricultural exports began to decline as a share of the total exports for the United States and the world, respectively. This decline in agricultural exports as a part of the total has been attributed to worldwide crop shortages and increased United States reserve stocks.

More recent comparisons further confirm the dependency of the American farmer on foreign markets to maintain farm prices. From 1969-1971 to 1975-1976, 82 percent of the increase in world grain exports was accounted for by the United States. Of this share, 90 percent of it was composed of wheat exports. For 1975-1976, United States exports amounted to 50 percent of world grain exports.

As we have seen, farmers in particular have gained because of United States trade, but so has the general public. The extensive exportation of agricultural products has provided impetus for more farm investments; this, in turn, has meant more nonfarm employment, income, and purchasing power. With a foreign market's increased demand comes a demand for more agricultural output. The farmer then needs more fuel and fertilizer, for instance, to increase production. Like a chain reaction, this leads to more jobs in industry and transportation, and so one thing seems to lead to another. In quantitative terms, farmers produced one out of each three acres (for a total of 100 million acres) for export in 1975, 76 million acres for 1963-1965, and only 31 million acres for export in 1953.

Agricultural exports also are critical to our balance of trade. These exports have become especially significant because of increases in oil imports. The net farm exports for fiscal years 1975 and 1976 was around $12 billion, a rapid increase from $1 billion for fiscal years 1968 and 1970. In the 1950s, the agricultural trade ledger indicated a negative balance, but today the agricultural balance of trade shows a positive figure (Mackie, 1977: 23-24). In the second quarter of 1978, agriculture's net contribution to the United States balance of trade rose to over $3.8 billion. This was a record level for any quarter (Manfredi, 1978: 29).

Finally, a concern for exports should be important to our American producers in case foreign markets are diminished for whatever reason. Prices for agricultural products do not decrease proportionately to decreases in demand for them; in fact, a given reduction in quantity demanded has a much greater than proportional effect in lowering prices. Prices, therefore, would have to decrease substantially to sell extra United States agricultural products in our markets if our exports should decline under free market conditions, and this would lead to excessive cuts in total farm income (Mackie, 1977: 24, 29).

United States International Food Assistance

Late 1800 and Early 1900 Efforts. As a beginning point for discussion of United States International use of agricultural products, we will examine food assistance efforts.[27] This nation took one of its first steps in providing overseas disaster relief on May 8, 1912. Venezualians, victims of an earthquake, were assisted by $50,000 that was to be used for purchasing food. Another effort of food assistance that eventually led to Public Law 480 (hereafter referred to as the Food for Peace Program) was privately donated food supplied by United States during the Soviet Union famine of 1891. In 1902, the United States assisted the people of the French West Indies when Mount Pelee erupted. Congress permitted the use of naval vessels to distribute food, medicine, and clothing during this destitution.

Relief was provided for victims of the Sicilian earthquake in 1908. President Theodore Roosevelt did not even seek prior authorization for providing $300,000 worth of supplies, including food and clothing. On numerous occasions between 1890 and 1915, we provided relief for famine in India and China. So frequent were our efforts that the United States government considered financing technical assistance to assist in overcoming the causes of the famines (McGovern, 1964: 12-14).

In 1914, the United States provided major food relief in Belgium. It was estimated that starvation was prevented for 10 million people because of this undertaking. This action occurred after the Germans had invaded Belgium and northern France.

Post World War I to Post World War II Programs. Subsequent to World War I, massive relief was delivered to more than 200 million people in European countries. After a substantial crop in 1919, assistance was sent to 10 million starving children in eastern Europe. Aid also was given to the Soviet Union after famine began ravishing that country in 1921. In a ten-year period, from 1914 to 1923, the United States had provided around 34 million metric tons of food and supplies for famine riddled areas. A total of $5.2 billion was expended for 23 countries during these actions (McGovern, 1964: 14-15; Berg, 1966: 193).

During World War II, we delivered extensive food supplies to all our allies. Of all United States relief efforts its efforts in occupied territories in Europe and Asia were the most extensive. By 1945, United States food aid was about $7 million per day.

Following World War II, relief was provided for a recovering Europe. Initial efforts were carried out by voluntary agencies in the United States and the United Nations Relief and Rehabilitation Administration. As if the war-torn nations had not suffered enough, drought plagued many European countries in 1946 and 1947. In response to Europe's extreme plight, President Truman's Marshall Plan was adopted by a bipartisan congressional vote (McGovern, 1964: 15-16). The Marshall Plan, named after Secretary of State George Marshall, was initiated to provide impetus for economic recovery of the western European countries. This assistance was to enable these nations to become generally independent of exogenous assistance. A considerable portion of the assistance was in the form of food and fiber. Four years after the Marshall Plan began, agricultural production had risen 10 percent and industrial production had risen 35 percent. During the same period, trade among the participating countries increased by 70 percent (Berg, 1966: 193).

Commodity Credit Corporation. In 1948, the Commodity Credit Corporation was incorporated as a federal corporation in USDA. Under this charter, the Commodity Credit Corporation could accumulate farm products to be sold to other government agencies, foreign governments, and voluntary agencies that were involved in domestic relief efforts. More important to United States foreign agricultural policy, the Commodity Credit Corporation was provided the powers to export food for the purpose of developing future markets (Stanley, 1973: 61).

Even though the Commodity Credit Corporation continues to have the authority to promote exportation of agricultural commodities and products, no export payment program was operating in fiscal year 1978 and none was anticipated for fiscal year 1979 (U.S. Congress, 1979: 594).

Moving into the 1950s, the Korean War reduced much of our surplus stocks, but $190 million worth of food grains were authorized in emergency legislation for flood and drought-torn India.

By 1953, Commodity Credit Corporation stocks had become substantial, especially wheat and cotton. Potential importers of these stocks, however, did not have the United States dollars to purchase them. Pakistan, in particular, was in need. To accommodate Pakistan, special legislation was enacted that provided free food to Pakistan. Any Pakistani currency recieved by the United States was deposited in the United States. This Pakistani currency later was returned to the Pakistani government for food production purposes. In whatever manner the returned currencies were expended, their expenditure was based on mutual agreement between Pakistan and the United States.

Mutual Security Act of 1953. The Mutual Security Act of 1953 stipulated provisions similar to the 1953 agreement between Pakistan and the United States. This legislation provided an exchange of foreign currency for Commodity Credit Corporation commodities. Again, foreign currency was deposited in United States banks, and dependent upon mutual agreement between the United States and a foreign country was spent on goods and services, military assistance, loans to increase food production, and development of United States markets. The legislation also insured private commercial traders against interference with their trade. Soft currency[28] was accepted for food supplies. Food aid under the Mutual Security Act was discontinued after 1962. In fact, food aid declined under the act from 1955 to 1962, going from $452 million to $33 million respectively (Stanley, 1973: 62-63).

Advent of the Food for Peace Program. Today's Food for Peace Program[29] was originally enacted in 1954. Senator Hubert H. Humphrey (D MN) provided much of the leadership that provided legislation incorporating significant aspects of the food aid legislation entailed in earlier enactments. Initially, the Food for Peace Program was assumed to be a temporary aid program with the purpose to develop foreign markets for United States commodities (Stanley, 1973: 63). Specifically, it was to be a dumping ground for surplus farm products. Senator Humphrey and his followers felt the Food for Peace Program should be used to promote peace and security throughout the world. Increased production, according to Senator Humphrey, should have been the charge cry for the American farmer, not reduced output. To Senator Humphrey increased production meant a potential for opportunities, not pitfalls (Amrine, 1960: 229-230).

In its original form, the Food for Peace Program had three titles (McGovern, 1964: 19-20). Implementation of this legislation required administration by ten government agencies. For the first three years of its operation, $2 billion was committed through the program (Stanley, 1973: 64).

Under the original Title I, governments receiving agricultural products could pay the United States by using their own currency rather than gold or dollars. Title II provisions permitted grants of food for disaster stricken areas. Title III enabled voluntary agencies and organizations to distribute food surpluses overseas. Also, this title provided for the barter of food for foreign strategic materials. Title IV, implemented in 1959, permitted long-term loans for purchased food products. These were low interest loans (McGovern, 1964: 19-21). In 1961, President Kennedy created the Office of Food for Peace. He named George S. McGovern to be its first director (McGovern, 1964: xii-xiii). In the late 1950s, Senator Humphrey had proposed that there should be an agency to direct the distribution of food aid. He said the head of this agency should be titled Peace Food Administrator (Amrine, 1960: 229).

<u>Contemporary Food for Peace Program</u>. The contemporary Food for Peace Program is still a food aid program, but it has been modified from the 1954 legislation. In 1976, the Food for Peace Program accounted for 4 percent of total agricultural exports (see Appendix B). The highest percentage

of total agricultural exports that the Food for Peace Program has contributed in recent years was 13 percent in 1972. Its portion of the total agricultural exports has been declining or holding steady since 1957, but there has been an especially sharp decline since 1972 (U.S. Department of Agriculture, 1978: 51). Three titles make up today's legislation: sales programs, foreign donations, and food for development.

Title I permits the direct sale of agricultural commodities to friendly nations. These sales are based upon long-term loans for 20 to 40 years, with payment in dollars or convertible currency the rule. To carry out the transactions, the Commodity Credit Corporation finances private exporters for the portion of the sales not covered by the foreign country's foreign importer's, or private trader's down payments (U.S. Department of Agriculture, 1978: 9). Beginning in 1966, local currency sales agreements were to be phased out. After 1971, no new local currency sales agreements could be made although agreements already in effect were honored (23). In 1977, Title I was amended to prohibit Title I sales to any country that consistently abused internationally recognized human rights unless the sales would directly benefit the needy of a nation (11).

Under Title II, United States nonprofit organizations and government agencies distribute agricultural products to foreign countries. About 70 percent of the Title II products are provided by the voluntary agencies. Generally, these agricultural products are disbursed through child centers, school lunch programs, maternal health centers, and food for work projects. Of the remaining 1977 Title II agricultural products, the World Food Program, a United Nations sponsored organization, distributed 21 percent, and direct United States-to-foreign-government food assistance amounted to 9 percent (39).

Title III was added in 1977. This title's purpose is to encourage development of foreign recipients and to provide better access to the rural poor. To carry out these objectives, United States assistance is to be used for activities conducive to rural development, nutrition, health, and population planning programs. Such assistance is to promote self-help projects for increasing agricultural production and improving storage, transportation, and distribution of agricultural projects. Whatever projects are developed under this title, they must serve the country's overall development plans. Finally, these programs must complement and not replace local assistance (11-12). Berg (1966: 207) already warned in the 1960s that food aid that replaces local sales merely displaces local purchasing power. The fact that the Food for Peace Program development assistance is not to replace local assistance seems to reflect Berg's concern.

Export Subsidies

Cochrane and Ryan (1976: 269) have pointed out that United States foreign agricultural policy has included more than just food assistance. Export subsidies have been used in the past. As early as 1935, cash subsidy payments were used to promote the export of farm products. Under Section 32, from 1948 to 1954, the average annual export payments amounted to $20 million. Fruit exports accounted for two-thirds of the export payments. The remainder was about equally distributed among sorghum, wheat, peanuts, and eggs.

From 1948 to 1954, wheat received the highest export subsidies. Beginning in 1949, exported wheat had its subsidies based on the International Wheat Agreement. The International Wheat Agreement set prices lower than the United States prices. The difference between the prices was the subsidy to American exporters. The subsidies began in 1950. For the first five years, the average annual subsidy payments totaled $120 million. Between 1960 and 1973, wheat accounted for half of all export payments (1976: 275).

To provide a better understanding of the past export subsidy programs, from 1955 to 1966, 30 percent (by value) of all exports had export subsidies. With the exception of 1964, from 1955 to 1966 export subsidies ranged from $500 million to $600 million. In 1964, the export subsidies amounted to about $822 million. Because domestic prices contracted to near world prices in the mid-1960s, export subsidies decreased correspondingly. Consequently, export subsidies for 1967 to 1972 were less than $260 million. In 1969, export subsidy payments were only $69 million. But, in 1973, they had risen to $405 million.

Subsidies also have been used for noncommercial exports. This occurred when farm commodities were exported under government programs. The subsidies were based upon the difference between the world price and the foreign recipient's price. The exporter of the commodity received the subsidy, or in the case of some Commodity Credit Corporation transactions, the Commodity Credit Corporation absorbed the subsidy as a loss (275).

International Commodity Agreements

Coffee, Cocoa, Rubber, and Sugar Agreements. International commodity agreements also have been a means for conducting United States foreign agricultural policy or have affected our agricultural policy. In 1976, an International Coffee Agreement was negotiated that provided for export quotas, thus insuring minimum prices. This agreement was operative for six years. There was also an International Cocoa Agreement designed to provide minimum and maximum prices through the use of export quotas and buffer stocks.[30] Begun in 1976, this agreement was to be in force for three years. November, 1976, brought the signing of an international natural rubber agreement among Malaysia, Indonesia, Thailand, Sri Lanka, and Singapore. The rubber agreement has the purpose of stabilizing rubber prices by limiting production according to the demand levels, plus using buffer stocks to buy and sell rubber when prices move outside a price band (Canada, 1978: 157). Sugar is another commodity that has been involved in international negotiations. In 1977, the United States and 71 other countries signed an agreement in Geneva that permitted sugar exporters to withhold exports to increase prices and to use buffer stocks to cushion price increases during sugar shortages. Despite the fact that the United States imported nearly 40 percent of its sugar needs, it felt that protectionism was not in its best interests in this case if developing nations were to get a leg up on international trade. The developing nations supplied 70 percent of all sugar imports in 1976 (Samuelson, 1978: 160).

<u>1972 Russian Wheat Deal</u>. Probably the one United States agricultural commodity that caused the greatest public interest during the 1970s was wheat. This interest was not generated because of wheat in and of itself, but because of where United States exporters shipped the commodity--to the Soviet Union. Of course, we are speaking of the 1972 Russian wheat deal when the Soviet Union bought huge quantities of wheat at bargain-basement prices, unbeknownst to American producers. After the sales, the price of wheat rose substantially, thus, short-changing the American producers.

To provide better market information in the future, USDA has stepped up its effort to predict Soviet crop production. Part of this effort includes using weather information, computer studies, and meteorological information from satellites. USDA also requires more rapid grain sales reporting than in 1972. Today, grain firms must report any sale of 100,000 tons in any of seven grains. Included in these grains are corn, wheat, and soybeans. One major shortcoming of this system is that it applies only to exporters in the United States. Thus, trading companies overseas are exempt, and the Soviet Union can purchase grain through them without letting the United States know. In fact, they have used these channels. To check this backdoor approach of buying grain, USDA must rely on confidential reporting by large United States grain companies (Symonds, 1978: 165-166).

A United States-Soviet Union grain agreement was signed in 1975. The five-year agreement pertains to 12-month periods from October 1, 1976, through September 30, 1981. However, if United States grain production, plus carryover, amounts to less than 225 million metric tons in a 12-month period, the agreement is cancelled for that year. When the agreement is in effect, the Soviet Union has to import a minimum of 6 million metric tons of corn and wheat. The proportions of each grain are to be about equal. If the Soviet Union desires to import more than 8 million metric tons in a year, then the United States and the Soviet Union must negotiate the amount above 8 million metric tons they may import. Further, the Soviet Union is to make their purchases from private commercial dealers based in the United States. The purchases are to be made at equal intervals during one year. Any wheat and corn exported to the Soviet Union must be consumed in Russia.

The United States government considers this agreement a means to stabilize our domestic markets (Benjamin, 1977: 318). This is important given that from 1957 through 1970 the Soviet Union imported only about one million tons in any one year. From 1971 through 1976, however, they averaged nearly 17 million tons of grain imports a year. Even more drastically, they imported about 5 million tons of grain for 1974-1975, but 25 million tons in 1975-1976. Experts attribute this wide variance to differential crop production, Soviet Union's penchant to stabilize food prices, and Soviet Union's lack of surplus stocks (Symonds, 1978: 165).

<u>1980 Grain Embargo</u>. In January, 1980, President Carter unilaterally suspended the export of all United States farm commodities to the Soviet Union (about 98 percent of all United States-Soviet Union farm commodity trade is composed of feedgrains) (Wehr, 1980a: 199). The Carter administration's actions came as a response to the Soviet Union's invasion of Afghanistan (Wehr, 1980b: 56). To reduce the impact on United States export companies, USDA's

Commodity Credit Corporation was directed to purchase export companies' contracts for grain sales to the Soviet Union at an estimated cost of $2.25 billion. The prices offered export companies were to be those paid by export companies to sources of grain, not the prices the Soviet Union would pay. Soviet Union prices would include transportation, insurance, and other costs, plus profit. These purchases involved about 13 export companies who probably would have gone bankrupt had their contracts not been purchased (Wehr, 1980b: 58).

To cushion the impact of the embargo on American farmers due to the potential for excessive amounts of grain on the market, which would cause farm commodity prices to fall, feed grain loan, release, and callprices[31] were increased. Farmer-held grain reserve feed grain storage payments also were increased. These payments were increased to provide an incentive for farmers to keep their products off the market (Wehr, 1980c: 58).

When the embargo was announced it was predicted that the total value of United States agricultural exports during fiscal 1980 would be $37 billion instead of $38 billion. As of April, 1980, however, USDA said United States agricultural exports would achieve the pre-embargo estimate of $38 billion. Significant export volume gains of grains, oilseeds, and cotton have contributed to the most recent predictions (Milmoe, 1980: 7).

General Agreement on Tariffs and Trade

One of the primary channels available to promote agricultural trade policy has been the General Agreement on Tariffs and Trade. The General Agreement on Tariffs and Trade refers to a series of multilateral negotiations with the expressed purpose of reducing tariffs. Since 1947, when the first discussions began, until 1974, negotiations had been held in Annecy in 1949; Torquay from 1950 to 1951, Geneva from 1955 to 1956; 1961 to 1962, "Dillon Round" (Golt, 1974: 1-2); 1964 to 1967, "Kennedy Round" (Halcrow, 1977: 254); and Tokyo, beginning in 1973. By 1973, over 100 countries were involved in the negotiations (Golt, 1974: 5). The original Tokyo talks were to have been completed by 1975. However, because the European community had difficulty finding agreement among its nine members, the process was slowed. United States political problems, the resignation of President Nixon, caused the negotiations to be impeded. Following the resignation, politics continued to plague the negotiations as the United States presidential election was in 1976, and the negotiations could not go on until the new President's view could be presented. This was not officially possible until January, 1977 (Golt, 1978: 1-3).

In February, 1979, the trade negotiations that had begun in Tokyo came to a conclusion. Relative to agriculture, agreements between the United States and the developed countries provided a reduction of trade barriers worth $3 billion. Foreign nations made significant concessions to the United States on soybeans, our most important export commodity, beef, pork, citrus fruits, and tobacco. The Japanese and the European community made the largest concessions. Japan's concessions relative to United States exports amounted to $1.5 billion on such commodities as citrus, beef, and soybeans. The European community made concessions of $700 million on United States exports of beef, poultry, tobacco, rice, and fruit products.

Several international codes to provide freer international trade also have been agreed upon. One of the most important ones concerning the United States deals with export subsidies. The new code precludes using export subsidies to overtake the third world's market or to substantially undercut prices. Finally, any offenders of this particular code can have a case brought against them and have the case resolved in 120 days (Bergland, 1979: 5).

Other United States Foreign Agricultural Policy Entities

Export-Import Bank. One institution whose activities are related to agricultural foreign policy is the Export-Import Bank. Created in 1934 as an independent agency to promote foreign trade (268), this institution has had little involvement in agricultural foreign policy in recent times (274). From 1948 to 1954, it was the only continuous program to provide credit for exports that would not be covered by commercial banks. During this period, the Export-Import Bank lent primarily for economic development purposes (268). After 1955, most of the loans were for cotton sales to Japan. Commercial banks and other lending institutions received guarantees from political and financial risk in 1963; thus, the need for the Export-Import Bank became less and its use had diminished accordingly (Cochrane and Ryan, 1976: 264).

Office of the General Sales Manager. An Office of the General Sales Manager was created in 1976. The General Sales Manager who heads this is responsible to the Secretary of Agriculture through the Assistant Secretary for International Affairs and Commodity Programs. The General Sales Manager has direct responsibilities for commercial export sales, Food for Peace Program, any ad hoc programs established to support exports of United States agricultural commodities for monitoring the sale of export products by United States exporters, and for insuring prompt public dissemination of such data (U.S. Congress, 1979: 609, 612).

World Food and Agricultural Outlook Situation Board. Another cog in the United States foreign agricultural policy machine is the World Food and Agricultural Outlook Situation Board. This organization was created in 1977. The purpose of the unit (involving 14 full-time employees) is to serve as this nation's intelligence agency relative to domestic and international food and agricultural products concerns. As the intelligence agency for agriculture, it is supposed to provide objective, consistent, and reliable data to the public and policy makers (U.S. Congress, 1978d: 498, 500).

Foreign Agricultural Service. Finally, the Foreign Agricultural Service serves to promote United States agricultural exports. As a part of its activities the Foreign Agricultural Service works with nonprofit trade associations and state departments of agriculture in analyzing potential foreign markets. Any information that is gathered concerning foreign markets is transmitted to United States exporters.

The Foreign Agricultural Service also assists in carrying out agricultural policy relative to the General Agreement on Tariffs and Trade and the Trade Act of 1974. Its main purpose in dealing with international organizations, such as the Food and Agricultural Organization of the United Nations, is to remove trade barriers to insure maximum access to world markets for the United States.

Agricultural attaches are in 65 locations, covering 100 countries to fulfill the Foreign Agricultural Service's responsibilities. The attaches are to provide information on world agricultural production, trade, and competition relative to the United States concerns. This information in turn is made available to the general public (U.S. General Services Administration, 1978: 125-126).

Summary

After reviewing some of the major approaches, policies, institutions, and agencies involved in United States foreign agricultural policy, several characteristics for future United States agricultural international trade seem to be prominent. Saylor (1978: 162) has described these characteristics as being the United States's "total approach" to developing future markets. He referred to the developing countries, centrally planned economies, and the developed countries. No matter what type of country one refers to, Saylor states the United States will be there to open that market up and to develop it for long-term purposes. Mackie (1977) stated succinctly the future of our food assistance policies, plus their relationship to the American farmer's interest:

> . . . Not all the agricultural imports by any of them [developing countries] will be from the United States. And some may not increase such imports from the United States at all. But all will expand the world market for agricultural production, increasingly so as their incomes rise to the point where they start shifting significantly toward higher quality diets. It is this potential for continuous, long-term expansion of the world market for agricultural products that answers the question: 'What is the economic interest of American farmers in the U.S. foreign aid program?' (34).

Couple the growth of developing nations' markets with long term, liberal trade agreements with developed countries, and one probably has a pretty good command of United States future agricultural trade policies.

Conclusion

This chapter has reviewed and analyzed a multitude of agricultural policies and programs, some relating to domestic agricultural policy, others directed toward foreign agricultural policy. From this research, we can make several statements about United States agricultural policy as it exists today, attributing no import to the order listed: First, the old adage that the agricultural industry is one of the last bastions of free enterprise is only partially true. Those who wish to cling to the belief that the agricultural industry is free of government involvement can easily give an example such as the Farm Credit System. However, this is countered by target prices, federal crop insurance, international trade agreements, etc., and the list goes on and on.

Second, we found evidence that the American farmer's prices are dependent upon international commodity production and agreements. In fact, the farmer's future may well be determined by the extent that potential markets are tapped in developing nations. For once, the American farmer may have to realize that a trade agreement is not a one-way street. Agricultural products, that is, may be imported into the United States; some may even be in competition with the United States farmer's commodities.

Third, the United States agricultural policy apparatus is overlapping in some areas, and is dynamic. Redundancy was noted in rural development efforts where the Departments of Labor; Health, Education, and Welfare; Housing and Urban Development; and USDA all were conducting rural development policy, and some of their efforts were duplicative. Dynamism, or ability to change according to new demands, was reflected in changes in the Food for Peace Program and Rural Electrification Administration.

Fourth, there is presently a migration of people from urban areas to the rural areas, but not necessarily to farms. With this movement have come many new issues and problems concerning public services and employment.

Finally, to deal with all of these problems and opportunities, goals and objectives must be defined. It is fitting to end this chapter with Senator Humphrey's (1976) five goals for our future agricultural policy:

> First, our policies must assure farm families of more stable incomes, so that lifetime investments will not be swept away by one bad year . . . .
>
> Second, our policies must provide insurance for farm families against natural and economic disasters . . . .
>
> Fourth, we must assure the nation's food consumers that food markets will have a steady supply of food every week when they go to the store, and not only if they go early, or stand in long lines.
>
> Finally, we must assure our foreign customers of stable grain and fiber supplies, at prices that do not bounce wildly from year to year. Otherwise, when prices and supplies move sharply up and down, either the United States may be forced into a painful last resort action to protect its own supplies (the soybean export embargo) or foreign countries may resort to equally undesirable action to protect buyers (the recent cancellation of cotton contracts) (133).

The remainder of this manuscript will involve providing research into the making of agricultural policy applying theory to actual data, and analyzing the data. As mentioned earlier, Chapter II will discuss interest group literature relevant to the research. The third chapter will develop the theory that will be applied, and hypotheses will be stated. In the fourth chapter, the methods chapter, there will be a discussion of how the data were gathered, and a relevant literature review will be presented. Chapters V and VI will apply Robert Salisbury's exchange theory to actual data, and Chapter VII will contain the conclusions.

NOTES

1. A thorough discussion of the difficulties in defining what constitutes rural, nonrural, farm, nonfarm, urban, etc., can be found in Marshall (1976: 14-16).
2. These figures are based upon United States Census Bureau and Department of Labor definitions. Urban was designated as populations in towns of 2,500 to 10,000 outside metropolitan areas. All other areas outside of metropolitan areas were defined as rural (Marshall: 15).
3. Price support policies are governmental efforts to control agricultural commodity production and supplies. These policies include long term land retirement, short term land retirement, direct payments without controls, demand expansion, and marketing orders and agreements, etc. For a concise explanation of these policies see Tweeten (1969: 108-115). Also, for a detailed discussion of how price support programs work, see Rasmussen and Baker (1972: 100-104) and Mehren (1968: 175-188).
4. Section 32 refers to legislation passed in 1935 to provide more outlets for surplus agricultural commodities in order to provide price supports for farmers.

Legislated was a continual appropriation of 30 percent of all import duties collected each year. About 80 percent of Section 32 funds have gone toward domestic purchases and donation of surplus foods and for food stamp plans (Rasmussen and Baker, 1972: 115).

5. The 1933 Agricultural Adjustment Act stated wheat, cotton, field corn, hogs, rice, tobacco, and milk and milk products were basic commodities. Amendments in 1934 and 1935 expanded the basic commodity test by also including rye, flax, barley, grain sorghums, cattle, peanuts, sugar beets, sugar cane, and potatoes. Despite the expanded basic commodity list, allotment programs were only in operation for cotton, field corn, peanuts, rice, sugar, tobacco, and wheat (Rasmussen and Baker, 1969: 71).
6. For a thorough explanation of parity see Thomsen and Foote (1969: 90-95).
7. An enlightening litany concerning high potato price supports despite their continual overabundance since the mid-1930s can be found in Matusow (1967: 125-132).
8. For a very provocative discourse on Ezra Taft Benson's tenure as Secretary of Agriculture, read McCune (1958: Chapter 6).
9. Due to the excessive stocks in January 1961, the cost of storing an additional bushel of wheat was greater than the original cost of the wheat (Cochrane and Ryan: 1976: 79).

10. For a good review of the cost of the beekeeper indemnity program since its inception and President Jimmy Carter's attempts to eliminate it for budget cutting purposes, see Clark (1979: 362).

11. See MacDonald (1977: 642-658) for an excellent review of the food stamp program.

12. Bonus dollars or bonus food stamps were the federal transfer computed by finding the differences between the market value of the stamps (the allotment) and the amount paid for the stamps (the purchase requirement). These bonus dollars varied based on household size and net monthly income. For a hypothesized example, let us say the average monthly income of a family was $225 and the family paid $75 for $150 worth of stamps. The dollar difference between $150 and $75, $75, was the bonus dollars ("Efforts to Revise," 1976: 607).

13. In 1883, Harvey W. Wiley, who directed USDA's Bureau of Chemistry, used a group of healthy men to determine the effects of adulterated food. Called the Poison Squad, these men would eat contaminated food until their health began deteriorating (Baker and Rasmussen, 1972: 16).

14. Several characteristics were involved in the doctrines of the Law Merchant. First, the Law Merchant was based on mercantile custom, including the rule that informal agreements are legally binding. Second, since the mercantile custom was so intimately related to mercantile

expertise, the administration of Law Merchant courts was by fellow merchants, not by lawyers or judges. Third, mercantile disputes were resolved expeditiously and informally compared to the English common law system (Lurie, 1975: 1112-1113).

15. The farmers were wondering why prices were depressed since after 1885 there had been no overproduction; production had just kept pace with population growth. Farmers felt the answer was speculation. Brokers claimed it was proper to have an excess of commodities traded over the amount produced; anti-futures proponents used this as an indictment of the futures process. To the farmer, this resale of the same unit of commodity (e.g., a bushel of wheat) could only lead to more money for the speculators and less for the farmers (Cowing, 1965: 8-9).

16. Breimyer (1965: 175-176) has described two types of vertical coordination. There is market exchange that has been around for several hundred years. This vertical coordination involves buying and selling of commodities. The selling can take place in a formal or informal marketplace. Generally inputs are bought at local outlets. On the other hand, vertical integration creates coordination through different means. With this kind of process, the production and marketing processes are based on something other than buying and selling--

single managerial control. This single managerial control is accomplished through combined ownership or contracts. For an excellent description of vertical integration, Read Breimyer's case study on the broiler industry in the early 1960s (1965: 203-224).

17. Hugh Hammond Bennett of USDA's Bureau of Chemistry and Soils had proposed the soil erosion control plan. He had suggested that the program be administered jointly by the Division of Soil Erosion in the Bureau of Chemistry and Soils and the Division of Forage Crops in the Bureau of Plant Industry. As such, this plan was submitted to Secretary of Agriculture Wallace. At this time, however, approval of Bennett's plan came under the jurisdiction of the National Planning Board that expended funds of the Federal Emergency Administration of Public Works. The administrator of the Federal Emergency Administration of Public Works was Harold L. Ickes; he was also the Secretary of Interior. On August 23, 1933, Ickes wrote a letter to himself as Secretary of Interior in which he allocated $5 million for an emergency soil erosion program. Several days later the National Planning Board amended its minutes of July 17 to read that the Department of Interior, not USDA, was to administer the new Soil Erosion Service (Morgan, 1965: 9-10).

18. The close relationship between USDA's Forest Service and the Department of Interior is exemplified by the

appropriations process. An amiable agreement has been worked out between congressional committees so that the Forest Service's appropriations are included with those of the Department of Interior, not with USDA's (Rasmussen and Baker, 1972: 16-97).

19. Thomas Jefferson illegally sent to the United States upland rice seed while traveling in Italy in 1787. The Italians prohibited such actions as a means to protect their producers from foreign competition (Moore, 1967: 4).

20. Tugwell had a personality that evoked either strong dislike or an abundance of loyalty (McConnell, 1953: 205).

21. Farm debt adjustment provided assistance to competent farmers who had their property mortgaged in excess of their borrowing power. The phrase "farm debt adjustment" is derived from "farm debt adjustment committees" that were created. These were composed of prominent citizens who tried to get creditors and debtors to agree on repayment terms so the debtor could retain his property (Benedict, 1953: 281-282).

22. McConnell (1953) provides an excellent discussion of the American Farm Bureau Federation for wanting the Farm Security Administration dismantled (Chapters 9 and 10).

23. USDA's rural development efforts include: farm and rural development loans and grants, agricultural credit, community and regional development, housing programs, electric and telephone programs, broadband communication

systems, a federal programs information retrieval system, area development assistance, energy planning, assistance to small farmers, agricultural support programs, assistance for the American Indian, land use, resource conservation and development, rural fire protection, community forestry program, extension and research, and leadership and coordination training conferences and sessions (U.S. Congress, 1978c: 44-61). The Department of Labor's rural development programs are also extensive (180-112).

24. Discount notes are sold for periods of 5 to 150 days to entities that have temporary excess funds. The 37 banks began using this funding source in 1975. By the end of the first year of this program, the system raised $3.7 billion and had $406 million outstanding at an average annual rate of 5.48 percent (Hoag, 1976: 43).

25. Some 20 years after the Depression of the 1870s the price of corn and cotton had decreased 50 percent. In 1860, farm income accounted for 30 percent of the national income, in 1900 for 20 percent of the national income. Agricultural wealth made up 40 percent of the national wealth in 1860, in 1900 for 16 percent of the national wealth (Morgan, 1970: 151).

26. There are two methods of taxing a farm corporation's income. Using the standard method, taxes are applied to corporate income. In 1958, another method was begun.

In this case, the individual tax rate is applied to each person's share of the corporate income, even if the income is left in the corporation or received by the shareholder. The method can be applied only to farm corporations with 10 or fewer stockholders or 15 or fewer stockholders after five years as a tax-option corporation (Halcrow, 1977: 418-419).

27. Stanley (1973: 9-39) provides a historical and fairly thorough review of United States efforts in voluntary relief of famine situations. He begins with Ireland's famine of 1848 and ends with Brazil's famine in 1962.

28. Soft currency is the foreign countries' national currency. This currency is not gold backed (Stanley, 1973: 63).

29. "Food for peace" was officially not considered synonymous with Public Law 480 until the 1959 legislation that extended Public Law 480 for two years (Amrine, 1960: 236). Senator Humphrey had suggested using food for peace since 1954. President Dwight D. Eisenhower began in January 1959 to express the idea of using farm surpluses for peaceful purposes (231). Interestingly, over Senator Humphrey's protests, the White House managed to get the words "food for peace" deleted from the title of the 1959 extension. Only a short time later in New Delhi, India, President Eisenhower made a plea for--incredulously--a "food for peace" program (236).

30. Buffer stocks are surpluses of the commodities concerned. These stocks are accumulated by the nations that are parties to the agreement and produce the commodity. When production of a commodity is high, reserves are built up; when production is down or there is a sharp increase in demand for the commodity, the stocks are released into the market to mitigate the price increase (Samuelson, 1978: 160).

31. If market prices rise to a "release" level, determined by a formula based on the loan rate, farmers can take grain out of storage and sell it. If market prices rise further, to a "call" level also determined by formula, the Secretary of Agriculture would call in all loans made on reserve grain. At that time, a farmer can either market his grain and pay off the loan, or forfeit the stored grain to USDA (Wehr, 1980e: 58).

CHAPTER II

INTEREST GROUPS

Introduction

The material to follow is not intended to provide an exhaustive review of interest group literature. Rather, it is an introduction to certain aspects of research on interest groups and to the major agriculture interest groups themselves. Chapter III will expand on many points discussed here and especially on exchange theory as applied to the study of groups.

Historical Underpinnings

Traditional Approach to Groups

Before discussing the group approaches of Salisbury and Olson, the traditional approach to groups will be discussed. Latham has stated the twentieth century group approach to politics had its origins in writings of the pluralistic philosophers Figgis, Maitland, Cole, and Laski. These philosophers declared that the state was just one association among many associations. This position was opposite to that taken by the Utilitarians of the same period who contended the political community was made up of only the individual and the state; all other associations were ignored. The significance of the pluralists considering the state as but one association is that the state was no longer considered to contain or project all the needs and desires of the individual. Rather, the state was considered to be in competition with lesser associations or groupings such as clubs, unions, etc. for the loyalty of individuals. The pluralists, thus, provided some basis for a group approach in understanding political occurrences (Latham, 1952: 378-380).

The real precursor of the group approach, however, was Arthur Bentley. In his seminal work of 1908, The Process of Government, Bentley stated the primary unit of analysis for studying political phenomena is the group. Furthermore, he defined a group as:

> . . . a certain portion of the men of a society, taken, however, not as a physical mass cut off from other masses of men, but as a mass activity, which does not preclude the men who participate in it from participating likewise in many other group activities (1935: 211).

To Bentley, as the above quotation discloses, the group notion emphasizes activity. In fact, Bentley says group and group activity are coequals. Furthermore, Bentley considers all groups to have an interest, and similarly, interest also means group (211). Finally, Bentley states:

> The group and the interest are not separate. There exists only the one thing, that is, so many men bound together in or along the path of a certain activity (211).

Pursuing the group approach from a somewhat different perspective, David Truman described a group as " . . . any collection of individuals who have some characteristic in common" (1971: 23). Truman called these collections of individuals categoric groups. For example, farmers, alcoholics, insurance men, blondes, etc., would compose categoric groups. However, Truman cautioned that it was the "uniformities of behavior" produced by the categoric groups that are critical, rather than the similarities among those in the group. This is because the uniformity of behavior is dependent upon the interactions or relationships of people within a group rather than upon the homogeneity of a group. Moreover, Truman noted the character and frequency of the interaction are crucial in defining a group, much more so than the similarities within the group (23-24). Truman cited the following as an example of the importance of frequency of interaction in determining a group:

> If a motorist stops along a highway to ask directions of a farmer, the two are interacting, but they can hardly be said to constitute a group except in the most unusual sense (24).

Thus, it is apparent that Truman and Bentley have similar views as to what constitutes a group. Both Bentley and Truman refer to interactions within the group. Bentley describes this interaction as a "mass of activity" and

Truman refers to the same as "pattern of interaction." Bentley and Truman also have the perspective that a group seeks a common good (Bill and Hardgrave, 1973: 120-121).

Other Group Theorists

Mancur Olson and Robert Salisbury are two theorists who have expanded Bentley's original group approach, thus making the approach more adaptable. Each individual's model will be discussed below.

Salisbury's reinterpretation of the group approach is classic (1970). It should be pointed out that his work is oriented toward formal associations and is not considered as a new approach to studying political phenomena (33). The primary theme of Salisbury's work is that interest groups' "origins, growth, death, and associated lobbying" are based on exchange relationships involving entrepreneurs and prospective members of groups (33).

The group organizer is an entrepreneur who has capital in the form of benefits to offer at a price to prospective members. The organizer provides benefits to insure there is a flourishing organization (57-58). The "exchange" aspect of the theory refers to the requirement that a sufficient amount of benefits be accrued by the organizer and the organization's members, if the organization is to continue. Hence, there must be a "mutually satisfactory exchange" (58). Benefits for the organizer can be in the form of salary or organizational members' support (59).

If sufficient benefits are not provided by the organization's members, then the organization may go broke and the organizer could lose his job. However, in some cases where the organizer is not salaried he may not lose his position, but will lose his supporters (59-60). Salisbury says, thus, "'profit' to the leadership is a necessary part of the exchange with the members and without it the leaders cannot continue" (60).

Mancur Olson (1971) in The Logic of Collective Action has challenged a part of Bentley and Truman's group approach. Traditional group approach theorists have held that people join together to increase their chances of securing a common goal. Thus, the political system is seen as a web of competitive groups through which individuals seek common goals (Bill and Hardgrave, 1973: 130-131).

Olson contends that individuals are rational; therefore, members of large groups will not act to seek the group's common goal (Olson, 1971: 1-2). Olson explains the collective good is obtained when the circumstances involve a small group. According to Olson, the reason a small group is able to acquire its common interests is because individual members feel they can acquire enough of the total common interest to make it worth their effort to personally seek (33-34). Individuals will also join groups if they are coerced or may receive selective benefits (133). Compulsory membership in unions is an example of coercion to maintain a group (71).

Despite Olson's effective argument against the main thesis of the traditional group approach, his theory is not considered a replacement for a group approach, nor does it escape criticism. Since Olson's collective good theory is principally more of a redefinition of the group approach, it cannot be construed as an entirely new, ground-breaking approach. One can also be critical of Olson's explanation since there is evidence that even in large groups individuals do contribute to common goals without receiving selective inducements or being forced. This occurs when an individual feels others will assist him in securing a common interest, and the end results of the joint effort will leave the individual better off than when he began his effort (Bill and Hardgrave, 1973: 133-134).

The essence of Olson's and Salisbury's arguments is that other forces beside social forces cause groups to be formed (Salisbury, 1975: 193). Olson states the individual must feel it is worth his effort; while Salisbury maintains in large groups it is the organizer exchanging benefits with the organized that causes groups to grow. Salisbury's work is important given its refinement of the group approach and because it permits the analyst to examine the development of groups, as opposed to that of Olson, who assumes there is an ongoing system (Salisbury, 1970: 54).

The traditional approach to the study of groups has carried its weight, but it is time to amend the seminal works if group theory is to be further developed. Using Olson and Salisbury's works to augment the traditional group approach is a step toward that end. Otherwise, researchers will continue to be faced with group theories and theories of groups--rather than a theory of groups.

Interest Group Structure

Different kinds of groups may have more influence than other kinds of groups. For example, institutional interest groups perhaps are more likely to attain their goals than anomic interest groups. Several typologies of groups will be presented. Mass versus peak groups are the two categories that are used in this research and are fully discussed in Chapter III.

Interest Groups and Attitude Groups

To understand what an interest group is or is not, it is essential to critique the various typologies of interest groups based on groups' structures. Castles (1967) stated pressure groups could be broken into two primary types: the interest group and the attitude group. An interest group is characterized as being formed to promote shared sectional interests. An attitude group would be established to achieve a specific objective or cause. Important to the definition of an attitude group is the requirement that the group be composed of members with shared attitudes. Finally, attitude groups cease to exist once the objective or cause has been achieved (2-3).

Anomic, Nonassociational, Institutional, and Associational Interest Groups

Almond and Powell (1966) said there were four kinds of interest groups. They defined an interest group as "a group of individuals who are linked by particular bonds of concern or advantages, and who have some awareness of these bonds" (75).

The first type of group defined by Almond and Powell is the anomic interest group. These are generally considered to take impulsive actions on the political system. Such interest groups would undertake riots, demonstrations, assassinations, etc. Anomic behavior can be sponsored by organized interest groups which have not received representation in the system or by an incident or a leader. The anomic groups are considered to be poorly organized and lack continuity of support for the group (75-76).

The second kind are nonassociational interest groups. These represent "kinship and lineage groups, and ethnic, regional, status, and class groups" (76). Such groups have only occasional articulations of their viewpoints, little or no organizational structure for articulation, and their internal structure lacks continuity. An example of such a group would be an informal delegation of landowners discussing tariffs or grain with a bureaucrat (76-77).

Institutional interest groups are parts of organizations such as political parties, bureaucracies, churches, etc. These groups are formally organized, professionally staffed, and render services to the organization other than just interest articulation. Moreover, these groups may enunciate their own viewpoints or other groups' societal interests. An example of such a group would be a legislative bloc or an ideological clique of a bureaucracy (77).

The final and most sophisticated category of Almond and Powell is the associational interest group. Completely professionally staffed, designed to expressly articulate the interests of a particular group, and supported by formal procedures to seek their interests, these groups are typified by trade unions, ethnic associations, civic groups, etc. The associational interest groups' tactics and goals are considered legitimate by society. Finally, these groups tend to dominate the other categories of groups because of their organizational sophistication, and they represent a wide range of groups and interests (78).

Almond and Powell's typology has been criticized as being somewhat parochial. It seems to indicate that certain group categories are more preferred than others. That is, Almond and Powell seem to believe the order of preference should begin with the associational interest group and extend in descending preference to anomic interest groups (Bill and Hardgrave, 1973: 123). Furthermore, this typology is criticized for stating that nonassociational interests have effective articulation (124). Finally, when Almond and Powell maintain that nonassociational groups may eventually develop into associational groups (1973: 77), Bill and Hardgrave contend there is no solid evidence for such a statement, and in fact, many associational groups eventually fragment into factions and informal groups (1973: 124).

Clientela and Parentela Groups

LaPalombara (1964) developed a classificatory scheme based on the relationship of groups to centers of policy making. The classifications include clientela and parentela groups. A clientela group's relationship to an agency is that of a client. A group seeks a close relationship with an agency because the group realizes the power[1] that the agency has in relationship to the group's interests. In exchange for consideration of the group's interests, the agency requires that the groups be representative of a substantial number of its general membership. Finally, the group must provide expert assistance to the agency, generally in the form of information (333). Rourke also described interest groups vis-a-vis centers of public policy making in the same context as LaPalombara, and he too described them as clientele groups (1976: 47-51).

The second kind of group described by LaPalombara is the parentela group. Such a relationship exists when a group can expect to receive very favorable treatment from an agency. In fact, other groups that may have an interest in the agency are openly denied access to the agency. The group controls the agency to the extent that the agency fears intervention by higher officials if the agency does not concede to the group's demands (1974: 333-334). Rourke describes this same situation as a captive agency phenomenon (1976: 51-56).

Confident Solidary, Neutral Solidary, and Alienated Solidary Groups

Finally, Gamson (1968) organizes groups according to the means available to exercise influence. He defines a confident solidary group as a group which can use persuasion as a means of influence. The conditions for such a group include those being influenced being in agreement with the objectives of the group doing the influencing. In this situation, Gamson says, it is in the best interest of the influencing party to use persuasion rather than constraints or inducements. Persuasion could be in the form of information, argument, using the friendship of those being influenced, and promoting the commonalities between the group and the influenced. He feels constraints, any resource which creates disadvantages, would cause resistance in those being influenced, and in the long run, would reduce the probability that those being influenced would cooperate in the future. Gamson felt inducements would do more harm than good as a means of influence in this situation as they might be considered bribes if offered too overtly or the offering might breach the norms of friendship. That is, if this relationship is considered a form of friendship, then proffer by the influencer should not require a reciprocal action. In this situation, however, the party being influenced may feel an obligation to provide a quid pro quo for the action of the influencer; thus, the relationship will have developed into something more formal than a friendship. In the future, therefore, the group might not be able to have the same congenial relationship with those being influenced, clearly a cost to the party doing the influencing.

A neutral solidary group involves a circumstance where those being influenced do not favor or oppose the group's objectives. In this situation, more information will not suffice to cause the influencer to prevail. Instead, inducements must be used to persuade the influenced to side with the influencing party. The influencing party must offer the influenced something of value. Constraints are not to be used in this situation as it might cause the influenced to move from a neutral position to an adverse position.

Finally, Gamson describes the alienated solidary group. In this case, persuasion and inducements will not work as means of influencing the nonmembers. Constraints are the only influencing tactics available. The situation assumes there is little or no trust between the group and those being influenced. Furthermore, inducements, such as more information for the influenced, would only solidify even more the position of the influenced. The primary resource of an alienated group, therefore, is resistance--to create trouble (164-171).

Organizational Structure

Organizational structure refers to organizational goals such as leadership skills, substantive and political process expertise, leader and group member unanimity, and degree of focus. Organization cohesion and coalition structure are also organization structure variables, but they are discussed in Chapter III and are the only organization structure variables used in the research. According to Ornstein and Elder (1978), organizational structure enables a group to mobilize its membership for political action (74).

Leadership Skills

Leadership skills is an important organizational structure variable. This permits the group to manage other resources of the group, to set priorities, and to select allies (Ornstein and Elder, 1978: 75). The importance of leadership skills is indicated by the following statement:

> A large part of Common Cause's influence is because of David [Cohen] and Fred [Wertheimer]. They know how to approach Congress and they know how things work around here (75).

Substantive and Political Process Expertise

A group's Washington staff may reflect to a considerable degree whether a group will have influence. Milbrath (1963) stated that if a group has a small staff, then it is unlikely individuals will become specialists. If there is personnel enough available, each individual is assigned to a number of congressional offices (37). Zeigler and Baer (1969) found the longer a lobbyist had been around, the greater his chances of success (136).

Leader and Group Member Unanimity

Communications from the main offices to opinion leaders and then to individual members of the group provide a potential to have influence. Thus, it is crucial for the primary lobbyists to make the linkages vertically to the opinion leaders. Following this, there must be horizontal communication among the opinion leaders. Ultimately, such communication can serve as a means to solidify the opinions of the general membership based on the dialogue initiated by the head offices of the group (Stedman, 1958: 129).

Degree of Lobby Focus

Bauer, Pool, and Dexter reflected on the fact that despite the voluminous amounts of money spent by pressure groups, thus giving the image of glutted groups, in reality most organizations work with tight budgets (1972: 345). Berry's research indicated the disparity between groups' total assets and the amount the Washington offices receive. For instance, the 1973 National Audubon Society income was more than $7 million, but its Washington office operated on $20,000 for the same year (1977: 60-61).

Resources

Resources that groups use to influence policy makers are numerous. This section discusses only money, volunteer labor, information, and time. In Chapter III, group size and dispersion are presented as variables to be studied.

Money

Money is perhaps the most important resource a group can have to influence public policy. This resource enables a group to gather other resources such as substantive, political, and leadership expertise, plus public relations talent. If a group is denied access to policy makers through regular channels, with money available a group can select alternative communication channels such as newspaper, radio, and television advertisements (Ornstein and Elder, 1978: 70).

Money is also used by groups to give campaign contributions to legislators via political action committees. For the 1978 U.S. House elections, 106 incumbents, 33 challengers, and 37 individuals running for open seats each received $50,000 or more from political action committees (Cook, 1979: 1955). Other groups give money to candidates as illegal bribes, though infrequently, lecture fees, and inkind contributions (Ornstein and Elder, 1978: 72-73).

Volunteer Labor

Volunteer labor is a big boon to any group's efforts. These individuals generally work on special projects as when a critical bill comes before Congress. In other situations, a group may not generate a large number of volunteers, but will have one or two regular volunteers year round. There are cases where large numbers of volunteers are available all the time. For example, the League of Women Voters uses women who are trained in lobbying techniques to volunteer two or three days a week to lobby an issue (Berry, 1977: 65-66).

Another form of volunteer assistance being used more frequently than in the past and that assists groups in their potential to have an influence is called _pro bono publico_ work. _Pro bono publico_ work involves Washington law firms voluntarily providing legal aid, primarily to the indigent. However, the same firms also provide assistance to consumer and environmental groups. Such firms generally are well known, prestigious, and lucrative (Berry, 1977: 70-71).

Public Perception of the Group

Greenwald also cites a group's standing in the general social environment as one of its most important resources. She states groups have two types of assets that make up social standing: tangible and intangible assets.

Tangible assets providing social status include a combination of educated members, sufficient lobbying personnel and techniques, and cultural status complemented by money. Groups that possess this attribute include the National Red Cross, American Legion, and the American Bar Association. It should be noted that this aspect of social standing can be generated by a group's own efforts.

Intangible assets involve what the group has to offer as goals and objectives relative to public opinion. In effect, a group can be said to have intangible assets if it is considered to be the legitimate source of information for the issues with which it is primarily concerned. Frequently, a group may not possess tangible assets, but does have intangible ones. Thus, what may appear as generally seamy groups may be acceptable in the public eye for issue purposes. Although permitting lesser groups to have legitimacy, groups having mainly intangible resources have the pitfall of being very dependent on public opinion and the general changes in the environment of the policy making arena (1977: 332-333).

Information

Bauer, Pool, and Dexter believe a required resource is adequate information. Without facts an interest group is impotent. Information provided through research is used in articles, speeches, and letters. Even more importantly, information is used to persuade congressmen. Thus, information is power (1972: 346-347).

Time

Finally, time is a factor in determining whether a group can have influence. If an interest group is understaffed, all its personnel can do is to react to situations. When there are too few personnel, they are not given ample preparation time that could lead to long-range planning. Instead, understaffed groups are plagued by one individual being overwhelmed by many tasks (348-349).

Channels of Influence

Several tactics can be used by interest groups to influence a person or persons. Tactics here mean specific efforts used to fulfill a strategy plan; a strategy plan refers to "long-range purposes and objectives of a group's policy" (Milbrath, 1963: 41). Later in the research an examination will be made to determine the effectiveness of written and personal testimony and presenting testimony in a House of Congress. The categories of tactics which are discussed below include direct lobbying and indirect lobbying.

Direct Lobbying

Personal Recommendations. Personal presentation of arguments to officials is considered to be one of the most used means of persuasion. Berry (1977), however, found that when direct lobbying was used, interest groups seldom engaged in conversation with White House staff members, Senators, or Representatives. Instead, the lobbyist generally ended up conversing with the staff of congressmen. Similarly, Berry found lobbyists having more access to bureau staff than to agency heads and Cabinet officers. According to Berry, the most crucial factor in determining whether one was permitted to discuss matters with agency personnel was the extent to which the agency sympathized with the group (214-216).

Two other findings of Berry must be mentioned. One, lobbyists do not always lobby their sympathizers and ignore their foes. Two, lobbyists tend to encounter many more "neutral" people (neither a friend nor a foe of the interest group) than has formerly been assumed (218-222). On the other hand, Bauer, Pool, and Dexter (1972) found that "direct persuasion of uncommitted or opposed congressmen and senators was a minor activity of the lobbies" in their study of lobbying on the reciprocal trade controversy from 1953 to 1955 (442).

Berry's findings of lobbyists gaining access to agencies is supported by Rourke's (1976) contentions. Rourke has stated that it is essential for agencies to have the support of interest groups who have "enduring tie[s]" to the agency. Furthermore, agencies do reciprocate interest group efforts by establishing sound relationships with a group, especially those groups that were responsible for the advent of the agency (46).

Congressional Hearings. Congressional hearings provide a forum for interest groups as well. Such hearings permit groups to provide information for and against legislation. A lobbyist's paraphernalia will include charts and graphs that can serve to augment the oral arguments of a lobbyist (Turner, 1958: 66). Generally, congressional hearings are not an event where interest groups expend an overwhelming amount of energy to persuade people. Rather, testifying before a committee is more symbolic and used primarily as a means to gain access for influencing legislation in the future (Berry, 1977: 223). When a group is considering an incipient issue and is willing to pursue the issue for more than one session of Congress, then a group will make a concerted effort to persuade a committee or subcommittee (224-225). Zeigler and Peak (1972) also find little evidence of lobbyists having much influence on legislation via congressional hearings. In fact, Zeigler and Peak candidly stated, "Most legislators have already made up their minds" (139). Zeigler and Peak, however, feel hearings do serve at least three functions for lobbying groups. First, hearings provide all involved an opportunity to determine what position various participants will take on an issue. Second, hearings provide interest groups with inexpensive publicity. Third, hearings provide individual lobbyists with a chance to demonstrate their knowledge about an issue; thereby, perhaps becoming more personally respected by legislators (140).

Legal Action. Litigation can be used as a channel of influence for interest groups. Groups frequently support individuals in cases because the individuals lack the required "time, money, and skill" (Vose, 1958: 22). Because litigation is so expensive, it is considered to be a last means of influence. In fact, it is generally used only after all other attempts before administrative agencies have been rejected (Berry, 1977: 225).

Critical to a group considering litigation as an alternative is the extent to which the group has the resources available to conduct such an effort. Primarily, this means the group must have resources allocated strictly for the purpose of litigation and, generally, in-house counsel, though legal assistance may be sought outside of the group (225).

Two primary means of groups using litigation to influence have been the class action suit and the amicus curiae brief. The class action suit has been used to prevent an official from enforcing a law. Class action suits permit a party who has lost standing to sue to be replaced by a party who has not lost standing, while not having the original litigation terminated. Such cases are critical to groups since they permit the group to maximize its resources, particularly the factor of timing when the issue should come before the courts (Zeigler and Peak, 1972: 200-201). An amicus curiae brief permits groups to file briefs in support of litigants even though the groups are not actually parties to the suit (203). Though we do not know the exact effectiveness of public interest litigation, McFarland (1976) has noted it has been increasingly used since 1966 (18-19).

Indirect Lobbying

Campaign Money. Providing campaign money for a candidate may be considered a tactic. Money may be considered an indirect tactic since it may be used by the candidate to establish "candidate visibility, hire staff, and pay for early expenditures" (141). A classic example of an interest group using campaign money as an indirect channel of influence was when the Associated Milk Producers, Inc., pledged $2 million to Nixon's 1972 presidential campaign. This perhaps resulted in $300 million worth of milk price supports at the behest of President Nixon (Greenwald, 1977: 3-9).

Releasing Research Results and Public Relations. Another means of influencing officials includes publishing congressmen's voting records. For example, such tabulations can be released to the public to portray a congressman as a liberal if he has a high rating of liberalism by the Americans for Democratic Action or as a conservative if he receives a high rating of conservatism from the Americans for Constitutional Action (Berry, 1977: 240, 243; Greenwald, 1977: 74-75). Releasing research results and providing the press with leaks are the channels an interest group may use when the group feels officials are unwilling to listen. The purpose in these efforts is to generate public sentiment in favor of the interest group's position (Berry, 1977: 243-244). Also, a path of influence could be a public relations campaign conducted by established groups seeking public goals via massive advertisement campaigns (Greenwald, 1977: 77-78). Press conferences also can be used most effectively by groups, especially when the group is led by a strong public interest figure such as Common Causes' John Gardner or Ralph Nader (Berry, 1977: 245-246).

Whistle-Blowing. A group may urge people to become whistle-blowers. Whistle-blowers are either individuals who attack an institution while still employed at an institution or soon after leaving an institution (Peters and Branch, 1972: 4-5). A prime example of whistle-blowing was the exposure of Senator Thomas Dodd's financial corruption by a former staff member, James Boyd (22-29). There are several possible consequences of whistle-blowing which could benefit a group. Policy might be changed. Whistle-blowing may induce people to be less gullible about the "protector of the public" image projected by certain self-serving agencies, e.g., Pentagon, General Motors, etc. Furthermore, whistle-blowing makes each successive whistle-blower more acceptable to the public. The general public, thus, becomes less likely to consider the whistle-blowers as traitors, but rather as a necessary factor in balancing loyalties (1972: 296-297).

Political Protest. Political protest has as its main purpose the express act of gaining publicity for a group. Historically, political protest has been used as an avenue of influence because other channels were perceived as closed (Berry, 1977: 731). Lipsky (1968) has made a distinction between two types of groups that protest. Protests can involve relatively powerless groups that activate third parties to enter into the political arena, thus creating bargaining resources (1145-1146). On the other hand, there are the protests involving the group protesting, the party being protested against, and at least one invited third party. The third party is generally considered to be in alliance with the protesting groups and to possess sufficient resources with which to bargain (1146). In the first situation, ad hoc groups are generally lacking in-house skilled professionals such as lawyers and financial resources. The effectiveness of such protests, therefore, will depend on volunteers and financing by outside sources. Finally, much of the effectiveness of these ad hoc groups will be determined by their policy goals. That is, a protest may be more effective when it is obstructive in nature than if the group's effort is concerned with positive policy changes (1150-1151).

Letter Writing. Groups try to persuade congressmen by having their general membership write letters to policy makers (Berry, 1977: 233-237). Concerning contacting congressmen, Dexter (1956) has found that "mail outweighs every other form of communication" (17). Also, he found that older congressmen are much less concerned with mail than younger congressmen (17). He went on to state congressional mail was meaningful because of the amount of time the staffs spent handling it; it keeps congressmen in touch with their districts, and it represents one activity that the congressmen can do without being hamstrung by rules or regulations. It provides the congressman with an outlet for rational academic communications (18).

Influential People. A final form of indirect lobbying is the use of influential group members or constituents to contact officials. It has been found that generally friends or constituents of officials have greater accessibility than lobbyists. However, lobbyists generally use constituents rather than friends of congressmen because they are more frequently available to lobby a congressman (Milbrath, 1963: 244).

Measuring Influence

Influence or power (see note 1 of this chapter) is very difficult to define and measure. This section only briefly deals with influence. Chapter III provides an extensive discussion of power and power relative to exchange theory. Dahl's (1970) five ways of comparing influence is the primary focus of this section.

Difficulties of Determining Influence

One of the most difficult aspects of analyzing groups is to determine their influence on outcomes. That is, it all comes down to "actually 'proving' that the interest group caused government officials to change their behavior in some manner" (Berry, 1977: 274). The problem group theorists wrestle with at this point in their research is called "parallelism." Researchers assume that when groups seek a policy alternative, engage in activities to attain that policy, and decision makers decide on the policy that the group has sought, then a causal linkage can be made between the group's actions and the outcome. In other words, the group has had an influence. In some situations there could have been a cause and effect, while in other cases what the group wanted may have perchance been what the policy makers felt the situation required. Research based on testimony of participants to determine the impact of groups is suspect because the data are dependent on the reputation of the respondent rather than on direct observation. Even when direct observation is used to determine the influence of groups, such observation may not indicate cause and effect conclusively, but may indicate parallelism instead (Salisbury, 1975: 207). Thus, it is not clear at this time whether the influence of a group can be measured; however, several researchers have attempted to develop schemes for determining influence. These schemes are considered in this section.

Dahl's Five Ways of Comparing Influence

Dahl (1970) believes it is possible to measure influence in a fashion similar to using the concept of force in mechanics. Thus, he employs vectors as a measuring device of influence. He believes influence can be measured by the following: determination of the amount of change of individuals who purportedly have been influenced, determination of how costly it is for an individual to change, determination of the differences in probability of compliance of those influenced, determination of the differences in scope of the individual's influence, and the number of persons who respond to an individual's influence (19-25).

The Amount of Change in the Position of the Actor Influenced. When we consider the change in position of an actor in determining influence, we make assumptions that are not necessarily reasonable to make. This measure of influence assumes one knows what the original position of the observed actor was. Frequently, in dealing with political phenomena, the actor merely portrays one position of wants, but in reality is seeking another goal. For example, a labor union may present an extreme position in negotiation, but its real wants are more moderate--the idea being that compromise will eventually attain what the labor union's true position was in the first place (21).

The Strength of A's Influence Measured by the Costs to B of Complying. Measuring influence by how much compliance costs those who are being influenced is a psychological measure. In this instance, an attempt is made to determine whether there is more at stake when A is being influenced than when B is being influenced. This case could involve the scenario in which the President is trying to influence congressmen to pass a welfare package. Obviously, it would take more influence to sway the rural congressmen than the urban congressmen to the side of the President. The primary problem is measuring the costs of those being influenced (21-22).

The Amount of Difference in the Probability (Or Frequency) of Compliance. Dahl also said influence could be calculated by using differentiations in the probability of compliance. In other words, if a Democratic President receives support from 50 out of 60 Democratic senators and 10 out of 40 Republican senators, the President has more influence with the senators of his own party. The frailties of this measure are glaring. First, probability should be based on random events using a coin or die. Second, and as a corollary to the first, such probabilities would have to be based on equivalent political events observed over time. Third, it would be critical to ascertain the original positions of those influenced. In this example, how many of the senators would have been in favor of the President's position without his influence (22-23)?

Differences in the Scope of the Responses. Another measure of influence is to refer to the scope of influence of an actor relative to other actors' scopes of influence. This, for example, would involve saying the majority leader in the Senate has more influence than a committee chairman because the scope of influence of the majority leader is greater than that of the committee chairman. A problem with this measure is comparing the overall influence of two more actors when the areas to be influenced are dissimilar (23-24).

The Number of Persons Who Respond. Finally, Dahl says influence can be measured by the number of people who respond to an actor. Take a situation where actor A received 10,000 votes and actor B received 5,000 votes. Logically, it can be assumed A has more influence than B. However, despite the logical explanations for the differentiation in votes, other statements can be made given the same results. It could be said that B has more influence than A if those who voted for B did so when voting for A was a much more acceptable act than voting for B. B could also have more influence than A if his followers are more definite than A's followers (24-25).

Caveats When Measuring Influence

Wooten (1970) states the influence of actors can be measured using the same techniques cited by Dahl (76-79), but he also expands on some aspects of Dahl's measures.

Concerning Dahl's discussions of influence relative to the scope of actors, Wooten said in order for measurements to be possible, comparisons of groups could only be made at the same level. Furthermore, assuming the same level, one can only compare the groups which have a common "target." Applying these guidelines, researchers could compare a national trade union and a national trade association, but not a national trade union and a corporation. Using the second criterion, it would not be appropriate to compare a trade association's influence over a government department with a trade union's influence on a legislature. Instead, an appropriate comparison would be the trade union's influence and trade association's influence on the legislature (79-80).

Bachrach and Baratz (1962) warned about ignoring the "other face of power" when analyzing power, the other face of power being a person or association whose actions limit decision making to noncontroversial situations. This is an especially critical insight since most pluralist literature states analysis of influence should only focus on what is specific and observable (948-949).

Recent Works Measuring Group Influence

Some recent works have approached an estimation of group influence by using empirical techniques. Meier and Van Lohuizen (1978a) used content analysis to determine the impact of interest groups on USDA budget appropriations from 1971 through 1976 (449). They found that USDA bureaus that had stronger group support had greater "growth rates" in congressional appropriations (459-460). Intensity of group support for a bureau, however, did not "influence the budget process positively" (461). Wanat (1975) did an empirical analysis of agencies' budget requests to the Department of Labor for fiscal years 1959 through 1968 (198). He used analysis of variance to determine which was the most powerful--Bureau of the Budget, Department of Labor, or the Department of Labor's agencies testifying before Congress. He determined the Bureau of the Budget was the most powerful, the Department of Labor the weakest (210-211). Empirical studies such as these two do not fully measure the power of groups, but they do provide solid background for a better theory of influence of groups.

Summary

Historical underpinnings of the group approach involved a discussion on Bentley's, Truman's, Salisbury's, and Olson's works. Bentley and Truman both define interest groups as interactions of individuals. Salisbury augments the traditional works by stating groups develop and die because of exchange relations between group leaders and group members. Olson contends that individuals will only join groups that are small, if selective benefits are offered, or members are forced.

Other variables discussed were group structure, organizational structure, resources, and channels of influence. A brief discussion on power was presented. This section was dealt with because exchange theory as it relates to policy output is a main concern of this research. Review of agricultural interest group literature concludes this chapter.

Agricultural Interest Groups

A brief historical review of traditional farm interest groups[2] will be presented first in this section. The primary concern of this section, however, will be to discuss those works that have dealt with agricultural interest groups relative to subsystem politics. Following a review of agricultural interest groups relative to subsystem politics, there will be a discussion of agricultural interest group coalitions. Finally, a review of the case study literature concerning agricultural interest groups will be presented. The intent of this portion of the chapter is to provide some background on agricultural interest group studies, not to scrutinize the historical beginnings of each agricultural interest group.

Traditional Farm Interest Groups

Though some farm interest groups existed prior to the Civil War, the most active years for farm interest groups have been immediately after the Civil War and following World War I. This cursory review will deal with only the activity since the Civil War.

Grange. In 1867, the Patrons of Husbandry was formed. Today, this group is known as the Grange. Initially, it was a semi-secret organization composed of lodges that set out to improve the material and spiritual needs of the American farmer. In the last half of the 1800s, its impact at both the state and national levels appeared to be significant.

Relative to state legislation, the Grange has been given credit for playing a substantial role in setting interest rates and regulating elevators and railroads. At the national level, Grange influence was used to secure creation of the Interstate Commerce Commission in 1887 and passage of the Sherman Anti-Trust Act in 1890. Though the Grange was supposed to be a nonpolitical group, it obviously was political. To conduct political meetings, the Grange simply adjourned the formal meetings and then came to order again as a political unit.

Grange activities extended to operating all types of cooperatives: flour mills, implement businesses, grocery stores, and meat packing plants. It even sold fire and tornado insurance. Membership in 1875 was estimated to be 858,000, but in 1880, membership had plunged to 65,000. By 1910 it had risen to 224,000. Much of the decline of the Grange has been attributed to the failure of its cooperatives.

Greenback and Free-Silver Movements. Other groups that flourished during the late 1800s were the Greenback Movement and the Free-Silver Movement. The Greenback Movement's heydays were from 1876 through 1884. Supporters of the Greenback Movement wanted credit in the form of paper money. Following the Greenback Movement, the Free-Silver Movement came on the scene seeking the same. Eventually, the Populist Party took up the increased-credit-for-farmers cause. Ultimately, William Jennings Bryan supported the demands of the original Greenback Movement (Talbot and Hadwiger, 1968: 90-91).

National Farmers Union. In 1902, the Farmers Educational and Cooperative Union of America began in Texas (today it is referred to as the National Farmers Union). This farm interest group spread to neighboring states and became a national organization by 1905 (Crampton, 1965: x). Presently, the National Farmers Union has membership in 44 states (Yakes and Akey, 1980: 279). Its largest memberships are in Oklahoma, Colorado, Montana, the Dakotas, and Minnesota.

The initial efforts of the National Farmers Union were to establish cooperatives and to withhold commodities from the marketplace to gain higher prices for products. Today, the group is considered the most liberal of the established general farm interest groups. Depictive of these liberal tendencies are causes that the National

Farmers Union favors: higher minimum wages, expanded social security coverage, and increased foreign economic aid (Crampton, 1965: x-xi). In sum, the group believes "that a nation shall be so governed that the benefits of society are as widely distributed as possible and that civil liberties receive their due" (ix).

Society of Equity and Non-Partisan League. The early 1900s brought the development of the American Society of Equity in 1902, American Farm Bureau Federation in 1911, and Non-Partisan League in 1915. Shortlived was the American Society of Equity, as it was absorbed by the National Farmers Union. Today, in North Dakota, the Non-Partisan League still exists, but only as an appendage of the National Farmers Union (Talbot and Hadwiger, 1968: 92).

American Farm Bureau Federation. American Farm Bureau Federation beginnings were in Binghamton, New York. Serving as a counterradical group, the group developed bureaus at the local level. These bureaus were sponsored by the local Chambers of Commerce. Then in 1914 passage of the Smith-Lever Act provided the support to catapult the American Farm Bureau Federation's membership. The Smith-Lever Act created a federal-state Agricultural Extension Service providing agricultural education for farmers. State Agricultural Extension Service directors urged and many state legislatures mandated that the agricultural education services be provided by county agents working through local farm bureaus (Campbell, 1962: 4-5). Given the state and national government support, the American Farm Bureau Federation had developed extensive state organizations by 1920.

Politically, the American Farm Bureau Federation has been very active. The group played a significant part in the formation of the "Farm Bloc" in the 1920s. This bloc was a bipartisan effort by 25 to 30 senators and about 90 representatives to insure rural America's interests were being represented. Success during the 1920s was typified by passage of the Packers and Stockyards Act, Grain Futures Act, and Capper-Volstead Act (Talbot and Hadwiger, 1968: 92).

Farm Holiday Association. A group called the Farm Holiday Association was formally organized in 1932. This was a short-lived protest group that eventually evolved into the National Farmers Organization in 1955 (Talbot and Hadwiger, 1968: 92). From 1929 through 1931, a precursor of this group had undertaken to thwart government efforts to test cattle for tuberculosis. If the cattle were found to be diseased, farmers were compensated at a rate of two-thirds the value per animal. Farm Holiday Association sympathizers felt that was ridiculous in light of low cattle prices at that time, and some farmers thought the test was meaningless.

Over time, Farm Holiday Association efforts extended to using blockages of commodities being sent to market in order to secure higher prices via reduced supplies. Another cause was to preclude mortgage foreclosure auctions of farms. Through intimidation, Farm Holiday Association members would cause banks to buy farms for as small amounts as $5.35 When the bank eventually resold a farm, the Farm Holiday Association would buy the farm for a nominal price and return the farm to the original owner (Brandsberg, 1964: 60-63). By 1934, with the development of better farm credit and farm prices, plus a scare by an attempt by Communists to gain the group's leadership positions, the Farm Holiday Association dissipated (Halcrow, 1977: 218).

National Farmers Organization. As was mentioned earlier, the National Farmers Organization came into being in 1955. Several conditions prompted the development of this farm interest group. First, the agricultural policy of President Eisenhower's administration opposed government controls to maintain farm prices. Second, the Midwest, especially the corn belt states, were suffering from drought plus low beef and cattle prices. In effect, farmers were in severe financial straits. Third, the worst conditions existed in those areas where the American Farm Bureau Federation was the strongest, and the American Farm Bureau Federation favored Eisenhower's farm policy of no government regulation. Although the National Farmers Union believed in government controls to support farm commodity prices, it was organizationally weak in the Midwest states where farmers were financially hurting. To fill this farm interest group void, the National Farmers Organization was established (Brandsberg, 1964: 65-66).

The primary goal of the National Farmers Organization has been to withhold farm products from markets to diminish supplies. Once supplies have been reduced, theory would have prices rise as a result of decreased supply. Before the National Farmers Organization members will sell after prices have gone up, however, they have sought contracts with markets. These contracts are to guarantee farm product prices at a certain level. The National Farmers Organization has had withholding actions for swine, cattle, soybeans, grains, and milk since the organization's inception.

Results of the National Farmers Organization efforts have been mixed. Their withholding undertakings have been the most successful in the dairy industry, and when their efforts have been supported by labor organizations. Overall, however, it appears they simply do not have the organizational strength to have sustained withholding actions that would have significant effects on prices (Halcrow, 1977: 219-225).

Agricultural Subsystems

Definition of Agricultural Subsystems. In 1969, Lowi described the politics relative to USDA as involving "at least ten separate, autonomous, local self-governing systems" (110). He said these systems were composed of members who had a triangular relationship, each member "complementing and supporting the other two." The members were defined as a USDA agency, a congressional committee or subcommittee, and local or district farmer committees. The local or district farmer committees were affiliated with a national interest group (111). Already in 1955, Freeman had defined a subsystem as a "pattern of interaction of participants, or actors, involved in making decisions in a special area of public policy." Freeman, although not specifically referring to agricultural policy, had preempted Lowi by ten years by stating a subsystem was made up of an executive bureau, a congressional committee, and interest groups whose concerns were closely related to the bureau's and the committee's concerns (5). McConnell (1966) also had discussed the relationship of executive branch agencies, congressional committees, and associations representing the agency clientele. He did identify one other participant in agricultural politics--a "homogeneous" constituency usually composed of local elites (244).

Examples of Agricultural Subsystems. The classic case of agricultural subsystem politics has been the relationship of the American Farm Bureau Federation, Extension Service, and Congress. Beside the American Farm Bureau Federation, the Association of Land-Grant Colleges and Universities and the National Association of County Agricultural Agents also have been involved in this subsystem.

Another instance of a subsystem has been the relationship of the Soil Conservation Services, the Subcommittee on Agriculture of the House Committee on Appropriations, and the soil conservation districts. Interest groups that have contributed to this subsystem have been the National Association of Soil Conservation Districts, Soil Conservation Society of America, and the Izaak Walton League.

Historically other subsystems developed around the price support system. USDA's Agriculture Stabilization and Conservation Service has been united with the House Agriculture Committee's various commodity subcommittees (Lowi, 1969: 111-112) (there were six commodity subcommittees as of 1977 [U.S. Congress, 1977d: 276-277].) Each commodity's interest groups, in turn, have been the third point of these triangular relationships. Examples of these interest groups are the National Cotton Council, American Wool Growers Association, and American Cranberry Growers Association (Lowi, 1969: 112).

Lowi stressed that these subsystems were nearly impregnable to democratic political responsibility. These subsystems were characterized as being almost immune to executive branch control via the Secretary of Agriculture. Within the legislative process, their power caused vetoes or stalemates of legislation. Disproportionate influence was provided these subsystems in the legislative branch as a result of their being insulated from the public eye.

For instance, during the 1950s the only non-farm congressman on the House Committee on Agriculture was Victor Anfuso (D NY) of Brooklyn (1969: 112).

Weakening of Agricultural Subsystems. Evidence has begun to appear that indicates the traditional agricultural policy subsystems are no longer as dominant as in the past. Meier (1978a) examined interest group support of 21 USDA bureaus. He found that since the mid-1960s the average number of interest groups testifying for USDA bureaus concerning appropriations legislation has declined concurrently with the significance of agriculture (63). Meier was referring to the migration of people from the rural areas to the cities when he spoke of the diminished importance of agriculture (58).

Traditionally, the federal dairy policy's subsystem has involved the National Milk Producers Federation, dairy industry and farmer organizations, House and Senate Agriculture Committees, and USDA. According to Guth (1978), this subsystem was maintained from the 1930s through the late 1960s (123). With increased milk prices in the early 1970s and abuse of price setting powers by interregional cooperatives (for example, the Associated Milk Producers, Inc.), however, came a movement to check the subsystem policy powers. By 1973, consumer groups such as the Consumer Federation of America had become involved in federal dairy policy debates (124). Guth also observed that although the consumer groups had possibly made a dent in the federal dairy policy subsystem, there appeared to be an antithesis to the consumer groups' attitudes--the original subsystem actors had begun to close ranks (126-127).

Another crack in USDA's subsystems' politics involves the food stamp groups. Berry (1979) stated that historically food stamp groups had met opposition from USDA, but in recent years, the food stamp advocacy groups have "become welcome partners in food stamp policy making" (3). He said that the food stamp groups had their origins between 1967 through 1971 (4). Among other reasons, earlier food stamp groups were not possible because the poor, the food stamp program's recipients, had not had the resources to develop groups (6). Eventually, however, hunger in America became a controversial issue and food stamp groups were developed such as the National Council on Hunger and Malnutrition and the Citizen's Advocate Center (9-10). Today, the two dominant interest groups supporting the food stamp program are the Community Nutrition Institute and the Food Research and Action Center (15).

What accounts for agricultural subsystem no longer monopolizing agricultural policy? Hadwiger (1978) provides five factors for the breakdown of the traditional subsystem. First, there is a greater public awareness to such things as advocacy research and television documentaries (91). Redford (1969) had noted that "substantial changes in the balances among interests served by subsystems" could only occur if the issue was raised to a macropolitical level of discussion (105). He defined macropolitics as the discussion that occurs "when the community at large and the leaders of the government as a whole are brought into the discussion and determination of issues" (107). Second, Hadwiger stated subsystems' negligence caused subsystems to be dominated by other groups. For example, as early as 1962 caveats concerning chemical pesticides were being issued, and in the late 1960s, three government reports charged USDA's pesticide regulatory agency with failure to act. Third, legislative entities outside the traditional subsystem have acted when the subsystem should have responded. Concerning food stamps, the Senate Select Committee on Nutrition and Human Needs was developed and was composed of both subsystem congressmen and critics from the Senate Labor Committee. Fourth, Hadwiger said the development of regulation guidelines and monitoring them by select committees has undercut the subsystem. Fifth, the strength of subsystems has been diminished as a result of group's access to courts (91-92). Berry, referring to food stamp groups, says the USDA does not want to create "meaningful channels of citizen participation" (1979: 22). He attributes this attitude to USDA's internal culture. That is, USDA feels its confidants are farmers, not welfare recipients (22).

Farm Interest Group Coalitions

The study of coalition formation among agricultural interest groups has come into more prominence recently. Barton's research examined the coalition involved in the 1973 farm legislation. This coalition was composed of a feed grains-wheat-labor alliance. Barton felt the coalition came into existence primarily because the total votes by rural congressmen could not have made up a majority of the votes, plus labor needed support on labor issues such as minimum wage legislation (1976b: 144-145).

Passage of the 1977 agricultural legislation found not only the traditional intracommodity vote trading, but also coalition voting as described by Barton concerning the 1973 legislation. In 1977, it was a metropolitan-rural coalition that secured passage of legislation. Rural commodity supporters were seeking such things as higher sugar subsidies and price supports for sugar beets. Urban congressmen supported the farm legislation as a trade-off with rural congressmen to insure the food stamp program was generally left intact. Urban congressmen favored new legislation that would enable participants to receive food stamps without purchasing them (Peters, 1978: 30-31).

Peters has predicted that intra-agricultural commodity trading will continue (1978: 33). This strategy involves passing the agricultural legislation as one piece of legislation rather than having each commodity's legislation, such as price support levels, passed separately (24). Peters believes this strategy will be used until urban sentiment begins to oppose the cost of high price supports, especially price supports of peanuts, cotton, and rice. When the high price support commodities become a burden to passage of farm legislation, then wheat and feed grain representatives will have to adjust accordingly.

Peters also foresees a continuance of the urban-rural coalition. He feels this will continue even if USDA is eventually stripped of the food stamp program. If the food stamp program is removed from USDA, Peters thinks vote trading will continue between rural and urban representatives on common issues involving a consumer-urban-labor coalition (1978: 33-34). For example, a future position that could involve a consumer-urban-labor coalition would be opposition to grain embargos that could cause sharp price fluctuations of farm commodities. The price fluctuations could eventually impact on labor in terms of unemployment of dock workers, for example, and consumers possibly would face higher market prices.

Recently Formed and Emerging Farm Interest Groups

Three farm interest groups deserve special mention. The National Farm Coalition, with its extensive farm interest group representation; the American Agriculture Movement, a nascent and aggressive group; and an incipient farm movement will all be discussed.

National Farm Coalition. The National Farm Coalition must be mentioned because of whom it represents--a coalition of farm groups that began as an ad hoc group in the 1960s and became the National Farm Coalition in 1970 (Youngberg, 1979: 4). The impetus for the development of this group came from the decline of farm representation in Congress, therefore, decreasing the power of individual farm groups. In response to agriculture's ever-weakening position in Congress, USDA officials, congressional farm leaders, farm editors, and agricultural economists pleaded with farm interest groups to begin to speak with one voice whenever possible (3). Farm groups that provided the initial support were the Missouri Farmers Association, National Grange, National Farmers Organization, National Farmers Union, National Wheat Growers Association, and National Milk Producers Federation (4). (The National Farmers Union withdrew its membership in 1975 [7]). Of the 36 members of this coalition, the National Wheat Growers Association, National Farmers Organization, and National Milk Producers Federation have been the coalition's major financial contributors (7).

As was noted earlier, the National Farm Coalition was created to provide a unified position on farm issues. In order to accomplish this, National Farm Coalition members must support pre-legislative policy compromises (12). Although this conflict avoidance approach provides for stability within the group, it also deprives the group from taking stands on many issues. For example, the National Farm Coalition may be able to agree on supporting the concept of a grain reserve, but coalition members cannot agree on the size of the reserve. The National Farm Coalition's influence, therefore, is limited by the factor that permits it to continue to exist--compromise (15-16). Youngberg concludes that the National Farmers Coalition has met with mixed success (1979: 24-25).

American Agriculture Movement. No other farm interest group has been more prominent in the last two years to the general public than the American Agriculture Movement. Begun in 1977 in Campo, Colorado, this farm interest group has developed from a grassroots effort to an effective protest group. The group's bottom line demands include "100 percent parity in all areas of consumption and trade as well as a ban on meat and livestock imports" (Browne, 1979: 2-3).

Adopting the organizational beginnings of the American Farm Bureau Federation, the American Agriculture Movement developed local level interest first and then expanded to the state level. By January, 1978, representatives from 40 states attended the national American Agriculture Movement convention in Denver. At that time, about 1,100 local offices were in place (4-5).

Techniques used by the group to draw attention to their cause have been encircling state capitals with tractors, releasing goats on the steps of our United States Capitol, and generally tying up traffic (5). The people involved in this movement believe that lessons can be learned from black, student, and union political movements. That is, confrontation is necessary to get the American Agriculture Movement's causes on the public agenda; hence, the use of the tactics just mentioned (1).

Some think the American Agriculture Movement's efforts have achieved results. The group's officers point to USDA officials' inclusion of additional parts to the 1977 farm legislation as an indicator of their success. Also, the American Agriculture Movement supported a flexible parity plan; though defeated eventually in the House of Representatives, the plan did pass the Senate (16). Finally, the public and many federal policy makers feel the American Agriculture Movement is now dominating the debate on farm policy (17).

Alternative Agriculturists. A movement that is astir in agriculture today involves alternative agriculturists. Alternative agriculturists shun conventional agricultural techniques, especially the using of synthetic chemical fertilizers and pesticides. They also resist large-scale, mechanized farming, especially corporate farms.

There is actually a dichotomy within the alternative agriculture movement. Organic farmers are small, labor-intensive operators who strongly favor the use of compost and manure as opposed to commercial soil fertilizers. Eco-farmers, on the other hand, are not opposed to natural soil amendments such as rock product minerals, seaweed derivatives, and bacterial soil activators. Besides farmers and gardeners, the alternative agriculture movement includes consumer groups, university researchers, and publishers and authors sympathetic to the movement's causes (Youngberg, 1978: 227-228).

Undergirding their approaches to farming the soil, the alternative agriculturists believe that today people have simply lost touch with nature. Alternative agriculturists contend man must pay closer attention to nature's laws, and must live within those laws rather than trying to conquer nature's ways. They believe that nature is capital, not income. Man should be conserving nature as capital rather than easily expending nature as if it were income (230-231). Finally, alternative agriculturists believe that by using fewer mechanized ways and less synthetic materials man can more easily remain independent; the independent person, they believe, will live better no matter what happens to the remainder of society. Independence, for example, could be gained by eating organic foods that provide better health. This, in turn, would free a person from society's frequently indifferent health system (234-235).

Success of the alternative agriculture movement in terms of a national organization is handicapped by the movement's ideological positions. The movement opposes centralized control that would curb individual freedom, localism, and smallness. In fact, there is no umbrella organization and very little conventional lobbying for its objectives. This is not to say that there is no communication within the movement. Newsletters and contact groups do exist to provide some continuity and communications. It is estimated that there are about 15,000 organic farmers in the United States (235-237).

Youngberg feels the movement's future growth will depend upon the cost of synthetic fertilizers and energy for the farmers not within the movement. If costs for the conventional farmers' inputs make it economical to move toward organic farming techniques, then the movement will grow. If this scenario does not occur, then it is unlikely the movement will develop rapidly (1978: 242).

Summary

In this section, we have briefly reviewed some of the traditional farm interest groups, discovered that the traditional subsystems of agricultural policy are no longer the sole guardians of agricultural policy, and identified farm interest group coalitions and protest groups that are recent developments. What does this portend for future agricultural interest group activities? There could be new types of participants in the traditional and other farm interest groups given the migration of urban dwellers to the rural areas of this country. Schwarzweller has said that old political alliances and social rankings will be disturbed by the influx of nonrural migrants. He also stated the rural communities "may be threatened by conflicts over goals, rate of development, and allocation of community resources" (1979: 17).

Lewis-Beck's research provides evidence that groups like the American Agriculture Movement or other potential farm groups that have young farmers as a primary membership base will probably survive. His research on 1972 election data indicates farmers are now one of the most politically active groups in the United States. They are especially active in letter writing and voting, exceeded only by urban professionals (1977: 545-546). Lewis-Beck's analysis determined that it was the young-to-middle-aged farmers' strong activism that provided the high voting effort by farmers in general (553-554). On the other hand, Lewis-Beck's study also provides some disappointing findings for organizers of farm interest groups--the contemporary farmer is much more likely to participate in an individual political act than to become involved in group political activities. Since farm interest groups are developed to serve the political and economic needs of farmers, Lewis-Beck's analysis seems to indicate that the farmer will resist participating in farm interest groups (559). Finally, to leave the topic of what will happen to farm interest groups in the future even more obscure, Tontz found that from 1910 to 1960 there was a strong (.60) inverse correlation between the parity ratio (prices received versus prices paid) and membership of the general farm organizations (1964: 151). This information provides evidence that farm prices may dictate to some degree the strength of farm interest groups, assuming there is strength in numbers.

Conclusion

The two-pronged approach to reviewing interest groups in this chapter can now be merged. We found in the general interest group discussion that there is no one accepted group theory for explaining the beginnings, growth, and development of groups. Some would profess Truman's theory that certain events cause interest groups to form, and these individuals could point to the advent of the National Farmers Organization when farm prices were low and drought had decimated many areas of the Midwest. But for the same group, believers of Salisbury's exchange theory would quickly point to Brandsberg's discussion of the former Iowa Governor Dan Turner and Jay Loghry, a feed salesman (1964: 67-69), as the founding sources of the National Farmers Organization--the organizers.

This chapter has provided information on the kinds of groups that are involved in our political process and the routes and resources that groups have available for impact. Impact, or power, or influence we found to be very difficult to measure. Testimony abounds that this group or that group was influential in passing this legislation or that legislation, but little has been done to substantiate or deny such claims of power. In the final analysis, we still do not have a group theory; instead, we have group theories (for example, Truman, Salisbury, and Olson) and theories of groups (for instance, why the American Agriculture Movement began, according to Browne).

NOTES

1. Unless otherwise specified in this chapter and succeeding chapters, the terms "power," "influence," "force," etc. will be used interchangeably.
2. Brandsberg (1964), especially chapter 3; Tontz (1964); and Halcrow (1977), chapter 6, have good overviews of the traditional farm interest groups since the Civil War. Wesley McCune (1956) provides an extensive coverage of all types of farm interest groups. Talbot and Hadwiger have provided the following typology of all farm interest groups: general farm, commodity, marketing and trade, clientele, programmatic, allied business and labor, promotional, educational and research, special state, and national and state public bureaucracies (1968: 94-98). Finally, see Talbot and Hadwiger (1968: 1968: 93) and Halcrow (1977: 240) for extensive reading lists on the history of farm organizations.

CHAPTER III

POWER, EXCHANGE THEORY, AND POLICY OUTPUT

Introduction

The purpose of this chapter is to provide the theoretical background for the discussion of the use of Salisbury's (1969) exchange theory to understand policy making. In Chapter II, the concept of power[1] was introduced (Dahl, 1970) as well as exchange theory. Both the concept of power and exchange theory are more fully discussed in this chapter. Chapter IV will explain the methodological aspects of collecting the data used to test the use of exchange theory.

This chapter begins by examining the concept of power and power's relation to exchange theory. After exchange theory has been discussed in terms of power, viewpoints are presented on how Salisbury's exchange theory can be used as interest group theory. Next exchange theory (i.e., exchange theory incentives) is discussed as an independent variable acting on congressmen, who in turn act to provide policy output. Following the discussion of exchange theory in relation to policy output, several clusters of variables (structure, organizational structure, resources, and channels of influence) are reviewed as they relate to exchange benefits. Policy output (accomplishment of organizational goals) is reviewed after the variables acting on exchange benefits. Discussion of committee hearings as a focus of study for exchange benefits precedes the final section. Finally, several hypotheses concerning exchange theory incentives and policy output are stated.

Power and Exchange Relations

The concept of power is not easily defined. Cartwright (1965) has indicated that any person dealing with social power must be ready to sift through a wide and heterogeneous body of literature. Power literature is heterogeneous in the sense that contributions to the literature come from such disciplines as political science, psychology, sociology, anthropology, etc. Also, the works on power are heterogeneous since there is no one body of literature on power, but rather discussions of aspects of power such as leadership, persuasion, communication, etc. (3). Dahl (1970) stated "the first and most salient fact one needs to know about 'power' is that neither in ordinary language nor in political science is there agreement on terms and definitions" (15). This section of the chapter provides several observations on power and on power relative to exchange relationships.

In summing up social science use of power terms, Dahl (1968) stated that generally power terms referred to

"<u>subsets of relations among social units such that the behaviors of one or more units</u> (the responsive units, R) <u>depend in some circumstances on the behavior of other units</u> (the controlling units, C)" (407). Dahl's statement indicates near consensus among social scientists of the asymmetrical character of power. Curry and Wade (1968) provide support for Dahl's observation when they say "power presumably refers to some unidimensional or asymmetrical action involving at least two parties" (118). The asymmetrical character of power poses a problem for the use of exchange theory to explain power, as exchange theory assumes there is a symmetrical relationship between the two parties (Cartwright, 1965: 16). Baldwin (1978) considers power and asymmetricalness versus exchange and symmetricalness as the "most important obstacle to analyzing power in terms of exchange" (1234). Baldwin rightfully should consider this dilemma serious since the authors of the two major works on exchange theory, Homans (1961: 4-5) and Blau (1964: 117-118), also agree that power is asymmetrical. Blau stated "power is conceptualized as inherently asymmetrical . . . ." (117).

In order to use exchange theory in terms of power, we must find a way to consider exchange theory as expressing power; that is, power must be considered as symmetrical. Baldwin (1978) helps us out by declaring power is not asymmetrical in every instance, thus, providing support for the use of exchange theory to explain power relationships. Baldwin contends that when power is considered as a causal relationship, that is, when A causes B and B does not cause A[2], that A's power over B is limited only to a certain scope[3] of B's activities. B, therefore, can simultaneously have power over A relative to those activities that B's scope does not include (1235). In power relations where A has more power over B than B over A, mutual influence of equal strength is assumed and indicates lack of power. Baldwin contends that one can also view such a situation as involving interdependence among the actors, thereby providing for an exchange situation. He maintains that in social science phenomena there is no common denominator of power such as money; therefore, it is not possible to talk about one power relation offsetting another power relation--what he calls independence. A symmetrical relationship must exist in mutual power situations (1235-1236). Finally, power relations are not asymmetrical if one considers that A in attempting to have power over B must consider opportunity costs in getting B to do X (1237-1238).

Another problem of relating power to exchange theory concerns exchange theory's medium[4] of exchange--money. The question simply put is, does power equate with money? Coleman (1970) notes that formal power such as that found in organization manuals and constitutions cannot be accumulated nor destroyed. In this instance, therefore, power is not akin to money, which can be accumulated and spent. But power involving future political exchanges can be accumulated and spent. The difference lies in role power as opposed to personal power. Accumulation of power occurs as a consequence of an individual having several personal roles simultaneously, possession of special information, or building a reputation over a period of time (1079). Coleman does indicate the lack of congruence between power and money when dealing with exchanges:

> One final difference between modern money and political power is important. Money has a specific unit of measure, which is comparable from one transaction to another (1081).

Though power cannot be exactly equated with money, political debts are accumulated and paid (1081).

As indicated above by Baldwin's comments, some authors state that one cannot adapt exchange theory to authority situations (formal power); again, the assumption is that an asymmetrical situation exists. But this point can be contended, too. Blau (1964) reflected that "dependence on the benefits a person can supply does not make others subject to this power but gives him only potential power over them" (124). Blau reasoned that if superiors tried to become too forceful, an individual could forego the benefits (125). An exchange, therefore, would take place even in an authority situation.

Still another concern in using exchange theory in relation to power is the conflict between the generally accepted notion that exchange relationships involve positive rewards whereas power involves negative rewards (Baldwin, 1978: 1238). In fact, Blau (1964) defines power as:

> . . . the ability of persons or groups to impose their will on others . . . either in the forms of withholding regularly supplied rewards or in the form of punishment, inasmuch as the former as well as the latter constitute, in effect, a negative sanction (117).

On the other hand, Blau considers social exchanges to strictly involve voluntary actions of individuals. Can we adapt exchange theory to power relation phenomena given this apparent conflict? March (1955) said there were several ways in which power could be exercised. He included among the means to exercise power, not only the threat of sanction, but also the "promise of reward" and providing information (442). Kelman (1958) said there were three processes of power, and that one of these was compliance. Compliance defines a situation in which an individual accepts power because he/she anticipates rewards or approval in order to avoid punishment or disapproval (53). Even though a seminal work on exchange theory (Blau, 1964) identified the negative connotations of power and the positive connotation of exchange concepts, other social scientists have viewed power as using both positive and negative sanctions; therefore, power and exchange theory are not incompatible on this point.

Thus, there are analogies between power and exchange theory, even though the latter is usually based on economic concepts. The distinctions that appear in the literature--

the asymmetrical character of power versus the symmetrical aspect of exchange relations, power versus money, authority versus exchange relations, and power's negative rewards. versus an exchange relation's positive rewards--do not rigidly separate the two ways of viewing relationships.

Individual Exchange Relations and Group Exchange Theory

The seminal works on exchange theory, Homans (1961) and Blau (1964),[5] focus on the individual. In order to use the assumptions of individual exchange relations for group exchange theory, there must be theoretical links to go from Homans and Blau to Salisbury (1969) and Olson (1971). Providing these links is the task of this section.

Homans (1961) indicates his study of exchange theory is focused on individuals in face-to-face contact. Even though his seminal work concerns itself with small groups, Homans says small groups are simply where social behavior takes place (7). Directly discussing exchange relations, Homans says the more valuable the return on a transaction between two individuals, the more often the individual will engage in exchanges, but at a decreasing reward per unit of exchange; therefore, the individual will decrease his involvement in transactions of decreasing returns per exchange (62). Throughout Homan's seminal work, the focus is on individual exchanges, not on group exchanges. Blau (1964) also focuses on individual exchanges: "The aim of the book is to contribute to an understanding of social structure on the basis of an analysis of the social processes that govern the relations between individuals and groups" (2). Blau does indicate a desire to link individual interaction to "complex structures of communities and societies" (2-4), but his exchange theory is firmly grounded in the study of individual social exchanges; Blau, thus, uses an inductive approach. Social institutions, such as the form of government of a country, monogamous marriage, etc., are discussed in Blau's work (273-280). These institutions, however, are not considered to be developed and sustained by individual exchange relations; rather, value consensus is what sustains these complex social structures (253). Again, we find another leading author who considers exchange relations relying heavily on individual social exchanges rather than group exchanges. Can one use individually grounded exchange relations to explain group interrelationships?

The importance of this undertaking rests on the well-established role of groups in social life. Durkheim (1964) stressed group observation as opposed to individual observation to determine the roots of social facts. Social facts according to Durkheim were such things as "ways of acting, thinking, and feeling, external to the individual, and endowed with a power of coercion" to control the individual (3). Social facts have as their source, not the individual, but rather society (3, 7). Durkheim stated a society could be "either the political society as a whole or some one of the partial groups it includes, such as religious denominations, political, literary, and occupational associations, etc." (3).

The role of the individual in relation to society, according to Durkheim, is not that the individual has a "consciousness," but that each individual's consciousness merely reflects a society's collective sentiment (9). Durkheim did allow individual manifestations to indirectly be considered social facts, but only in the strictest sense. Individual actions contributed to future social models; hence, individual manifestations could indirectly be construed to be social facts (8). To deemphasize the significance of the individual's manifestations and to emphasize the study of groups to determine social facts, Durkheim contended society is not a reflection of its parts (102), and in fact,

> When the individual has been eliminated, society alone remains. We must, then, seek the explanation of social life in the nature of society itself. It is quite evident that, since it infinitely surpasses the individual in time as well as in space, it is in a position to impose upon him ways of acting and thinking which it has consecrated with its prestige (102).

According to Durkheim, in order to explain social phenomena, the main focus of study should be on groups.

Another sociologist, Mauss (1954), has stressed the importance of studying groups rather than individuals to explain social phenomena (3). But of more importance to our research, Mauss' work contributes to using exchange relations to study social occurrences. Mauss researched exchange relations of groups in Polynesia, Melanesia, and North West America (2). Exchange relations between or among groups were characterized as overtly being voluntary, but in reality the exchanges were involuntary due to threat, private or public, of sanctions (3). Exchange relations, therefore, were in fact based on economic self-interest of the groups (1). This also is what Salisbury (1969) and Olson (1971) maintain about individuals involved in exchange relations. Finally, Mauss discovered that the exchange relations in the primitive societies were marked by a "concern for morality" and that both morality and the seeking of economic self-interests also were a part of exchange relations in Mauss' contemporary societies (2). (Mauss' The Gift was first published in 1925 [Mitchell, 1978: 166].)

Both Durkheim and Mauss point to the usefulness of exchange relation terms for describing, not only interactions between individuals, but also for describing group exchange relations. They, thus, provide theoretical underpinnings for an effort to apply the individual exchange relation approach of Homan and Blau to describe interest group activity via the exchange theory as developed by Salisbury.

Exchange Theory of Interest Groups

The importance of this section of this chapter to the entire research cannot be overstated. Previous sections of this chapter have dealt with adapting exchange relations to power instances and individual exchange relations to group interaction. The latter adaptation lent support for the use of exchange theory in examining group activity. In effect, we have reviewed in Homan's, Blau's, Durkheim's, and Mauss's works, the classical precursors of this research's main concern--Salisbury's (1969) exchange theory of interest groups.

In this section, we will expand on points introduced in Chapter II concerning Salisbury's exchange theory, plus introduce new material related to exchange theory's incentives (material, purpose, solidary, and coercive) as used in this research. Mancur Olson's (1971) contributions to Salisbury's exchange theory also will be elaborated upon.[6] This discussion of Salisbury's exchange theory is important since his theory serves as the foundation for this work's undertaking--to use exchange theory to explain policy output.

Salisbury (1969) uses economic concepts to explain the development, maintenance, and demise of interest groups (11). The main terms that are used in developing his theory are entrepreneur/organizer, benefits, group member, and exchange (12).

The entrepreneur/organizer (hereafter referred to only as entrepreneur) is central to Salisbury's exchange theory. Entrepreneurs are the creators of interest groups and the initiators of any exchange activity (12). Salisbury notes that "entrepreneur" can be used interchangeably with "leader" of ongoing groups (29). When entrepreneurs have benefits to offer to potential group members and when enough group members accept the benefits or purchase benefits, an interest group is formed. If entrepreneurs continue to receive enough benefits as compared to the costs to the entrepreneur to run the interest group, the interest group will remain viable; otherwise the interest group will collapse. On the other hand, an interest group may be terminated if the group members do not receive enough benefits relative to the costs of belonging to the interest group (11).

Benefits are explained as "those experiences which [people] value, for whatever reasons, and <u>in this sense only</u> may be regarded as rational" (15). The assumption is that group members periodically reassess their own situations so that the benefits are greater than the costs of membership. Costs can also be considered as negative benefits as opposed to positive benefits (15).

Salisbury (1969: 15-17) referred to Clark and Wilson's (1961) typology of organizational incentives to describe the possible categories of benefits. Clark and Wilson identified three categories of benefits that organizations could use to induce organization members to cooperate: material, solidary, and purposive. We will discuss these categories, plus another, coercive (Etzioni, 1961), in order to develop Salisbury's exchange theory and to prepare our readers for a heuristic model that shows exchange theory benefits, and other related interest group variables, explaining policy output. The heuristic model will be presented later in this chapter.

Material benefits are tangible rewards. They include anything that has monetary value or could be easily converted to money (Clark and Wilson, 1961: 134), and material benefits can be considered to be extrinsic to the group members that acquire material benefits (Salisbury, 1969: 15). Examples of material benefits are wages and salaries and fringe benefits obtained by group members (Clark and Wilson, 1961: 134).

Purposive benefits are intangible. They are reflected in a group's suprapersonal goals, and purposive benefits do not reward a group member in any direct or tangible way (135). These benefits generally cannot be divided into units of value per person, nor compared directly to the costs per unit of benefit. Also, individuals other than those seeking purposive benefits may acquire them. Examples of purposive benefits are "good government," "peace," and "civil liberties" (Salisbury, 1969: 16).

Solidary, like purposive benefits, are intangible. This means that the benefits have no monetary value and cannot be easily converted into monetary value. Solidary benefits are derived by belonging to a group or associating with group members. Benefits acquired due to belonging or associating with group members include a "sense of group membership and identification," a sense of status, fun, and social distinctiveness (Clark and Wilson, 1961: 134-135).

Coercive inducements (Etzioni, 1961) are the result of the use of coercive power. In their extreme form these incentives are a result of threats of or imposition of physical sanctions that could cause pain, death, or deformity (5). For our research purposes, these kinds of coercive inducements are not applicable. Coercive incentives that are based on the use of power to control the satisfaction of needs (5), however, are applicable to our research. For example, an entrepreneur could threaten to deny a group member insurance coverage if the group member's auto premium was not paid by the due date. This typology of entrepreneur offered benefits will be used to classify interest group statements in testimony before congressional committees. Before we reach that point, however, the remainder of Salisbury's terms will be discussed.

Group membership is somewhat of an elusive term. Clearly, a group member is an individual who belongs to a group; or is that correct? This question will be dealt with later in considering Olson's (1971) remarks on group membership. Another problem with group membership is determining who are potential members; this is the immediate task at hand.

Salisbury (1969) said traditionally two methods have been used for determining potential group members: imputing interests to categories of people and inferring preferences by observing behavior. An example of imputing interests is when we assume workers want increased salaries or farmers want increased prices per bushel of corn; the imputation is based on some theory, for example Marxism, on how individual values come into being and are given priorities. Using inference from observed behavior, we have traditionally located potential groups according to identified characteristics of individuals that permits the development of categories of potential group members. For instance, by observation one could, within reasonable accuracy, identify potential Farmers Union or American Farm Bureau members (23).

By using the exchange theory, however, an entrepreneur can accurately determine potential group members by offering benefits (e.g., material, purpose) at a price or varying prices and then seeing what individuals offer as support, for example, membership to the group, votes, or whatever is considered to be valued for exchange.

Olson (1971) stated that just offering benefits to a potential group member by an entrepreneur will not always suffice to gain the membership of the potential group member. In large groups, many potential members will reason that they can acquire benefits from a group at a lower price as nonmembers than as group members and at the expense of other group members (33-35). This poses a problem for entrepreneurs who wish to maintain or develop interest groups. Olson felt that only through the use of selective benefits, those going directly to individuals, could entrepreneurs, in some instances, provide enough incentive to get potential group members to join. He indicated selective incentives could be either positive or negative; therefore, coercion could be an inducement used to gain or maintain membership (51). Only groups that have the "authority and capacity to be coercive" and resources can offer positive selective benefits (133). An example of coercion is when labor unions sercure contracts requiring compulsory membership (72). Olson assumes a rationality in dealing with potential group members:

> The only requirement is that the behavior of individuals in large groups or organizations . . . generally be rational, in the sense that their objectives, whether selfish or unselfish, should be pursued by means that are efficient and effective for achieving these objectives (64-65).

An example of Olson's rationality is a farmer who will not restrict production in order to raise prices for the good of all farmers since the farmer realizes that personal sacrifice would not bring significant gains to anyone (64). Frohlich, Oppenheimer, and Young (1971) state that Olson's definition of a rational individual cannot fully explain how collective goods are provided for interest groups. That is, they contend that it takes more than coercive mechanisms or selective benefits to get a potential member to join an interest group.

Frohlich, et al., maintain that contrary to Olson's rational man, who seems disinterested in the impact the rational man's actions will have on others, group members, when providing collective resources to the entrepreneur, will concern themselves with the expectations concerning the actions of other group members. According to Frohlich, et al., if their rational man determines that cooperation based on expectations of actions of others is worthwhile, the potential group member or group members will contribute to the collective good (20-22).

Salisbury's and Olson's conceptions of the group member being a rational man in determining whether to become a member or not is not totally accurate according to Barry (1970). Barry concedes that selective benefits do make a difference in determining group membership involving collective goods, but he also notes that the absence of selective benefits does not eliminate groups (44). Agreeing with Frohlich, et al. (1971), Barry argues that when a group member or a potential group member decides to contribute resources to obtain a collective good that the individual considers "the decisions of everyone else, and their decisions in turn depend on everyone else's" (1970: 26).

Describing the process of entrepreneurs offering benefits to a potential group member and reaching a price through exchange, which is based on an individual's preferences, tells only how individual preferences are developed in relation to the entrepreneur. Factors outside of the entrepreneur/group member relation may cause an individual's preferences to change, to the advantage or disadvantage of the entrepreneur (23-24). An example of a variable that could influence a group member's preference schedule would be the cost of membership in comparison to cost of membership in other groups.

Finally, we will discuss the last term involved in Salisbury's exchange theory--exchange. An exchange occurs when an entrepreneur, through experience or contacts, for example, determines a likely market for the benefits he/she has to offer to potential group members and/or group members, and provides the interested parties benefits in exchange for benefits (in economic terms--profit) from the members. Also, in order to have exchanges continue and thus maintain the viability of the interest group, the exchanges must be mutually satisfying to the entrepreneur and interest group members.

The benefits gained in an exchange by an entrepreneur must be sufficient in order to continue the interest group; otherwise, the entrepreneur will use the benefits for some other enterprising purposes. At a minimum, an entrepreneur must receive enough material benefits to cover his/her overhead expenses and to keep the entrepreneur adequately satisfied. Since entrepreneurs of interest groups cannot transfer benefits as easily as money, if benefits are to be used for a different enterprise, they will probably be used for enterprises that are similar or in the same geographical area as the former enterprise. A farm organizer is simply not likely to take his/her profits and begin an agriculturally related organization in an urban ghetto (Berry, 1970: 24-25).

An entrepreneur may receive benefits in the form of salary; if he is not a paid entrepreneur, the benefits may come in the form of support for personal beliefs in the cause he is working for. Whether the interest group members provide material or solidary benefits to the entrepreneur, he/she must maintain enough inducements (material, purposive, solidary, and coercive) going to the interest group members or face losing his/her job (26).

We have thus far discussed exchange theory concepts in relation to entrepreneur and group members or potential group members. We will next engage in applying Salisbury's exchange theory to the interactions between entrepreneurs and congressmen relative to seeking policy output.

Exchange Theory and Policy Output

Applying Salisbury's exchange theory to the lobbying of congressmen by interest group lobbyists (entrepreneurs) and relating the exchanges between the interest group lobbyists (hereafter referred to as lobbyists) to goal achievement of agriculturally related interest groups is the focus of this section and the crux of this research. Following this section, we will also discuss the relation of other independent variables to the exchange relationship between lobbyists and congressmen, that is, group and member structure, resources, organizational structure, and channels of influence relative to exchange benefits (see Figure 1).

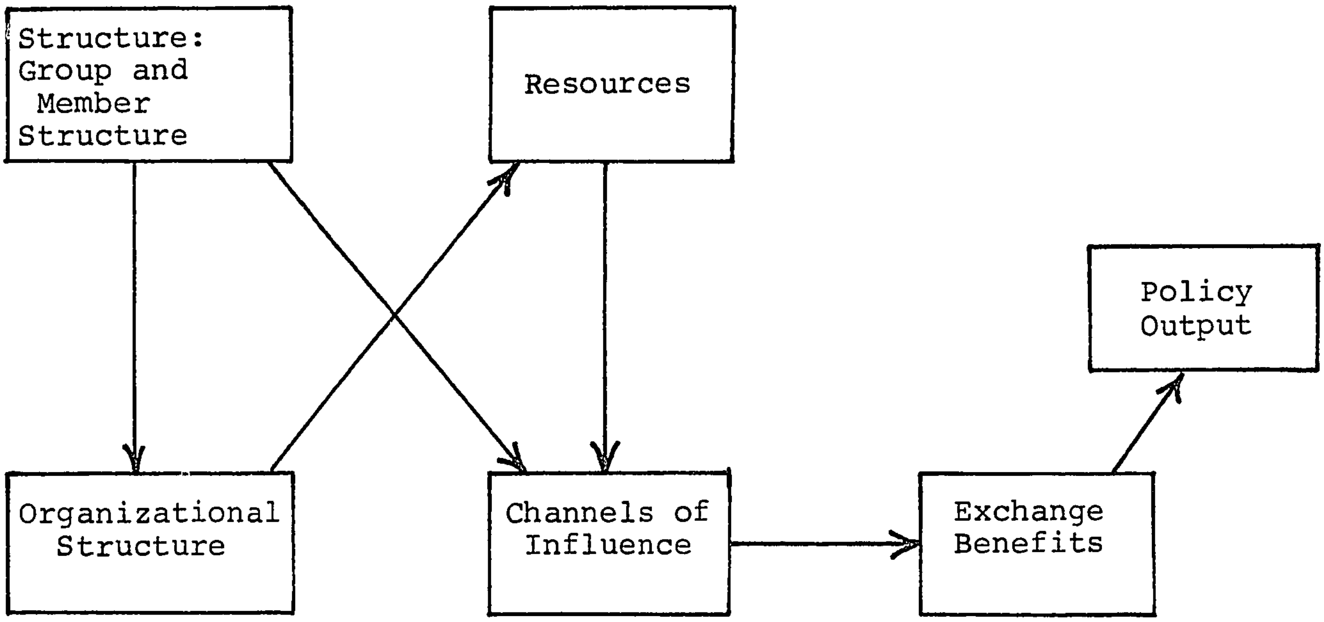

FIGURE 1. A HEURISTIC MODEL OF INTEREST GROUP IMPACT ON PUBLIC POLICY

Source: Adapted from Kenneth J. Meier and Jeffrey L. Brudney, "Interest Groups and Organization Theory," in Joseph Cooper, et al., Political Science and Organization Theory (New York: Greenwood Press, forthcoming).

Using exchange theory to describe interaction between lobbyists and congressmen has been suggested before. Curry and Wade (1968) indicated in A Theory of Political Exchange that "the politician participates in two exchange sets: the first with all voters, especially spectators, and the second with fiduciaries [entrepreneurs] of groups" (47). Meier and Brudney (forthcoming) also acknowledged the use of exchange theory to describe the interactions between lobbyists and policymakers (32-32).

Using the typology of exchange benefits discussed earlier--material, purposive, solidary, and coercive--we will now relate what exchanges exist between lobbyists and congressmen. But first we must answer the question, why do lobbyists want to make exchanges with congressmen? The lobbyist seeks to make exchanges with policy makers in order to acquire enough benefits to satisfy his group members, maintain his organization, and serve his own personal needs (Curry and Wade, 1968: 41). In the public sector, the commodity that a lobbyist seeks from public policy makers to use as benefits for his group members, organizational maintenance, and his personal awards is public policy (3).

Material benefits that lobbyists can offer to policy makers are of two types: those that are used to permit the legislator to continue in office and those that can be used by the legislator to influence other policy makers (Meier and Brudney, forthcoming). A campaign contribution is an example of a material benefit that could be offered to a congressman in exchange for a vote on a policy issue (Ornstein and Elder, 1978: 73). Information is an example of a material benefit that could be used to "support a legislator's policy position, or to help him or her make a policy decision" (59). Lobbyists can also assist legislators with political strategy by surveying other legislators to determine legislative allies, by plotting legislative tactics, and by providing staff assistance (59). Other material benefits include generous lecture fees, free flights on corporate planes, and Christmas gifts for legislators and staff (72-73).

Purposive incentives will be used by lobbyists and accepted by congressmen because they, too, may want particular policies approved; for example, they may share with the group a desire for their constituents to have stable economic markets. In short, a congressman would be foolish not to agree with socially accepted goals (Clark and Wilson, 1961: 140). Milbrath (1963) also confirms that purposive benefits are important when a "given measure is in the public interest or would serve the cause of justice . . ." (221). Examples of purposive benefits that could be offered are "sound economy" or the "good of all farm families."

Solidary benefits acquired by a policymaker would affect him/her intrinsically. Zeigler and Baer (1969), studying state legislators, found that legislators were more likely to accept interaction with lobbyists whom the legislators had a favorable attitude toward, but legislators did "not like to think of themselves as subject to manipulation" (82-83). When a lobbyist uses a solidary benefit he may offer comradeship, general friendliness, or even praise, as when the lobbyists state that "Congressman Doe is considered one of the most respected legislators on the House Agriculture Committee." In statements such as this members of a congressional committee are praised for their expertise, dedication, and overall stature (Meier and Brudney, forthcoming).

Coercive inducements are not used very often to get policy makers to cast their votes for a policy measure. Many works have indicated that this benefit should only be used as a last resort. Zeigler and Baer (1969) said three conditions would have to exist in order for coercion to be effective. First, the coercion has to create in the policy maker an emotional pitch to cause him to act. Second, the legislator must have substantial evidence that compliance will lead to a reduction of the tension. Third, the reduction in tension must come shortly after the coercive act has been made. Generally, these conditions do not exist between a lobbyist and a legislator, so it is not likely such charges will be made. After all, if a legislator is told he/she may face electoral defeat at the next election, what evidence does the lobbyist have to indicate the threat will become fact? (120). Milbrath (1963) said the lobbyist can plead, but not demand, and above all, had better not threaten a congressman (225). However, Zeigler and Baer (1969) did concede that state legislators considered an electoral threat as possible (120).

It is now clear that Salisbury's exchange theory can be applied to the interaction between lobbyists and congressmen. The benefits offered by the lobbyist are associated with congressmen's legislative initiatives--policy output. After discussion of the remaining variables in our heuristic model, a brief discussion of policy achievement will be presented.

Other Independent Variables

Interest Group Structure

Interest group structure is composed of group structure and member structure (see Chapter II for a broader discussion). Group structure has to do with the basis of group goals. That is, groups are classified according to the method of forming goals (based on the logic of the situation--interest groups, versus expressive groups--those based on generalized beliefs) (Castles, 1967: 15-16). Group structure is also classifying groups according to how the group's goals compare to those of policy makers. These include confident, neutral, and alienated groups (Gamson, 1968: 164-171).

Member structure refers to what composes the membership of an interest group. For example, is it individuals who join a group or not? In our research, we have attempted to see if peak associations or mass associations are more successful in attaining their goals. A peak association is a sector-wide organization that is composed of smaller, constituent groups, for example, the National Association of Manufacturers. Mass associations are groups that have individuals as their basic elements and generally serve the local needs of members. A local union, American Farm Bureau, or Farmers Union are exemplary of this kind of group (Brady, 1943: 8-13; Wooton, 1970: 37-38; Salisbury, 1975: 187-188).[7]

Organizational Structure

Acting indirectly on exchange benefits, a second cluster of variables is organizational structure. This group includes leadership skills, substantive expertise of a group, political process expertise, degree of lobby focus, organization cohesion, and coalition structure.[8] Several of these variables were mentioned in Chapter II. Here attention is limited to two that will be explored in some depth below: organization cohesion and coalition structure. These two are important to the exchange process, and can be readily examined with data in hand.

Organization cohesion refers to the intensity of support of group members as determined by the ability of the group to mobilize its members for political action. Generally, groups that have narrow based interests (e.g., a farm commodity group) will have greater political success than will larger, broader interest groups (a general farm interest group such as the American Farm Bureau (Ornstein and Elder, 1978: 74). The measure of cohesion explained in more detail below is based on this knowledge that groups with narrow interests are generally more cohesive.

A lobbyist's impact via organization cohesion is made possible by the degree of support that he receives from his group members. The group members base their intensity of support on their perceptions of how satisfied they are with their lobbyists (Luttbeg and Zeigler, 1966: 655-656). Interest groups are more successful when they portray to policy makers congruence between group members' viewpoints and a lobbyist's issue orientation (Ornstein and Elder, 1978: 75). This research measures organization cohesion by identifying interest groups as economic commodity producer (narrow interest polar position), economic middle man, economic general farm group, economic consumer, or general interest group (broad interest polar position).

Interest group coalition development is the other organizational structure variable this research considers. Common interests of interest groups are ascertained from written and oral presentations before congressional committees. Milbrath (1963) stated there are two major bases for forming coalitions. First, groups may collaborate with other groups concerning marginal policy concerns; this is called log-rolling and is apprehensively viewed by policy makers. The policy maker's skepticism of coalitions based on log-rolling stems from the policy maker's disbelief of lobbyists who lobby for policy not at all central to the primary interests of the lobbyist's group. Second, groups may collaborate based on interests central to an interest group's policy goals. Coalitions based on central interests have more credence with policy makers since policy makers believe the lobbyists are sincere and concerned (170). Coalitions also exist without any organizational interaction (i.e., leaders, strategies, meetings, and whips). Brady and Bullock (1980) found that the Conservative Coalition in Congress, which has existed for the past 40 years, is based on shared policy objectives rather than interaction among the political groups involved (549-550). This research uses Brady and Bullock's explanation for the existence of the Conservative Coalition to operationalize coalitions.

The success of coalitions is greatest when the interest groups are seeking a policy that is closely associated to the central purposes for which the interest groups were created (171). Whether the policy being sought is broad or specific has a bearing on the success of a coalition's efforts:

> . . . If the problem is general but confined to a single industry, the chances for success by a united front are very good; however, if a given industry appears to be asking for special consideration on a problem that is common to many industries, the chances are less good. A broad general policy that affects many kinds of groups is less likely to be advanced significantly by a united front because such policies generally attract strong opposing coalitions. And some policy proposals are so specific in application that a coalition would look unnatural and forced (171).

One can expect coalitions to succeed in many instances because the involved groups should be able to gain grass roots support that can be brought to bear via communications on policy makers (170-171). However, at other times, coalitions may antagonize key legislators, and then individual efforts would be more effective (171). Tied directly to the organizational structure variables are interest group size and geographical dispersion, the next variables to receive extensive attention (Greenwald, 1977: 330-331).

Resources

A third cluster of variables that impacts on tactics, which in turn act on the use of exchange benefits, are resources (e.g., money, political reputation) of an interest group. Resources were more fully addressed in Chapter II, and attention is directed there.

For this research, two kinds of resources are of particular interest: size and the related dispersion of a group. According to Ornstein and Elder (1978) size and geographical dispersion of the group's members permit the group to present an electoral threat to a policy maker;

these two variables can provide legitimacy to an interest group's demands if the group has enough members or dispersion (73). Greenwald (1977) stressed size as a proportion of potential members. On such a scale, Common Cause would rate low because anyone can join; everyone is a potential member. Greenwald also stated that size was important in terms of voting potential (330). But Zeigler (1964), in discussing the ability of interest groups to deliver their members' votes, said that "the hard facts of political life do not coincide with a simplified model of human motivation" (241). That is, it is beyond the ability of group leaders to determine with much certainty that group members will vote for a certain policy maker (241).

Channels of Influence

Channels of influence is a cluster of variables that includes the multitide of tactics and techniques that can be used by lobbyists to influence policy makers. Examples of channels of influence are the courts, releasing a congressman's voting record, and leaking information to the press. This research deals only with one particular channel: presentations before congressional committees. The data collected reflect both oral and written presentations before committees. Both forms of the presentations, oral and written, can be observed in printed hearing reports (Milbrath, 1963: 229).

Though testifying at hearings is considered of lesser impact than personal presentations and constituent contact as means to influence a policy maker, lobbyists feel that committee presentations are a must; otherwise, an interest group's members may criticize the lobbyist for not taking the opportunity to present the interest group's policy positions (Milbrath, 1963: 228-229). In this research, we want to determine if a group presenting oral or written testimony, or both, achieves higher success in goal attainment--disired policy output. Similarly, the research attempts to determine whether location of testimony (U.S. House or U.S. Senate) affects goal achievement of interest groups.

Summary

Summarizing this section, we have discussed four clusters of variables that impact indirectly and directly on the exchange relationship between lobbyists and congressmen: structure (group and member structure), organizational structure, resources, and channels of influence. From these clusters of variables and referring to the above clusters of variables, we have chosen to focus on mass and peak associations (member structure), organization cohesion and coalition structure (organizational structure), size and geographical dispersion of interest groups (resources), and oral and/or written testimony and whether testimony was presented in the United States Senate and/or United States House committee hearings (channels of influence). The next sections turn to what and where the lobbyist's exchange benefits are focused--on policy and committee hearings.

Organizational Goals and Policy Output

The previous sections of this chapter provide the reader with descriptions of the variables that act upon the exchange benefits as offered by lobbyists to congressmen. As was earlier mentioned, the major purpose of this research is to demonstrate the use of exchange theory to explain a lobbyist's interaction with a policy maker.[9] But going a bit further, this research will also consider the relationship between use of exchange benefits and interest goup goal attainment[10] in Congress. Viewing goal attainment as a product of congressional action, we measure interest group success in Congress in terms of policy output (see Figure 1). Information to determine policy output or goal attainment (or nonattainment) was derived through content analysis of fiscal 1976 and 1977 agriculture legislation, appropriations and substantive, respectively. Methodological details are in the next chapter.

Mohr (1973) said organizational goals were of two kinds: transitive and reflexive. Transitive goals are goals that, when attained, will provide rewards to individuals external to the organization. For example, if the goal is good health for those that drink inspected milk, this is a transitive goal since the goal's attainment rewards those outside the organization of which inspectors are a part. On the other hand, attainment of reflexive goals rewards the members of the organization, for example, increased profitability of a firm (475-476). Groups with reflexive goals include trade associations, marketing associations, labor unions, and political interest groups (480).

Even if Mohr's or someone else's typology or organizational goals is accepted, how does one identify the important goals? Warriner (1965) cautions against the use of an organization's statement of purpose to identify an organization's goals, as frequently the statement of purpose is incongruent with what an organization actually does (141). Mohr (1973) states there are two ways to identify relative importance of goals. One is to survey members of an organization and use considered informants to corroborate the survey's finding. The second is to use library research to determine the goals of an organization. Mohr warned that no method was infallible (478-479). Our research, as mentioned earlier, relies on information gleaned from records of congressional hearings and substantive and appropriations legislation, all government documents.

The link between exchange benefits (offered by lobbyists) and organizational goals or potential policy outputs (actions of congressmen) is based on the fact that lobbyists work to achieve governmental decisions that will further the group's interests; simultaneously, policy makers are seeking support from interest groups. The support from the interest groups comes in the form of exchange benefits such as information or electoral support for the policy maker. The interaction between lobbyists and congressmen, thus, results from mutual need (Greenwald, 1977: 190). The relationship of interest group members, lobbyists, goals, policy makers, and policy output is summed up by Key (1964):

> The policies and programs of groups--and the shared attitudes on which they are based--are shaped by the interactions within the group, the experience of its members, the environmental circumstances affecting the group, and other factors. Interest group activity is not, thus, to be regarded as a simple reflex action. Rather, group objectives take shape from the deliberations, the debates, the strivings, and all the internal processes leading to group action (126).

This section has provided a guide to a portion of this process, the importance of group goals and their relationship to policy output through use of exchange benefits. The next considers where the lobbyist engages in interaction with policy makers. This research focuses on one site, Congress, and more specifically, on congressional committee hearings.

Legislative Branch and Lobbyists

Lobbyists may focus their efforts on an assortment of political arenas, including the legislative, judicial, and executive branches of governments--including the bureaucracy. Our research is concerned with lobbying of the federal legislative branch, more specifically, committee hearings.

Morrow (1969) stated "committees are undoubtedly the most important power centers in the legislative system . . ." (63). Clapp (1963) said "committees remain the kiln in which the stuff of legislation is baked, the important point of entry to the congressional power elite, a major route to attainment of the respect and deference of colleagues that members eagerly seek" (279). Both Morrow's and Clapps's statements clearly indicate the importance of the committees and suggest the importance of their hearings.

We chose to focus our research efforts on congressional committee hearings, not only because of their importance in the political process, but also for practical reasons. Committee hearings provide readily accessible records of individual's and group's testimony concerning policy issues, in our case substantive and appropriations legislation on wheat and feed grains. The recorded oral and written testimony serves as a record of a group's goals as well as an expression of the benefits the lobbyist uses to gain support from the policy makers. Consistency between a lobbyist's policy positions and group members' policy positions has been examined. Browne (1977) found that lobbying was not unrestrained. That is to say, lobbyists, when they lobbied, sought congruence between the lobbyists' policy positions and group members' policy positions (51-52).

This is not to say the committee hearings as means to identify goals and measure exchanges are without their pitfalls; they have them. First, even though there are oral and written communications, there is no guarantee that the policy makers are listening. Second, many policy makers are predisposed against or for certain legislation; therefore, they may ignore testimony that is contrary to their policy positions (Milbrath, 1963: 229). Finally, it is very difficult to tap the psychological and social psychological processes involved in interactions between lobbyists and policy makers (Zald and Jacobs, 1978: 417). We, however, chose to focus on committee hearings for this research because of the importance of the committee hearings in the political process and because the hearings provide easy access to and substantially accurate measurement of a group's goals and a lobbyist's exchange benefits. The concluding portion of this chapter presents specific hypotheses about relationships among the variables discussed above.

Hypotheses

Based on previous discussion in this chapter and Chapter II, hypotheses about exchange benefits and relationships between those benefits and goal attainment hypotheses, can be presented. Variables representing structure, organizational structure, resources, and channels of influence in relation to goal attainment will also be included:

Exchange Benefits and Goal Attainment:

H_1 The most frequent type of inducement will be material information benefits.

H_2 Coercive exchanges will be the least frequent benefits.

H_3 The most successful benefit in attaining interest group goals will be information-based material exchanges. [Clapp (1963) said that the interest group that provides relevant research material to congressmen will be rewarded (166). He quoted a congressman: "On numerous occasions I have called on the Farm Bureau and said, 'I feel this way about legislation. Would you give me some material on it?' They perform a very valuable function" (1967).]

H_4 Purposive benefits will be frequent but less effective than information benefits in attaining goals.

H_5 Solidary benefits will be relatively ineffective in attaining interest group goals.

H_6 Coercive benefits will not achieve goal attainment.

Structure (Member Structure):

H_7 Mass associations will be more successful than peak associations. [Wilson (1973) concluded that large, heterogeneous groups such as the

National Association of Manufacturers or the United States Chamber of Commerce do not "prosecute" issue positions vigorously (310). Bauer, Pool, and Dexter (1972) added that "the broader and more heterogeneous the organization, the greater the probability that some subgroups will dissent on a given issue" (339).]

Organizational Structure:

H_8 The narrower the scope of the interest group, the more successful the group should be.

H_9 The larger the coalition supporting a particular position, the more likely the policy position will be attained.

Resources:

H_{10} All other things being equal, larger groups will be more successful in attaining their policy goals.

H_{11} All other things being equal, geographically dispersed groups will be more likely to attain their policy goals.

Channels of Influence:

H_{12} Interest groups having a person appear to provide testimony will be more successful in attaining their goals than interest groups providing only written testimony.

H_{13} Groups will be more successful in the chamber of Congress where they testify.

These hypotheses will be tested using both appropriations and substantive legislation outcomes as presented in Chapter V and VI.

Conclusion

This present chapter has the theoretical underpinnings for this research. To that end, it has identified the linkages between power and exchange theory so that exchange theory could be used to demonstrate how interactions between lobbyists and policy makers are associated with policy output. Certainly, there are some weaknesses in using exchange theory as a means to examine lobbyists--policy makers' interactions, but the strengths of the use of exchange theory for this purpose outweigh the pitfalls. The following chapter will provide an extensive discussion of the methodological aspects of this study.

NOTES

1. Unless otherwise specified in this chapter, the terms "power," "influence," "force," etc. will be used interchangeably.

2. See Dahl (1955: 436-437) for a good discussion of causal versus influence relationships.

3. Dahl (1968) said "power need not be general; it may be specialized. In fact, in the absence of a single world ruler, some specialization is inevitable; in any case, it is so commonplace that analysts of power have frequently insisted that a statement about the power of an individual, groups, state, or other actor is practically meaningless unless it specifies the power of actor C with respect to some class of R's activities. Such a class of activities is sometimes called the range or the scope of C's power" (408).

4. Baldwin (1971) makes a distinction between medium and means of exchange based on whether one is talking about purchasing power, money, political power, or symbols of legitimately political power.

> Now we see why it is important to distinguish between money and purchasing power. Whereas purchasing power is a relation, money is but one of several means by which a relation can be created.

> It is one thing to conceive of power as a kind of exchange; it is quite another to conceive of it as as a medium of exchange. Those who define power as a relation may find it more useful to compare political power with purchasing power rather than with money. (586).

But later Baldwin states ". . . the nearest political equivalent to money is a set of symbols of legitimate political power, the possession and use of which facilitates the exercise of political power" (592). In this research, the phrases "medium of exchange" and "means of exchange" will be used interchangeably unless otherwise specified.

5. Excellent critiques of Homan and Blau's seminal works can be found in Barry (1976) and Mitchell (1978).

6. Olson's (1971) ideas on large and small groups were briefly introduced in Chapter II of this research.

7. Wooton (1970) distinguished between peak and non-peak groups as follows:

> . . . Local, regional, and occupational bodies and Federations (including the trade unions as well as the national, or industrywide, trade associations, but excluding the "peaks").
>
> . . . The "peaks"--e.g., the Associated Chambers of Manufacturers, Australia; . . . the Canadian Chamber of Commerce and the Canadian Manufacturer's Association; . . . the National Association of Manufacturers (NAM) and the United States Chamber of Commerce; . . . . (37).

8. For a good discussion of consensual coalitions versus conflictual coalitions and their relation to congressional action or non-action be sure to read Hayes (1978).

9. Jones (1977) refers to the approval of specific proposals as the processes of legitimation (91). Jones' discussion

is rich and concise; readers should benefit from his discussion (91-100).

10. Mohr (1973) provides a very thorough summary of the major works concerning the concept of organizational goals.

CHAPTER IV

METHODOLOGY

Introduction

Preceding chapters have discussed agricultural policy, interest groups, exchange theory, and the hypotheses for this research. This one presents the methodology of this study. Research design will be given attention first. Once the procedure for selecting research samples is described and the composition of those samples presented, attention will turn to the major data collection technique--content analysis of committee hearings. Finally, the statistical procedures applied will be presented. Chapters V and VI will discuss the findings of the data analysis, with Chapter V applying exchange theory to oral and written testimony before a congressional committee dealing with appropriations legislation, and Chapter VI applying it to a congressional committee acting on substantive legislation. Agricultural policy is the substantive policy area of attention for both chapters.

Research Design

The data included information on 68 interest groups having 593 goals[1] that gave testimony on fiscal year 1976 agricultural appropriations legislation and 44 interest groups having 429 policy goals relative to the substantive portions of the 1977 agricultural legislation.[2] A total of 107 interest groups testified on the 1977 general farm legislation while the 68 groups were all the groups that testified on the agricultural appropriations legislation. With the exceptions of major farm groups (e.g., American Farm Bureau) and groups presenting only written testimony (7 groups), which were chosen outright, interest groups that testified on substantive agricultural legislation were selected sequentially from government documents' indexes until a sufficiently large number of cases was obtained.[3] The sample, therefore, of groups testifying on substantive legislation was not randomly selected; however, this sample does represent a broad cross section of interest groups testifying on the substantive portions of the 1977 general farm legislation. Interest groups that testified on appropriations and substantive agricultural legislation included narrow interest commodity groups (e.g., Iowa Corn Growers Association), general farm interest groups (e.g., National Farmers Union), and a broad public interest group (Bread for the World).

Appropriation legislation for fiscal year 1976 (U.S. Congress, 1975c; U.S. Congress, 1975d; U.S. Congress, 1975e) was singled out for study for a couple of reasons. First, appropriations legislation can be used to compare with the analyses of interest group interaction relative to substantive legislation. Second, agricultural appropriations legislation for fiscal year 1976 was chosen because the lobbying for fiscal year 1976 occurred in 1975; this helped to insulate the lobbyists' interactions with policy makers from the 1976 election year politics--an external validity threat (Cook and Campbell, 1976: 235).

Selection for study of interest group testimony and goal attainment relative to the Food and Agriculture Act of 1977 (U.S. Congress, 1977k) was based on the comprehensive nature of the 1977 legislation. The legislation dealt with a range of interests, including dairy and beekeeper programs, upland cotton, rice, peanuts, sugar, food stamps, Public Law 480, agricultural research, rural development, etc. (U.S. Congress, 1977c: 1-6).[4] Because of the wide range of topics covered by the 1977 legislation, a broad range of interest groups were expected to participate in the discussion of the legislation.

As was indicated above, all group testimony on fiscal year 1976 agricultural appropriations legislation was content analyzed. Although random sampling was not used to select groups that testified on the wheat and feed grains portion of the 1977 substantive legislation, a large and diverse selection of group testimony was content analyzed. The research conclusions, though not generalizable (Warwick and Lininger, 1975: 8) to other substantive policy areas, do provide confidence that the findings are reliable relative to the universe of agricultural interest groups that testified on fiscal year 1976 appropriations legislation and the 1977 farm legislation concerning wheat and feed grains.

Content Analysis

Content analysis was the research technique used to collect the data for this study.[5] This section discusses what content analysis is and how content analysis was applied here.

Holsti (1969) said "content analysis is any technique for making inferences by objectively and systematically identifying specified characteristics of messages" (14). According to Holsti, his definition implies that content analysis must be objective, systematic, and undertaken for some theoretical reason (14).

North, et al. (1963) support Holsti's statement:

> Content analysis research usually involves the following stages. First, the research question, theory, and hypotheses are formulated. The sample is then selected, and the categories are defined. Next, the documents are read and coded, and the relevant content is condensed onto special data sheets. After coding, items placed in each category may be scaled, whereupon counts in frequency or intensity are made. Finally, interpretations of the findings are made in light of the appropriate theory (38).

Using North, et al.'s, stages of content analysis, previous chapters and the prior section of this chapter have already dealt with the research questions, theory, hypotheses, selection of samples, and definition of categories (material, purposive, solidary, coercion, member structure, group size, etc.). Below the step-by-step process of content analyzing for categories will be related. Before discussing each category that was content analyzed, cettain precautions that were taken to safeguard the systematic approach to the study should be noted. To this end, consideration of reliability and validity of the process of doing the content analysis are presented.

Reliability and Validity

Lasswell (1949) said that the most important requirement for describing a set of characteristics " . . . is that the results have a high degree of reliability, i.e., that different observers report the same thing" (56). Though no statistical test was used here, reliability of the content analysis for the categories was considered and evaluated. That is, a second coder content analyzed a random sample of the groups' testimonies and goals that had already been content analyzed, using the same instructions for categorizing the data (Budd, Thorp, and Donohew, 1967: 66-67). This second coder, an agricultural policy expert, concluded that the initial coding was accurate and acceptably reliable.

Inter-coder reliability was not problematic in this research since only one coder did all of the content analyzing (Holsti, 1969: 141).

"Validity is usually defined as the extent to which an instrument is measuring what it is intended to measure" (Holsti, 1969: 142). In content analysis, direct validity (face validity) is frequently assumed by the content analyzed. The content analyst, therefore, believes that if the categories are clearly defined and there is a high degree of reliability, validation has been achieved (Budd, et al., 1967: 69). But face validity is not always enough to assume the validity of categories when using content analysis.

A method similar to the jury method was used to establish the validity of the categories. Jury method uses experts to judge the choice and definition of variables (69). This research relied on an expert of interest group theory and agricultural policy to peruse the selection and definition of the vairables. It is to these variables that attention now turns.

Exchange Theory Benefits

Berelson (1971) said there were five major units of analysis for content analyzing: words, themes, characters, items, and space-and-time measures (136). This research focuses on the theme as the unit of content analysis. A theme can be "a sentence (or sentence-compound), usually a summary or abstracted sentence, under which a wide range of specific formulations can be subsumed" (138). Using exchange benefit categories--material, purposive, solidary, and coercive--this research classified themes to fit the categories:[6]

> [Material (tangible rewards)]: I would invite this committee to come to Montana on March 21 . . . Any of you who can come, get in contact with me and I will be glad to make arrangements to put you up on the ranches and keep you out of the hotels (U.S. Congress, 1977e: 98).

> [Purposive (intangible rewards and broad general goals)]: By and large the membership has concluded that less government in their operations, not more, is in the best interest of livestock operators and the consuming public (U.S. Congress, 1977f: 127). These factors have caused the membership to conclude --rather reluctantly on the part of many members-- that sudden termination of the farm program would be risky for both farmers and the general public (128).

> [Solidary (intangible rewards; reference to a sense of belonging or associating with group members)]: In closing, may I thank each of you distinguished men for holding these hearings, and try to impress upon you how important your past efforts have been for soil and water conservation (U.S. Congress, 1975a: 348). . . . I thank you very sincerely for the privilege of appearing before you and encouraging you and the men who have done so much to continue your efforts to see the program is carried out in the manner in which the Congress of this Nation has so instructed (348).

> [Coercive (use of power to control needs):[7] An example of a farm interest group spokesperson using coercion would be]: Congressman, if you don't support increased target prices, our group will make sure that the folks back home know how you voted come election day.

Interest Group Goals

Statements of interest group goals were content analyzed in order that inferences could be made about the use of exchange benefits in relation to the goals. According to Holsti (1969) the most systematic research that had considered making inferences about the "effects of messages" upon the receiver had been done to measure the readability of texts (35). He further stated that researchers should proceed with caution when linking messages to effects on individuals. Evidence exists that indicates people interpret and assimilate messages based on personal beliefs about the "credibility of the source, situational [sic], personality, and other factors" (36). This research acknowledges the weaknesses involved in making inferences about messages and their effects (in this study, exchange benefits explaining policy output).

Berelson (1971) stated that one distinction in doing content analysis is the differentiation between the recording unit and the context unit. Recording unit refers to "the smallest body of content in which the appearance of a reference is counted (a reference is a single occurrence of a content element)" (135). A context unit is "the largest body of content that may be examined in characterizing a recording unit" (135). A sentence, therefore, could be a recording unit and the paragraph the context unit, and in this instance, a researcher could take into account the context from which the sentence is extracted (135-136). For content analyzing group goals in this research, we used a derivation of the recording unit/context unit distinction. Some goals were recorded verbatim, others were summarized based upon the context unit:

> [Verbatim]: . . . President should be prohibited from involving export emgargoes on anything but military and other strategic material, unless there is a clear case of national security involved (U.S. Congress, 1977f: 353).
>
> [Summarizing: The following group goal was content analyzed as] $195,000 for ARS at Peoria for wild rice research. [This goal was derived from the following testimony]: We understand now there is in the President's budget $195,000. This money is directed to the Agricultural Research Service at Peoria. We are, of course, in support of that [and other contextual material identifying the amount with wild rice research (U.S. Congress, 1975a: 96).

Once all the group goals had been determined, each goal, whether concerning appropriations or substantive legislation, was compared to what had passed in the congressional committees, U.S. House and U.S. Senate, and conference committee. A group's goal was coded as a 1 for complete achievement, .5 for partial achievement, and 0 for no achievement of a goal. These codes were recorded for the five decision points for both 1977 general farm and the fiscal year 1976 agricultural appropriations legislation.

Member Structure

Classifying groups according to member structure involved identifying groups as either mass or peak groups. Mass groups could be local, state, or national organizations.

Examples of a local mass group are the Goehner, Nebraska Grange Farm Program (U.S. Congress, 1977f: 87) and an informal group of Texas farmers represented by Mrs. Jake W. Jones (269 farmers composed the Texas group (136). South Dakota Farmers Union is an example of a state level mass group (U.S. Congress, 1977h: 131). National groups that are considered mass groups are all major farm groups such as the National Farmers Organization, American Farm Bureau Federation, and American Soybean Association. Also, other national groups are identified based upon a description of how the national organization is composed. If the national organization is directly made up of other mass organizations, then the national organization is considered to be a mass group. For example, the National Cotton Council of America is coded as a mass group based on the following description of its organizational makeup:

> . . . Delegates (290) from 19 cotton producing states, named by their respective producer, ginner, warehouseman, merchant, cooperative, textile manufacturer, and cottonseed crusher organizations in each state (Yakes and Akey, 1980: 70).

On the other hand, the National Council of Farmer Cooperatives is coded as a peak association since its organizational structure is clearly composed of other organizations that do not directly have mass memberships, even though the organizations do serve large numbers of people:

> . . . Members: 160. Federation of national, regional and state associations of farmers' marketing, purchasing, and credit cooperatives serving total farm membership of 3,000,000. 'To protect the right of farmers to organize and operate their own cooperative associations. To assist agriculture to obtain a share of the total national income commensurate with the share obtained for the same productive and marketing efficiency by other segments of the nation's economy' (Yakes and Akey, 1980: 227).

Using the above classifying scheme, groups were coded as either mass or peak.

Organization Cohesion and Coalition Structure

Organization cohesion, as related in Chapter III, is measured by referring to organizations as either commodity, middleman, general farm, and general interest groups. This is justified by reasoning that narrow goal seeking groups will have more organization cohesion and success than broad goal seeking groups. On a scale identifying the narrowest goal oriented groups to the broadest goal oriented groups, commodity groups represent the former, followed respectively by middlemen, general farm, and general interest groups. The data were originally coded so that groups were classified as economic commodity producer, economic middleman, economic general farm group, economic consumer, or public interest. Due to the small number of cases coded as economic consumer and public interest, these two categories were collapsed into one category called general interest groups.

Coalition structure is measured indirectly. Coalitions are determined by the average number of groups that take particular positions. Since interest here requires comparison of successes and failures in achieving goals, these data are used to calculate the average number of groups favoring goals achieved with the average number of groups that favor goals not achieved. Coalition sizes are calculated for each decision point. For instance, suppose in the House committee relative to the 1977 omnibus farm legislation, five groups supported one achieved goal, three groups supported two achieved goals, and two groups supported three achieved goals. The average coalition size is 1.7 groups for achieved goals at that decision point (10 groups $\div$ 6 goals).

Using content analysis, therefore, measurements of organization cohesion and coalition structure are derived, although for both variables, only a surrogate is possible. Nevertheless, these surrogate measures do, in themselves, represent important distinctions among types of groups and among decision situations.

Group Size and Geographical Dispersion

Group size was originally coded as the approximate membership of a group based on testimony from hearings and/or information from the Encyclopedia of Associations (Yakes and Akey, 1980). Ultimately, the size is broken down into two categories, groups with fewer than 1,000 and those with 1,000 or more members.

Geographical dispersion of a group is determined by membership in states. As hypothesized in Chapter III, the more states in which a group has members, the greater success in attaining goals the group is likely to have. This research divided dispersion into two categories. One includes groups with members in only one state, while the second is composed of groups with members in more than one state.

Group size and geographical dispersion are determined by a group's testimony before Congress and/or by using a source on organizations. The figures used are the most up-to-date available, and are considered reasonably accurate approximations of the groups' membership and geographical dispersion data.

Nature and Location of Testimony

These variables are considered tactics. When used to explain policy output in this research, each is divided into two categories: oral/oral and written testimony versus written testimony only, House/House and Senate testimony versus Senate/House and Senate testimony. Coding of the variables is based strictly upon what appears in the hearing records.

Statistical Analysis

Displayed in Chapter V and VI are frequencies and percentages for member structure, organization cohesion, group size and geographic dispersion, tactics, and exchange benefits. Also shown are the proportions of successful goal attainment for the following variables: exchange benefits, member structure, organization cohesion, coalition size, group size and geographical dispersion, and tactics. Successful goal attainment is provided for each decision point along the decision continuum. That is, for substantive and appropriations legislation, successful goal attainment as a proportion of total goals is shown for the House committee, Senate committee, House floor, Senate floor, and conference committee.

For the most part, student's t is used to determine the statistical significance of the differences between two sample means (Blalock, 1972: 220-226). The exception is for testing statistical significance of sample means relative to group cohesion (the categories include commodity, middleman, general farm, and general interest groups). One-way analysis of variance is used to determine statistical significance of this variable (317-329).

Conclusion

Summarizing briefly the material in this chapter, the research design, a brief consideration of content analysis, and statistical applications for the research have been presented. All groups were not selected at random, but large and wide-ranging samples of groups that testified on the fiscal year 1976 agricultural appropriations and 1977 general farm legislation were used in the research. Given the large number and diversity of groups involved, the findings can probably be generalized to other groups testifying on agricultural legislation for the same years. Since goals, not groups, were used as cases for the statistical procedures, the sample sizes of groups (44 groups and 68 groups) pose no problem; the statistics we use rely on large sample numbers (the fiscal year 1976 appropriations and the 1977 general farm legislation involved 593 and 429 goals, respectively). Though the reliability and validity of our categories are not justified by statistics, precautions were taken to insure both reliability and validity. Chapters V and VI will examine the research findings.

NOTES

1. The 593 goals do not refer to 593 different policy goals. Three groups, for example, could have the same goal per group. In this instance, there would be three goals among the three groups. Groups that testified on the agricultural appropriations legislation had 374 separate goals; groups that provided testimony on substantive legislation had 120 discrete goals.

2. The data concerning farm interest group testimony on the substantive aspects of the 1977 omnibus farm legislation was solely derived from government documents (U.S. Congress, 1977e; U.S. Congress, 1977f; U.S. Congress, Part 1, 1977g; U.S. Congress, 1977h; U. S. Congress, 1977i; U.S. Congress, 1977j). The 44 interest groups were:

   Agricultural Trade Council
   American Bakers Association
   American National Cattlemen's Association
   An Appeal to Congress and the President
   Bread for the World
   Chamber of Commerce, United States
   Concerned Farm Wives

Consumer Coalition
Farm-Ranch-Businessmen
Farmers for Political Action Committee
Farmers Union, Iowa
Farmers Union, South Dakota
Farmers Union, National
Grain Producers Association, Nebraska
Grain Sorghum Producers Association
Grange, Farm Program, Goehner, Nebraska
Gregory, Gayle, Group of Farmers
Holstein-Friesan Association of America
Illinois Women for Agriculture
Independent Bakers Association
Interreligious Task Force
Iowa Corn Growers Association
Iowa Soybean Association
Iowa State Grange
Jones--Concerned Farmers
Kansas Farm Bureau
Linn County Farm Bureau, Iowa
Marion County Wheat Growers Association
Minutemen for Agriculture
National Corn Growers Association
National Farmers Organization
National Farmers Organization, Western Kansas
National Grain and Feed Association
National Livestock Feeders Association
National Organization for Raw Materials, Inc.
National Planning Association
North Carolina Poultry Federation
North Carolina Soybean Producers Association, Inc.
North Carolina State Grange
Partners in Action for Agriculture
United Egg Producers
United Farm Wives
Women in Agriculture for Oklahoma Farmers
Worthington, Wayne, Group of Kansas Farmers

We also used government documents to obtain the data on the 68 interest groups that testified before Congress on agricultural appropriations for fiscal year 1976 (U.S. Congress, 1975a; U.S. Congress, 1975b). Listed below are the 68 interest groups that testified on agricultural appropriations for fiscal year 1976:

American Association of Nurserymen
American Corn Millers Federation

American Farm Bureau Federation
American Forestry Association
American Honey Producers
American Legion
American Meat Institute
American Mushroom Institute
American National Cattlemen's Association
American Soybean Association
Association of Soil and Water Conservation Districts,
Alabama
Bennett, Thomas, Group of Florida Farmers
Chase County Conservation District
Competitive Livestock Marketing Association
Concerned Farmers from Lake Michigan, James Drake
Cotton Council International
Council of State Community Affairs Agencies
Crop Quality Council
Eastern South Dakota Soil and Water Conservation
Research Corporation
North East Association of Farmer Elected Committeemen
Federal Statistics Users' Conference
Florists Transworld Delivery Association
Forest Farmers Association
Grange
Housing Assistance Council, Inc.
International Association of Game, Fish, and Conservation Commissioners
Kansas Association of Conservation Districts
Louisiana Cotton Producers Association
Malting Barley Improvement Association
Michigan Bean Commission
Mid-Atlantic Food Processors Association
Mushroom Processors Association
National Association of Conservation Districts
National Association of Conservation Districts,
Recreation and Natural Environment Committee
National Association of Farmer Elected committeemen
National association of Home Builders
National Association of State Foresters
National Association of State Universities and Land
Grant Colleges
National Commission of Food Marketing
National Cotton Council
National Council of Farmer Cooperatives
National Dry Bean Research Institute
National Grain and Feed Association
National Limestone Institute, Inc.
National Macaroni Manufacturers Association
National Milk Producers Federation
National Peach Council
National Pork Producers Council
National Rural Electric Association Telephone Association

National Rural Electric Cooperative Association
National Rural Housing Coalition
National Soybean Processors Association
National Telephone Cooperative Association
National Wool Growers Association
Non-Profit Market Development Organizations
Oklahoma Housing Development Corporation
Pacific North West Potato Industry
Rural Housing Improvement, Inc.
Society of American Florists
Southern Animal Health Association
Southeastern Association of Game and Fish Commissioners
Western Bean Dealers Association, Inc.
Wheat Growers Associations and Commissions; Washington, Idaho, and Oregon
Wild Rice Association
Wildlife Management Institute
World Hunger Year
Wyoming Association of Conservation Districts
Wyoming State Conservation Commission

3. Even though the government documents indexes containing testimony concerning substantive agricultural legislation were alphabetized, the sample of groups selected from these sources was not biased because of groups' names. Selection bias was controlled since each document contained names spanning the alphabet. For example, one source's index began with Bauman and ended with Zenishek. Furthermore, several documents were used.

4. Read Chapter II of this work for a more extensive discussion of the 1977 farm legislation.

5. The content analysis instrument appears in Appendix C. The instrument used to content analyze the 1977 general farm legislation did not have categories "orally/House," "written/House," "orally/Senate," and "written/Senate"; instead, the variable telling how personal testimony was presented had the categories "yes" and "no."

6. Read Chapter III for a complete discussion as to what constitutes material, purposive, solidary, and coercive incentives.

7. Only one coercive statement, an implied one, was made in testimony by lobbyists from the 113 interest groups' testimonies that were content analyzed. The one coercive statement was made by a spokesperson for the Wheat Growers Associations and Commissions of the three Pacific Northwest states of Washington, Idaho, and Oregon (U.S. Congress, 1975b):

> We would like to call your attention to the fact that the proposal is a joint effort between the three states of Idaho, Oregon and Washington involving the three Land Grant Colleges of the respective states, as well as ARS-USDA. We would also like to call your attention to the fact that other farm organizations other than the wheat grower groups have endorsed this proposal (2265).

CHAPTER V

DATA ANALYSIS OF INTEREST GROUP TESTIMONY ON THE FISCAL YEAR 1976 AGRICULTURAL APPROPRIATIONS LEGISLATION

Introduction

Hypotheses for this research were presented in Chapter IV. The main focus is on the exchange benefits (material, purposive, solidary, and coercive) and the impact of exchange benefits on policy output. This chapter considers interest group testimony on the fiscal year 1976 agricultural appropriations legislation. Chapter VI similarly treats data relating to the 1977 omnibus farm legislation. The order of presentation in each case will be a description of the independent variables, discussion of the independent variables' impact on goal attainment, and a conclusion.

Description of the Data

The descriptive data for the independent variables relevant to this chapter can be found in Table 1. These data are based on groups. Data showing the relationship of independent variables to dependent variables are located in Tables 2 and 3. Findings in Tables 2 and 3 have the cases based on groups' goals.

Dependent variables concern decisions taken in the House and Senate. Analysis of the raw data discloses that House committee decisions are sustained 96.2 percent of the time by the House floor. An even greater consistency exists between Senate committee decisions and Senate floor actions. The U.S. Senate upheld the Senate committee decision point's actions 98.1 percent of the time. Overall, decisions were concurred with 90.6 percent of the time. Even though this study considers all decision points, a study could be made at any one of the decision points of the decision continuum and little information would be lost.

In terms of overall goals, the raw data show that groups' goals were attained 43.5 percent and 41.7 percent of the time in the House committee and House floor, respectively. (That is, using goals identified in the hearings, committee and House action provided partial or full achievement slightly less than one-half the time.) Consistent with past findings, the U.S. Senate is more responsive to interest group appeals (Meier, 1978b: 14). Groups attained 54.2 percent of their goals in the Senate Appropriations Committee. On the U.S. Senate floor, groups achieved 51.7 percent of their goals. Compromising occurred in conference; groups' goals were confirmed 41.7 percent of the time.

TABLE 1

FREQUENCY DISTRIBUTION OF INDEPENDENT VARIABLES RELATIVE TO HEARINGS ON THE FISCAL YEAR 1976 AGRICULTURAL APPROPRIATIONS

Variable/Category	No. of Groups	Percent-age
Type of Inducement Offered		
Material Information	68	100
Material Other	0	0
Purposive	49	72
Solidary	25	37
Coercive	1	2
Member Structure		
Mass Association	33	48
Peak Association	33	48
Not Determinable	2	2
Scope of Goals		
Commodity Producer	20	29
Middleman	19	28
General Farm	6	9
Consumer	15	22
General Interest	5	7
Not Determinable	3	4
Membership Size		
Less Than 1,000	25	37
More Than 1,000	37	54
Not Determinable	6	9
Geographic Dispersion		
One State	15	22
More Than One State	50	74
Not Determinable	3	4
Tactics		
Personal/Personal and Written Testimony	51	75
Written Testimony Only	17	25
House/House and Senate Testimony	22	32
Senate/House and Senate Testimony	7	10
Both	39	57

NOTE: The independent variable "coalition size" is not listed because its categories do not sum to 68 groups, thus, making its frequencies meaningless compared to the data shown in this table. For example, the House committee decision locus of successful coalitions involved 287 groups.

Exchange Benefits

Table 1 shows that material information was the most frequently offered inducement. This supports hypothesis 1. Material information was used by all 68 groups. Breaking the information into categories, 25 groups offered just general information to policy makers; general and technical (e.g., soil stratification in western Oklahoma) information was submitted by 42 groups; one group gave general, political, and technical information. No groups used other material inducements.

Purposive incentives were used by 72 percent of the groups, thus, partially supporting hypothesis 4 that stated purposive benefits would be frequent. Solidary statements were the next most frequently used inducement as 25 groups integrated this type of incentive in their testimony. Finally, supporting hypothesis 2 that coercive exchanges would be the least frequent incentive offered, only one group stated a coercive inducement--the Wheat Growers Associations and Commissions from Washington, Idaho, and Oregon.

Other Independent Variables

The independent variable "member structure" shown in Table 1 reveals groups evenly split between mass associations and peak associations. Organization cohesion--with categories commodity producer, middleman, general farm, consumer, and general interest--has the categories commodity producers and middlemen involving 39 groups (57 percent). General farm groups are conspicuously infrequent, only six groups. This may be attributed to where the testimony is presented--before appropriations subcommittees rather than before agricultural subcommittees. General farm groups probably feel their greatest success can be achieved by changing substantive legislation rather than the minds of members of the more prestigious House and Senate Appropriations Committees. Consumer groups were quite frequent. This category included groups such as the Association of Soil and Water Conservation Districts that seek to influence policy makers' annual appropriations on their associated USDA's agencies' budgets. Groups such as these are members of the subsystems that Lowi (1969) described (110-115). General interest groups composed only 7 percent of those testifying.

Resources as a cluster of variables is partially represented here by the variable group size and dispersion. Over half of the groups providing testimony represented more than 1,000 individuals. A large majority (74 percent) of the groups had members in more than one state.

Tactics used by lobbyists to influence congressmen are reflected in the variable indicating how the testimony was presented before the committees, either personal/personal and written or strictly written. A second variable provides information as to whether the testimony was presented in the U.S. House, or Senate, or both. Fifty-one groups gave only personal or personal and written testimony. Just 17 groups testified using only written testimony. A large percentage of the groups presented testimony only in the U.S. House (32 percent) as compared to those presenting testimony only in the U.S. Senate (10 percent). Fifty-seven percent of the groups provided testimony to both chambers. The large number of groups presenting before only the U.S. House probably results from the appropriations' legislative process. Appropriations measures begin in the House; the Senate Appropriations Committee serves as an appeals body from the powerful House Appropriations Committee. Groups, therefore, probably feel that in order to attain their goals they must influence the primary legislative body--the House Appropriations Committee.

Groups and Goal Attainment

This section discusses the relationship between the independent variables--exchange benefits, member structure, organization cohesion, coalition size, membership size, membership dispersion, and tactics--and the dependent variables along the decision locus--House committee, House floor, Senate committee, Senate floor, and conference committee. Tables 2 and 3 present the findings of the data analysis. With the exception of coalition sizes, figures in Tables 2 and 3 can be interpreted as the probability of

TABLE 2

RELATIONSHIP OF TYPE OF EXCHANGE THEORY INDUCEMENT TO THE PROBABILITY OF ATTAINING A GOAL BY DECISION LOCUS

Type of Inducement	Decision Locus				
	House Cmte.	House Floor	Senate Cmte.	Senate Floor	Conference
Material Information					
(N=133) General/General and Technical	.50	.45	.52	.57*	.45
(N=395) Technical/General and Technical	.44	.42	.49	.48	.46
Purposive					
(N=438) Yes	.46	.44	.50	.51	.47
(N=90) No	.43	.40	.45	.45	.40
Solidary					
(N=231) Yes	.46	.44	.47	.48	.44
(N=297) No	.46	.42	.51	.51	.48
Coercive					
(N=4) Yes	.50	.50	.62	.62	.50
(N=524) No	.46	.43	.49	.50	.46

*This indicates statistical significance at the .05 level; calculation of significance is based on consequences of the probability figures of a variable's categories below a decision locus.

TABLE 3

RELATIONSHIP OF OTHER INDEPENDENT VARIABLES TO THE PROBABILITY OF ATTAINING A GOAL BY DECISION LOCUS

Independent Variable	Decision Locus: House Cmte.	House Floor	Senate Cmte.	Senate Floor	Conference
Member Structure					
(N=270) Mass	.46	.43	.48	.48	.50
(N=350) Peak	.46	.42	.51	.51	.42
Scope of Goals					
(N=162) Commodity	.48*	.44*	.54*	.53*	.45*
(N=120) Middleman	.47	.43	.56	.58	.44
(N=108) General Farm	.32	.31	.34	.33	.33
(N=126) General Interest	.55	.52	.54	.53	.52
Coalition Size					
Successful Coalitions	1.6*	1.6*	1.5*	1.5*	1.8*
Unsuccessful Coalitions	1.1	1.3	1.1	1.0	1.1
Size of Group					
(N=123) Less Than 1,000	.51	.47	.54	.55	.48
(N=371) More Than 1,000	.44	.41	.47	.48	.45
Dispersion					
(N=423) One State	.46	.42	.50	.50	.46
(N=78) More Than One State	.46	.42	.49	.47	.46
Tactics					
(N=390) Personal/Personal and Written Testimony	.49*	.45*	.52*	.53*	.49*
(N=138) Written Testimony Only	.38	.36	.42	.42	.38
(N=176) House/House and Senate Testimony	.43	.41	.45*	.45*	.41
(N=352) Senate/House and Senate Testimony	.47	.44	.52	.52	.48

*This indicates statistical significance at the .05 level; calculation of significance is based on consequences of the probability figures of a variable's categories below a decision locus.

attaining any one goal or, if multiplied by 100, the percentage of goals attained.[1] Figures pertaining to coalitions depict the average size of a coalition per policy at each decision point.

<u>Exchange Benefits and Goal Attainment</u>

None of the 68 groups used other material benefits; therefore, no analysis as to whether use or non-use of other material benefits increases goal attainment can be made. The only statistically significant relationship at any decision point indicates the particular success of groups presenting general/general and technical as opposed to technical/general and technical information.

Purposive statements were the next most frequently used benefits. Hypothesis 4 foretold that purposive inducements would be frequent but less effective than information benefits. At no decision point did use of purposive benefits contribute in a statistically significant way to goal attainment. This finding supports the latter part of hypothesis 4. Solidary benefits were ineffective as predicted. Even though the number of cases is small the data confirms hypothesis 6 that coercive inducements do not lead to statistically significant differences in goal attainment.

Member Structure and Goal Attainment

Contrary to what had been predicted, mass associations were not more successful than peak associations. Statistical significance was not indicated at any decision point. Hypothesis 7, therefore, is rejected.

Organizational Structure and Goal Attainment

Organization cohesion (referred to as scope of goals in Table 3) and coalition size were the organizational structure variables studied. On balance, the analysis shows that groups that have a narrower goal orientation are more successful than broader goal oriented groups. This supports hypothesis 8. A surprising finding and refuting hypothesis 8, however, is the success of general interest groups. This category contains groups that are typically considered to have a broad public appeal such as World Hunger Year (there were only five such groups)[2] and economic consumer groups such as the National Association of State Foresters and the Council of State Community Affairs Agencies (15 such groups testified). These latter economic consumer groups are more narrowly focused than the typical general interest group; thus, one would assume that the economic consumer groups contributed heavily to the success of the combination of economic consumer and other general interest groups. When controlling for economic consumer groups, however, the success of the general interest group category (containing only the other general interest groups) increased to .60, .60, .62, .62, and .60 for the House committee, House floor, Senate committee, Senate floor, and conference committee decision points, respectively. The high degree of success of these general interest groups may be atrributed to the kinds of policies they seek--distributive. For example, the National Rural Housing Coalition sought grants for 8,000 units of farm labor housing from USDA's Farmers Home Administration (U.S. Congress, 1975a: 167). As Meier and Van Lohuizen (1978b) indicated, interest groups prosper where distributive policies are channeling benefits to individuals seeking assistance. This is because the bureaus funneling the benefits (e.g., Farmers Home Administration) can claim they are meeting needs of the people, thereby, providing legitimacy for their existence (489). At the same time, interest group lobbyists can bolster their group's future and their own positions by reminding their group's membership of the benefits received because of the lobbyist's efforts. Findings to this point provide equivocal support for hypothesis 9.

Data analysis revealed that successful coalitions are larger at all decision points, and the difference between the size of successful coalitions and unsuccessful coalitions is statistically significant. This clearly supports hypothesis 9.

Group Resources and Goal Attainment

Hypothesis 10 is not supported by this data analysis. At every decision point, groups with less than 1,000 members were as successful as groups with more than 1,000 members. Similarly, and unlike what one would expect to find, groups with less dispersion generally were as successful as more dispersed groups. The data fail to uphold hypothesis 11. Explanation of these two unlikely findings may be found in the kinds of groups that have less than 1,000 members and have membership in only one state. General interest groups, the most successful category of groups, compose 60 percent of the groups with membership of less than 1,000 and 58 percent of the groups with dispersion of membership in only one state.

Tactics and Goal Attainment

Table 3 displays probability figures supporting hypothesis 12. In every instance, groups that used personal testimony or personal testimony and written testimony had statistically significant greater success than those groups relying only on written testimony.

Hypothesis 13 is partially upheld. Groups that testified before the Senate Appropriations Committee did have greater success in the U.S. Senate than did those groups that testified before the U.S. House. But groups that appeared before the House Appropriations Committee did not have greater success in the U.S. House. This analysis indicates that success is greater in the U.S. Senate than in the U.S. House regardless of whether testimony was presented in the House or in the Senate. This finding may be explained by the appeals role played by the U.S. Senate (Pressman, 1966: 49).

Conclusion

Analysis of interest group testimony found a majority of the hypotheses presented in Chapter IV being supported, but exceptions did appear. These findings indicated mass associations were not more successful in attaining their goals than peak associations. This research had predicted mass associations would be more successful.

Hypothesis 8 stated narrower focused groups would be more successful than broader oriented groups. Though there is some evidence supporting this hypothesis, considerable weight can be given to the finding that the groups with very broad goals were the most successful.

Finally, hypotheses 10 and 11 were not upheld. Groups with larger memberships were not more successful than small membership groups. Similarly, groups that had membership in multiple states were not more successful than those concentrated in only one state. This analysis atrributed the refutation of both of these hypotheses to the influence of the broader goal oriented interest groups; these groups dominated the less than 1,000 member groups and groups having membership in only one state. The next chapter, examining data on testimony associated with general farm legislation, provides another opportunity to test these hypotheses.

NOTES

1. Based on the assumptions of independent samples and samples of common variance, t-tests were used to test the significance of relationships between the two category variables and success. Analysis of variance was used to determine the significance of the multiple category variable organization cohesion, referred to in the table as "scope of goals." See Nie, et al. for a fuller explanation of the t-test and n-way analysis of variance (1974: 267-275, 398-433).
2. The general interest groups were American Forestry Association, National Commission of Food Marketing, National Rural Housing Coalition, Wildlife Management Institute, and World Hunger Year.

CHAPTER VI

DATA ANALYSIS OF INTEREST GROUP TESTIMONY ON THE 1977 GENERAL FARM LEGISLATION RELATIVE TO WHEAT AND FEED GRAIN POLICIES

Introduction

In this chapter, the hypotheses are discussed in light of the analysis of data derived from content analyzing interest group testimony on the 1977 general farm legislation. As in Chapter V, first a descriptive presentation of the data is provided. Second, exchange incentives and other independent variables are discussed as they relate to policy output. Finally, a summary of the findings is presented.

Description of the Data

Table 4 presents the data in descriptive form and based upon groups. Later, Tables 5 and 6 will present the independent variables in relation to policy output, but then cases will be based on goals, not groups.

Before examining each independent variable, some observations will be made about the various decision points. The data indicate that the main decision points are the committees. House Agricultural Committee decisions are

TABLE 4

FREQUENCY DISTRIBUTION OF INDEPENDENT VARIABLES RELATIVE TO HEARINGS ON THE 1977 GENERAL FARM LEGISLATION

Variable/Category	No. of Groups	Percent-age
Type of Inducement Offered		
Material Information	44	100
Material Other	1	2
Purposive	37	84
Solidary	9	20
Coercive	0	0
Member Structure		
Mass Association	38	86
Peak Association	5	11
Not Determinable	1	2
Scope of Goals		
Commodity Producer	12	27
Middleman	6	14
General Farm	20	45
Consumer	1	2
General Interest	3	7
Not Determinable	2	4
Membership Size		
Less Than 1,000	10	23
More Than 1,000	33	75
Not Determinable	1	2
Geographic Dispersion		
One State	24	54
More Than One State	20	45
Not Determinable	0	0
Tactics		
Personal/Personal and Written Testimony	37	84
Written Testimony Only	7	16
House/House and Senate Testimony	8	18
Senate/House and Senate Testimony	9	20
Both	27	61

NOTE: The independent variable "coalition size" is not listed because its categories do not sum to 44 groups, thus, making its frequencies meaningless compared to the data shown in this table. For example, the House committee decision locus of successful coalitions involved 264 groups.

upheld on the U.S. House floor 94 percent of the time. The U.S. Senate Committee on Agriculture, Nutrition, and Forestry's decisions are upheld on the U.S. Senate floor 98.7 percent of the time. Overall, 88.6 percent of all decisions are consistent. This indicates that any one of the five decision points (House committee, House floor, Senate committee, Senate floor, or conference committee) may be studied concerning policy output without losing much information.

The raw data also indicate that groups achieve 42.9 percent of their goals in the House Agriculture Committee and 45.8 percent on the U.S. House floor. In the U.S. Senate, groups are more successful. Groups attain 57.9 percent of their goals in the Senate Committee on Agriculture, Nutrition, and Forestry and 54.6 percent of their goals on the U.S. Senate floor. This is consistent with the findings of Fenno (1966) when analyzing appropriations decisions (574-575).

Exchange Benefits

The first hypothesis suggested that material information benefits would be the most frequent. In fact, this is the case as all groups supplied policy makers with material information. Of the 44 groups, seven used only information that was general in nature and no groups used only information that was technical. Thirty-seven of the 44 groups presented both general and technical information. Coercive statements are absent from these data, thus, confirming hypothesis 2 that coercive exchanges would be the least frequent incentive used by lobbyists.

Material statements that did not contain information involved only 1 group--Minute Men for Agriculture. Hypothesis 4 was partially confirmed with purposive statements being the most frequent benefit offered after material information inducements. Eighty-four percent of the groups used purposive statements. Solidary statements were the third most offered benefits.

Other Independent Variables

Most of the groups were mass associations (86 percent) and the largest category of groups that testified--and reflecting rather low organization cohesion--was general farm groups (45 percent). Commodity producers (e.g., Marion County Wheat Growers Association) was the next most frequent category that testified (27 percent). The large percentage of general farm interest groups testifying is easily understandable, not only because of the substantive policy area--agriculture--but also because the legislation that was being dealt with was substantive and general in nature. General farm groups, therefore, could easily rationalize that testimony before Congress on general farm legislation would allow them to speak on many agricultural policies at one time. Also, because the legislation was substantive rather than concerning appropriations, general farm groups could assume their impact would be greater when testifying before agricultural committees as opposed to appearing before more powerful House and Senate Appropriations committees. Only 7 percent of the sample involved general interest groups (e.g., Bread for the World). The Consumer Coalition was the only consumer group whose testimony was content analyzed.

Examining the two resource variables, membership size and geographic dispersion, the data indicate that 33 groups represented 1,000 or more individuals while 10 groups provided testimony on behalf of less than 1,000 members. A slight majority of the groups had membership in only one state, but 20 groups had members in more than one state.

Channels of influence are reflected in the tactics used by groups. Table 4 presents data that indicate personal testimony (in person, with or without presenting written material as well) is the tactic used most. Using written testimony alone to present a group's positions on issues was used only 16 percent of the time.

Groups presented their testimony in both the U.S. House and Senate 61 percent of the time. Only eight groups presented testimony in the U.S. House. Similarly, only nine groups lobbied the U.S. Senate.

Groups and Goal Attainment

Tables 5 and 6 show the various independent variables--exchange benefits, member structure, organization cohesion, coalition size, membership size, membership dispersion, and tactics--as they relate to the dependent variables at the decision points along the decision continuum. With the exception of coalition size, a decimal number in Tables 5 and 6 is the probability of achieving any goal. Coalition figures shown in Table 6 describe the mean number of groups supporting a particular policy.

Exchange Benefits and Goal Attainment

Since all 44 groups provided material information, no analysis could be done to determine the impact of information on policy output. Likewise, since none of the groups offered coercive statements, the impact of coercive inducements could not be determined. Using the categories of general/general and technical information and technical/general and technical information, statistically significant differences in success are found at all decision points, with those groups presenting general/general and technical material information being more successful.

Other material benefits are seldom offered. Even though the number of cases is small, the data support the implicit hypothesis that material benefits (non-informational relative to the substantive policy area) are unsuccessful. This is the finding at every decision point.

TABLE 5

RELATIONSHIP OF TYPE OF EXCHANGE THEORY INDUCEMENT TO THE PROBABILITY OF ATTAINING A GOAL BY DECISION LOCUS

Type of Inducement		Decision Locus House Cmte.	House Floor	Senate Cmte.	Senate Floor	Conference
Material Information						
(N=35)	General/General and Technical	.80*	.78*	.77*	.80*	.78*
(N=366)	Technical/General and Technical	.53	.53	.61	.61	.58
Material-Other						
(N=6)	Yes	.33	.33	.50	.50	.42
(N=395)	No	.56	.56	.63	.63	.60
Purposive						
(N=360)	Yes	.54*	.54	.62	.63	.59
(N=41)	No	.67	.66	.65	.65	.65
Solidary						
(N=84)	Yes	.48*	.48*	.65	.64	.55
(N-317)	No	.58	.58	.62	.63	.60

*This indicates statistical significance at the .05 level; calculation of significance is based on consequences of the probability figures of a variable's categories below a secision locus.

TABLE 6

RELATIONSHIP OF OTHER INDEPENDENT VARIABLES TO THE PROBABILITY OF ATTAINING A GOAL BY DECISION LOCUS

Independent Variable	Decision Locus				
	House Cmte.	House Floor	Senate Cmte.	Senate Floor	Conference
Member Structure					
(N=317) Mass	.57	.58	.62	.63	.60
(N=80) Peak	.52	.49	.63	.63	.56
Scope of Goals					
(N=87) Commodity	.53*	.52*	.57	.56	.55
(N=68) Middleman	.69	.65	.67	.70	.67
(N=175) General Farm	.59	.58	.65	.64	.60
(N=62) Public Interest	.40	.39	.62	.61	.53
Coalition Size					
Successful Coalitions	4.6*	4.3*	3.9*	4.4*	4.2*
Unsuccessful Coalitions	1.9	2.0	1.6	1.6	1.9
Size of Group					
(N=316) Less Than 1,000	.51	.53	.57	.58	.58
(N=17) More Than 1,000	.57	.56	.63	.64	.60
Dispersion					
(N=173) One State	.56	.56	.60	.60	.58
(N=228) More Than One State	.56	.55	.65	.66	.61
Tactics					
(N=346) Personal/Personal and Written Testimony	.56	.56	.63	.64	.60
(N=55) Written Testimony Only	.56	.54	.57	.59	.61
(N=70) House/House and Senate Testimony	.54	.51	.61	.63	.58
(N=331) Senate/House and Senate Testimony	.56	.56	.63	.63	.60

*This indicates statistical significance at the .05 level; calculation of significance is based on consequences of the probability figures of a variable's categories below a decision locus.

At the House committee, groups that used no purposive statements had greater goal achievement, at a statistically significant level than those that provided purposive incentives. This is contrary to what one would expect. Solidary appeals, the offering of status to members of Congress, are unsuccessful at a statistically significant level at the House committee and House floor. Again, this is consistent with hypothesis 5 that solidary benefits will be relatively ineffective in attaining interest group goals. In general, the exchange benefits hypotheses have been upheld for those that were testable.

Member Structure and Goal Attainment

Hypothesis 7 stated that mass associations would be more successful than peak associations. In fact, there is no statistically significant difference between the success of mass associations and peak associations. Hypothesis 7, therefore, is rejected.

Organizational Structure and Goal Attainment

Organizational structure is measured by organization cohesion and group coalition. Hypothesis 8 suggested that the narrower the scope of the interest group, the more successful the group would be. The data reveal statistically significant relationships at the House committee and House floor decision points. The hypothesis, therefore, is only partially supported since at all five decision points there is not a preponderance of evidence that indicates that the more cohesive groups are more successful than the less cohesive groups. Middlemen interest groups are the most successful. Even though the middlemen may not have the narrowest focus, they do have a relatively narrow one. Middlemen's goals generally seek to maintain the status quo concerning wheat and feed grains policies. For instance, five out of the six groups that had the 68 cases favored wheat and feed grain target and loan levels. Target and loan prices were not new concepts relative to interest groups testifying on the 1977 omnibus farm legislation. Success of commodity and general farm groups is relatively stable across the variance decision points. Success of interest groups (including consumer groups) varies the most, being particularly low at the House committee and House floor decision points. Success for general interest groups is greater at the Senate committee and Senate floor decision points. This difference in success by the public interest groups can probably be best explained by the makeup of the committees. The House committee was composed of few persons in positions of influence with an interest in nutrition and consumer issues. Frederick W. Richmond (D NY) was an exception. On the other hand, the Senate committee had Senators Dick Clark (D IA), Hubert Humphrey (D MN), and George McGovern (D SD) who probably had more empathy for consumer appeals.

Coalition size is the second category that involves the variable organizational structure. This research provides evidence that the larger the coalition supporting a particular position, the more likely the policy position will be attained (hypothesis 9).

Group Resources and Goal Attainment

Group membership and dispersion are the two resources this research used. Table 6 shows that hypothesis 10 is rejected because relationships are not statistically significant. The same is true for hypothesis 11 regarding dispersion. In both cases there is a tendency in the expected direction, but it is too weak to be statistically significant.

Tactics and Goal Attainment

Hypothesis 12 stated that those groups that had a person present testimony would be more successful than those groups that only provided written testimony. The data in Table 3 reject this since the relationships are not statistically significant. Hypothesis 12 must be rejected. Hypothesis 13 was also rejected. Groups were not more successful in the House of Congress where they testified. Two categories of groups that appeared were analyzed. One category was composed of groups that testified before the House subcommittee or House subcommittee and Senate subcommittee. A second category contained groups that presented testimony before the Senate subcommittee or Senate subcommittee and House subcommittee.

Conclusion

The usefulness of exchange theory for describing interactions between lobbyists and policy makers has been demonstrated in this chapter. The frequencies with which benefits were used supported the contention that exchange theory is adaptable for this purpose. Analysis of exchange inducements indicated that solidary inducements were somewhat ineffective in relation to goal attainment and that use of general information was particularly effective. Effective use of other exchange incentives was not related to goal attainment.

Other independent variables that have traditionally been used to describe group success were also analyzed. Mass associations were not more successful than peak associations, and larger groups (more than 1,000 members) were not more successful than smaller groups (less than 1,000 members). More geographically dispersed groups were not more successful than less dispersed groups, rejecting hypothesis 11. Both channels of influence hypotheses were rejected. Personal testimony was not more successful than presenting only written testimony, and groups were not more successful in the house of Congress where they testified. In the concluding chapter, application of exchange theory to lobbyists' interactions with congressmen will be stressed.

CHAPTER VII

CONCLUSION

Introduction

This study concludes with a discussion of the major findings of the research. Exchange theory and its adaptability for understanding political interactions between interest groups and congressmen is first related. Next, the failure of traditional variables to explain goal attainment is presented. Finally, the author presents an overall interpretation of the research findings.

Exchange Theory and its Use for Describing Political Interaction Between Lobbyists and Policy Makers

Throughout this research the primary focus has been on examining the usefulness of Salisbury's exchange theory (1969) to describe the interactions between lobbyists and policy makers. The findings indicate that exchange theory can be applied successfully in analyzing the give-and-take between lobbyists and congressmen. In both the U.S. House and the U.S. Senate, and related to hearings on both appropriations and substantive legislation that were content analyzed, various hypotheses were confirmed. Confirmation of these hypotheses involving large numbers of cases points to the applicability of exchange theory in explaining trade-offs between groups and policy makers. Further support was given to this research's main contention by the consistency between the appropriations and substantive legislative processes. The frequency with which exchange benefits were used relative to the appropriations and substantive legislation processes were strikingly similar. In both processes all groups used material information. Other material benefits were used by only 2 percent of the groups testifying on substantive legislation, while no group presenting testimony on appropriations legislation used other material benefits. Using purposive inducements during the appropriations and substantive legislation processes were 72 and 84 percent of the groups respectively. Groups used solidary inducements in the appropriations and substantive legislation processes somewhat less frequently. During the appropriations process 37 percent of the groups used solidary statements; during the substantive process, 20 percent of the groups testifying used solidary inducements. Finally, during both the appropriations and substantive legislation processes, coercive statements were almost nonexistent. Only in the appropriations process was a coercive inducement used; this statement represented 2 percent of the interest groups presenting testimony on appropriations legislation.

In terms of how effective exchange benefits are in achieving goals, the analysis again shows strong similarities between the appropriations and substantive legislation processes. Relative to both, the most successful information benefit was material information of a general nature. With the exceptions that in the substantive legislation process use of purposive inducements had a statistically significant relationship with success at one decision point and restraint from using solidary inducements atrributed to statistically significant goal attainment, all goal attainment is the same for all benefits, for both the appropriations and substantive legislation processes. Even though there was a tendency toward greater goal success because of use or nonuse of other inducements, none of these relationships are statistically significant. This research indicates because of the large number of cases involved and the consistency between analysis of data on both appropriations and substantive legislation, that Salisbury's exchange theory can be successfully applied to describe interactions between lobbyists and policy makers.

Group Goal Attainment

Accompanying this research's examination of using exchange theory to explain political interactions has been an analysis of goal attainment in relation to independent variables, in addition to exchange benefits. In general, whether studying the appropriations or substantive legislation process, variables used to explain group success did not have statistically significant relationships along the decision continuum. This indirectly supports several earlier works that have found the traditional assumption of interest groups dominating the legislative process, and thereby supporting the pluralist model, to be inaccurate and misleading (Matthews, 1960: 190-191, 193, 196; Milbrath, 1963: 354-355; Bauer, et al., 1972: 454-456; Rieselbach, 1973: 197; Meier and Van Lohuizen, 1978b: 493).

There were instances when an independent variable other than exchange benefits had statistical significance relative to the dependent variable--the decision of a particular decision locus.[1] Several of these independent variables deserve further discussion. Interestingly and contrary to traditional thinking, general interest groups were the most successful groups to testify on agricultural appropriations. Even more unusual, when only the general interest groups with the broadest goals were included in the analysis, the success of the general interest groups was even greater.

A second variable, coalition size, when analyzed, had statistical significance at all decision points--for both appropriations and substantive legislation. Larger coalitions were more successful, as one might expect. Coalitions permit magnification of a group's individual efforts by having the issue being addressed supported by an assumed larger number of petitioners, thus, providing greater legitimacy to the group's demands (Hall, 1969: 66-68). As was expected, groups that presented personal or personal and written testimony were more successful relative to appropriations legislation, and at a statistically significant level, than groups that provided only written testimony. Finally, testifying before the Senate or Senate and House found groups to be successful at a statistically significant level relative to appropriations legislation.

General Interpretation of This Study's Analysis

Mainstream literature on exchange theory (Salisbury, 1969; Olson, 1971) has used the exchange of benefits to describe the interactions between group members and group leaders. This research set out to apply exchange theory to clarify the political interactions between lobbyists and policy makers--something suggested before, but never applied. What this research has shown is that generally the particular form of lobbying does not impact on policy output, exceptions to this generality notwithstanding. These findings are a direct refutation of Bentley's (1935) description of politics or government as being expressed in terms of only group phenomena (222, 258-262). Though Truman (1971) did not use it as the central thesis for his work on interest group activity, he acknowledged that political processes are not the pawns of interest groups and that policy makers are factors to be reckoned with:

> . . . The politician-legislator is not equivalent to the steel ball in a pinball game, bumping passively from post to post down an inclined plane. He is a human being involved in a variety of relationships with other human beings. In his role as legislator his accessibility to various groups is affected by the whole series of relationships that define him as a person (332-333).

As mentioned earlier, evidence presented in this research indicates that the exchange theory can be successfully used to understand relationships between lobbyists and congressmen. This evidence includes a high degree of consistency in the use of exchange inducements found when content analyzing both appropriations and substantive legislation; these findings are further bolstered by the large number of cases involved in the data analysis.

The second section of this chapter disclosed little statistical significance of relationships between exchange variables used to explain lobbying success and goal achievement, further confirming this research's application of exchange theory. Matthews (1960) pointed out that traditionally journalists and academicians viewed lobbying as a process dominated by interest groups. In fact, however, Matthews states that the policy maker has considerable maneuverability and does not have to "meekly acquiesce to [lobbyists'] wishes" (196). Options, exchange benefits in this research, are available to the congressman to resist an interest group's offer of inducements. For example, a policy maker can be the source of valuable committee leaks or even bring to bear a damaging congressional investigation of a lobbyist's group (196). Thus, the lack of group impact on policy output further confirms the adaptability of the exchange theory for explaining interactions between groups and decision makers.

Lack of variation in output across different lobbying techniques and group characteristics found in this study may be disconcerting to traditional interest group expounders. But findings such as those in this work and similar results in earlier mentioned undertakings do not mean that traditional interest group explanations should be discarded. Instead, as Eulau (1964) pointed out, social science academicians must escape from accepting "things are as they are" when discussing interest groups (27).

Accounting for the lack of differences in output may be several factors. The electoral control of a policy maker is not as possible as one would first assume. If a group supports a policy maker for an election and he/she wins, the group has a friend in power, assuming the group's and policy maker's issue positions are congruent. On the other hand, if a group backs a policy maker for election and loses, the group has not gained a spokesperson, and, in fact, probably will have strong opposition from the winning candidate the group opposed. Zero-sum electoral politics are seldom played for this very reason. Only a group that has no alternative access to the political process can afford to be openly backing a losing candidate (Truman, 1971: 301-302).

Lobbyists also know that partisan politics may threaten the general membership. Members may support a strike because they perceive striking as a part of belonging to a group, in this case a labor group. But, generally, unless the group has strong underpinnings involving partisan politics, group members will view support of one policy maker and not another negatively (298-299). Group partisanship may also alienate potential allies for future coalitions (303-304).

Groups also probably cannot marshall their membership to vote for a particular candidate. Campbell, et al. (1960) have shown that party identification is developed in preadult years and is not easily changed. Cataclysmic national events, however, may cause realignment in political attitudes (147-149). Thus, to attempt to persuade congressmen by issuing an electoral threat will probably lead to defeat and a waste of the group's resources. Even when groups do support a candidate, they generally back a candidate who has views that are similar to the group's concerns (Milbrath, 1963: 283). Changing a policy maker's position, therefore, is not generally attempted through the electoral process.

Groups also attempt to influence policy makers through grass-roots campaigns--having group members write in support of an issue. But mail-in campaigns are easily spotted and most frequently discounted by policy makers and their staffs. Furthermore, most information generated by mail campaigns is never observed at any higher level than administrative assistants (Matthews, 1960: 184-187).

Even though this research found larger coalitions to be more successful than smaller coalitions, frequently attempts to form coalitions can lead to weakened support of an issue. The larger the coalition, the greater the potential for inter-group disagreement over issues and use of resources. Smaller coalitions will prove less effective since the homogeneity of the coalition will possibly mean groups forming it will make the same contacts--those in favor of the coalition's positions. Therefore, very little will have been gained by forming the coalition (186-187).

Compounding further the lobbying problems of interest groups has been their lack of financial resources to generate a strong campaign on behalf of their interests (Bauer, et al., 1972: 344-345). In a similar vein, groups are hampered by the lack of trained personnel. Frequently, the best lobbyists leave the profession for more stable professions (345). Finally, lobbyists must expend much time and energy attending to membership needs, thus, leaving less time to lobby policy makers (Milbrath, 1963: 160-161).

Lack of impact by interest groups can also be atrributed to what exchange inducements the policy maker has to offer interest groups. These exchange inducements permit the lobbyist to maintain political independence of group influence. As was mentioned earlier, the policy maker that has been given many general messages from groups is given more latitude in his voting behavior than when the policy maker receives a few specific interest group requests. In the former situation, the congressman can more easily play one group off on another and appear to be doing what is best for all groups involved (Rieselbach, 1973: 201). Furthermore, with the exception of a few prominent issues, policy makers know that their districts' voters probably do not know what the congressman's issue positions are. Moreover, the policy maker can generally count on issues playing only a small role in his/her reelection efforts (201).

Summary

Through the analysis conducted here the application of exchange theory to explain relationships between lobbyists and policy makers has been substantiated. Explanations have been provided for the general impact of lobbying techniques and group characteristics on agricultural policy output. One question still remains to be answered: Why lobby if interest groups exchange benefits and traditional techniques and group characteristics do not have an impact?

First, interest groups lobby because congressmen ask them to. Since congressmen can offer benefits to groups, groups will generally agree to testify. Second, lobbying occurs to provide evidence to the group's membership that the organization is seeking the membership's interests. Third, group testimony at the committee level provides documentation of groups' positions. This printed testimony can be used later at other decision loci to support a policy maker's position without committing the policy maker to a group's issue position (Meier and Van Lohuizen, 1978b: 493-494). Fourth, interest group participation provides ligitimacy to the political process described as group dominated.

This study indicates that further research should be conducted in other substantive policy areas, e.g., welfare, energy, defense, etc., to determine the similarities and differences among the areas. Finally, the findings of this work are limited by the techniques of research used--content analysis. Corroborative research using systematic interview research techniques should be conducted involving congressmen, agency officials, and interest group members and lobbyists. Once this has been achieved in various substantive policy areas, social science academicians may be able to formulate a theory of groups rather than group theories.

NOTE

1. Statistical significance tells us only that certain sample differences would not occur very often by chance if there were no differences in the population from which the samples were drawn (Blalock, 1972: 163). A cause-and-effect relationship is not indicated by a statistically significant difference. When a null hypothesis is rejected, one can only conclude that the observed differences between means (probabilities and mean coalition sizes as found in Chapters V and VI in Tables 2, 3, 5, and 6) would be unlikely if the null hypothesis were true. Random sampling variation alone, therefore, probably is not the sole factor for the differences between the means (Mueller, et al., 1977: 427). In this research, the statistical significance observed at each decision point for the variable general material information (Chapter VI, Table 5) does not necessarily mean that submitting general material information will cause increased policy output. Other rival explanations must be examined for differences between means, which we have done in this study, to increase

support that there is a cause-and-effect relationship between use of general material information and goal attainment.

APPENDIX A

BUDGET REQUEST AND FINAL APPROPRIATIONS FOR FISCAL 1979 AS FOUND IN HR 13125

	Budget Request	Final Appropriation
Agricultural Programs		
Departmental Management	$ 64,680,000	$ 56,103,000
Federal Grain Inspection Service	22,708,000	22,680,000
Agricultural Research Service	331,088,000	379,886,000
Animal and Plant Health Inspection Service	220,213,000	232,141,000
Food Safety and Quality Service[1]	271,475,000	271,104,000
Cooperative State Research Service	158,150,000	174,395,000
Extension Service	262,047,000	275,399,000
National Agricultural Library	7,631,000	7,527,000
Economics, Statistics and Cooperative Service[2]	80,008,000	80,112,000
Agricultural Marketing Service[3]	49,231,000	48,102,000
World Food and Agricultural Outlook and Situation Board[4]	1,009,000	1,009,000
Agricultural Stabilization and Conservation Service	231,056,000	230,767,000
Federal Crop Insurance Corporation	12,000,000	12,000,000
Commodity Credit Corporation	5,550,000,000	5,500,000,000
Subtotal, Agricultural Programs	$7,211,296,000	$7,291,225,000
Rural Development and Assistance Programs		
Farmers Home Administration	1,178,164,000	1,206,505,000
Rural Electrification Administration	24,833,000	24,805,000
Soil Conservation Service	523,247,000	496,695,000
Agricultural Stabilization and Conservation Service	130,000,000	225,000,000
Subtotal, Rural Development and Assistance Programs	$1,856,244,000	$1,953,005,000

APPENDIX A (cont.)

	Budget Request	Final Appropriation
Domestic Food Programs		
Child Nutrition Programs	$1,281,535,000	$1,285,535,000
Special Milk Program	142,000,000	142,000,000
Special Supplemental Food Program (WIC)	555,000,000	569,500,000
Food Stamp Program	5,779,200,000	5,779,200,000
Food Donations Program	12,800,000	12,800,000
Food Program Administration	72,223,000	74,275,000
Subtotal, Domestic Food Programs[5]	$7,842,758,000	$7,863,310,000
International Programs		
Foreign Agricultural Service	$ 51,663,000	$ 53,645,000
International Development Staff	199,000	199,000
Food for Peace (PL 480)	805,900,000	805,900,000
Subtotal, International Programs	$ 857,762,000	$ 859,744,000
Related Agencies		
Food and Drug Administration	$ 306,288,000	$ 305,613,000
Commodity Futures Trading Commission	15,804,000	15,304,000
Subtotal, Related Agencies	$ 322,092,000	$ 320,917,000
Total: Fiscal year 1978 new budget authority	$18,090,152,000	$18,288,201,000
Section 32 Transfers	1,411,575,000	1,411,575,000

SOURCE: Wehr, Elizabeth. "$18 Billion Agriculture Funds Cleared." Congressional Quarterly Weekly Report 41 (October 1978a): 2943-2944.

[1]New service which inspects meat and poultry, formerly a function of the Animal and Plant Health Inspection Service.

[2]New service continuing the functions of the former Statistical Reporting, Economic Research and Farm Cooperative services.

[3]Includes functions of old Packers and Stockyards Administration.

[4]New entity created in 1977 by the secretary of agriculture.

[5]The Elderly Feeding Program was transferred to the Department of Health, Education and Welfare.

APPENDIX B

VALUE OF UNITED STATES FARM PRODUCTS SHIPPED UNDER PUBLIC LAW 480
COMPARED WITH TOTAL EXPORTS OF UNITED STATES FARM PRODUCTS,
JULY 1954 THROUGH SEPTEMBER 30, 1977[1]
(IN MILLIONS OF DOLLARS)

	Public Law 480					
Fiscal years	Sales for local currency	Long-term credit sales	Donations through government-to-government and World Food Programs	Donations through voluntary relief agencies	Barter[2]	Total Public Law 480
1955	73		52	135	125	385
1956	439		63	184	298	984
1957	908		51	165	401	1,525
1958	657		51	173	100	981
1959	724		30	131	132	1,017
1960	824		38	105	149	1,116
1961	951		75	146	144	1,316
1962	1,030	19	88	160	198	1,495
1963	1,088	57	89	174	48	1,456
1964	1,056	48	81	189	43	1,417
1965	1,142	158	55	183	32	1,570
1966	866	181	87	180	32	1,346
1967	803	178	110	157	23	1,271
1968	723	300	100	150	6	1,279
1969	346	427	111	154	1	1,039
1970	309	506	113	128		1,056
1971	204	539	138	142		1,023
1972	143	535	228	152		1,058
1973	6	661	159	128		954
1974	(5)	575	147	145		867
1975		762	148	191		1,101
1976		650	65	192		907
1977 (October-September)		760	92	250		1,102
July-September 1976		316	18	51		385
1955 through July-Sept. 1977	12,292	6,672	2,189	3,765	1,732	26,650

APPENDIX B (cont.)

Fiscal years	Mutual security (AID)[3]	Total agricultural exports: Total government programs	Commercial sales[4]	Total agricultural exports	Public Law 480 as percent of total
1955	450	835	2,309	3,144	12
1956	355	1,339	2,157	3,496	28
1957	394	1,919	2,809	4,728	33
1958	227	1,208	2,795	4,003	24
1959	210	1,227	2,492	3,719	27
1960	167	1,283	3,236	4,519	24
1961	186	1,502	3,444	4,946	26
1962	74	1,569	3,573	5,142	29
1963	14	1,470	3,608	5,078	29
1964	24	1,441	4,627	6,068	23
1965	26	1,596	4,501	6,097	26
1966	42	1,388	5,359	6,747	20
1967	37	1,308	5,513	6,821	19
1968	18	1,297	5,086	6,383	20
1969	11	1,050	4,776	5,826	18
1970	12	1,068	5,650	6,718	16
1971	56	1,079	6,674	7,753	13
1972	66	1,124	6,922	8,046	13
1973	84	1,038	11,864	12,902	7
1974	76	943	20,350	21,293	4
1975	123	1,224	20,354	21,578	5
1976	216	1,123	21,024	22,147	4
1977 (October-September)	419	1,521	22,492	24,013	5
July-September 1976	138	523	4,832	5,355	7
1955 through July-Sept. 1977	3,425	30,075	176,447	206,522	13

SOURCE: U.S. Department of Agriculture. Food for Peace, 1977 Annual Report on Public Law 480. Washington, D.C.: Goverment Printing Office, 1978, p. 51.

[1]Export market value. Fiscal years 1955-76 end June 30, new fiscal year ends September 30.

[2]Annual exports have been adjusted for 1963 and subsequent years by deducting exports under barter contracts which improve the balance of payments and rely primarily on authority other than Public Law 480. These exports are included in the column headed "commercial sales."

[3]Sales for foreign currency, economic aid, and expenditures under development loans.

[4]Commercial sales for dollars include, in addition to unassisted commercial transactions, shipments of some commodities with governmental assistance in the form of short- and medium-term credit, export payments, sales of government-owned commodities at less than domestic market prices, and, for 1963 and subsequent years, exports under barter contracts which benefit the balance of payments and rely primarily on authority other than Public Law 480.

[5]Less than $500,000.

CONTENT ANALYSIS

Location of Data:

Topic of Research:

Name of Group or Individual Testifying:

How Testimony Presented:

Orally/House	1
Written/House	2
Orally/Senate	3
Written/Senate	4

Where Testimony Presented:

House	1
Senate	2
Both	0

Number of Spokespersons Appearing: ______

Congressman Appearing with Interest Group or Witness:

Yes	1
No	2

Size of Interest Group:

Number of States Represented ______

Number of Individuals Represented ______

Other

Type of Group:

Mass	1
Peak	2
Not Ascertainable	0

Economic Commodity Producer	1
Economic Middle Man	2
Economic General Farm Group	3
Economic Consumer	4
Public Interest Group	5
Not Ascertainable	0

Type of Information Presented:

General/Background	1
Political	2
Technical	3

Number of Each Kind of Incentive Used by the Interest Group or Witness:

Coercive		_____
	Direct	_____
	Implied	_____
Material		_____
Purposive		_____
Solidarity		_____

Objectives:

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