

# RIPON FORUM

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## COMMENTARY: DEMOCRATS

CALIFORNIA DREAMIN'

by Dick Behn

The flap over Jimmy Carter's "ethnic purity" statements highlighted the vagaries of presidential politics. Carter's polyrhythms seemed to be continuous highs, meshing strong ambition, opportunity, and public relations cycles. But Carter's success has partly been attributable to the risky, high-wire nature of his act. He was a crowd-pleaser so long as he defied the gods with his daring walk through the primary circuit. But one misstep constitutes a quick fall from grace.

Carter's success and problems should constitute an important lesson for California Gov. Jerry Brown(D), who has had similar luck with his ambition, opportunity, and public relations cycles. For bachelor Brown, the public honeymoon has lasted an inordinately long time. He has perfected the art of doing nothing and making it seem not only newsworthy but praiseworthy---the same way that Carter had perfected the art of saying nothing and making it seem like "new leadership."

Unlike Texas Gov. Dolph Briscoe(D), who makes doing nothing seem to be a study in laziness, lack of direction, and ineptitude, Brown does nothing with energy, drive, and style. Because Brown seems to have carefully conceived the philosophical underpinnings of doing nothing, it seems novel and exciting when he "doesn't do it." And if anything has characterized Brown's first year in office, it has been its lack of accomplishment. As California pollster Mervin Field has said of Brown's administration, it is "almost theater as much as substance." But Robert Redford and "All the President's Men" notwithstanding, Washington, D.C. is something more than a Hollywood set.

Recent American history has been replete with politicians who overdid everything. By contrast, Brown's approach does seem new and exciting. Even in California, however, there are problems that need attending...little things, like making executive appointments. But long delays in gubernatorial decision-making have left scores of vacant posts on

state boards and commissions. Brown's ability to make a virtue of doing nothing is reflected by his defense that time is needed to ensure the appointment of quality persons; this tactic was labeled "positive nonperformance" by one journalist. And when Brown does make an appointment, he has the capacity to alienate almost everyone---as he did recently when he reappointed Raymond Procnier as the chairman of the Adult Authority of the state's parole board. Opposition and criticism ranged from ultraconservative State Sen. H.L. Richardson(R) to spokesmen for the Prisoners Union, the California Correctional Officers Association, and the prison reform groups.

Admittedly, Brown's philosophical pronouncements are politically appealing and sensible. He realizes that there are limits to the amounts of security that government can provide and a desperate need for reinvigorated citizen initiative. Brown is more appealing as a philosopher than as a politician, however. Almost a year ago when Brown-for-President talk was just beginning to be generated, Brown's top aide, Gray Davis, said, "He has to prove himself as governor first." That he hardly seems to have done. Noted the Los Angeles Times' Tom Goff last November:

The 'lowered expectations' philosophy of Gov. Brown, in the year since his election, appears to have had a much greater impact on public opinion polls, politicians and journalists than it has had on the institutions of government.

Brown, who squeaked into office one year ago, is given higher public approval marks in a variety of polls today than any California governor in the years since opinion polling came into vogue.

He is written about (usually with awe), he is analyzed and dissected. He is the repeated subject of state and national political speculation. He has become the prototype for an increasing number of new and restructured 'realist' politicians throughout the country.

Government in California, however, has not basically changed in the last year. Nor has its thrust.

Despite Brown's pronouncements about unemployment, for example, he has done little to deal with the high jobless rate in his own state, claiming instead that joblessness is a federal problem. Even in his home state and among his own party, politicians are coming to realize that Brown's philosophy masks a policy vacuum. On March 25, 22 Democratic legislative chairmen arrived at the governor's office to discuss legislative priorities. When Brown kept them waiting a half-hour, three of them walked out. One who stayed said, "I think the state is afloat. There's no leadership in the corner office." Said another, "He doesn't seem very interested in the job. It was just an empty ritual. He seemed to be thinking of national politics and not about California issues." Recently, California GOP Senate Minority Leader George Deukmejian summed up Brown's deficiencies by observing, "Jerry Brown spent his first year in office asking a lot of penetrating questions and this year people are beginning to look for answers while he's decided to run for President instead." It must be admitted, however, that most Californians are still awed by the questions---about 86 percent were favorably awed, according to the last Field Poll.

Brown's philosophy was detailed last fall in an interview with sociologist Gregory Bateson:

'This is the way I see it---this is the way it is folks.' I think people are looking for that...if you just get them to see that core, then I think you'll tap the strength that's there. And that is done by stating clearly the obvious. I think all the principles are there: Equality, work, sharing things, avoiding waste, adventure, destiny, all of that. All we have to do is let it come out. People are looking for a statement of what is, so they can come to terms with it. And instead of being given that, they're given a lot of second-rate rhetoric that they don't even hear any more.

It's appealing stuff and it has a sort of "Jimmy Carter" quality to it, admittedly with a more philosophical than spiritual emphasis. But when it comes to details, even sympathetic observers like the Nation's Geoffrey Cowan note: "The governor's desire to be involved in all aspects of his administration limits the initiatives that can be taken by activists whom he has asked to run his agencies...The larger problem is that, while the governor is unassailably hard-working and bright, he can't be everywhere at once and, in any event, doesn't have as much experience (or in many cases, personal commitment) as do the people he has appointed."

All of this criticism had to be taken into account by Brown and his aides before he an-

nounced his presidential candidacy. The manner of his announcement sought to minimize the inevitable downturn in his press relations cycle. (Even Ronald Reagan was never as popular in California after his abortive 1968 presidential run). Brown's ambition cycle has been high and steady for some time, but the governor's opportunity cycle was beginning to curve downward. The presence of frontrunner Carter in the Democratic race somewhat invalidated one, obvious rationale for Brown's candidacy. There was a fresh, new anti-bureaucratic face in the field who was attracting voter attention so why did the voters need another, namely Jerry Brown?

Any call-of-the-people rationale along those lines would doubtless seem phoney so Brown's announcement was deliberately low-key, coming ostensibly in response to the persistence of four reporters rather than as a calculated "media event." That method obscured the Carter problem, fit Brown's own unconventional political image, and undercut the inevitable "what-has-this-man-done-that-he-deserves-to-be-President" stories in the news media. Such stories are the natural counterreaction to the media's "look-at-this-new-face-maybe-he-ought-to-be-President" stories. And when the "what-has-he-done" stories did appear, they focused, by default, on the enactment of the farm-labor collective bargaining statute, which was widely hailed at the time of passage but is now out of funds and out of operation. Brown's objections to amending the laws have blocked new funding and further implementation.

Even Brown's rationale for how he decided to enter the Democratic presidential contest is revealing:

I, as governor, follow the policy of trying to deal with what's in front of me so I can come to grips with that rather than worry about what may be down the road a week or a month later. That's not to say I'm not aware of things that may be looming.

I don't feel I'm committed to something unless I say I am. And that's why I don't like to make a decision today and change it tomorrow and the day after change it back again. So I let possibilities emerge in my mind.

As usual, Brown makes it sound sensible and laudable; the problem is that nothing gets done.

The shakiness of Brown's political tight wire act was illustrated in March by the defeat of Gov. Daniel Walker(D) for renomination in Illinois. As Chicago Tribune columnist Michael Kilian wrote: "Abraham Lincoln was right and Gov. Dan Walker was wrong. You can't fool all of the people all of the time---not even a majority of those willing to vote in a party...In a volatile swing state

with a suspicious, self-centered electorate, you cannot be loved by both Republican conservatives and Democratic liberals---by both Big Labor and Big Business---for very long." You cannot try to be all things to all people the way Walker---or Jimmy Carter---have tried to be. The operation of Walker's office was described by Kilian as "watch what we say, not what we do." Though similar criticism could be made of Brown's administration, the California governor is admittedly more philosophical and less overtly opportunistic than his Illinois counterpart.

A strikingly similar critique of Brown was made by Fortune magazine's A. James Reichley last summer: "A more serious criticism is that Brown seems to be moving in two directions simultaneously---and that the contradictions inherent in this behavior are soon bound to catch up with him. He has appointed many young activists from the Sierra Club and other public-interest groups to head state departments and agencies. At the moment, they are busily trying to follow his directive to do it better but cheaper---or at least without any increase in cost. But before long, unless all the guides of experience fail, they will begin to come up with expensive new plans for expanding state services. At that point, Brown will probably find that the range of choices offered by the new politics is not really much different from that of the old."

Like Carter, Brown has made the conservatives and the liberals at least respect, if not love, him. As the San Francisco Examiner-Chronicle's William Flynn pointed out last year: "The California governor is achieving this national recognition by one of the neatest tricks in the history of domestic politics. He is looking one way and shooting the basketball the other way. He is a politician running against government---as it has been and probably is."

Brown possesses a frailty, however, which could potentially destroy his own image. No one would ever accuse Brown of unwarranted humility. His penchant for bluntness, however, is easily interpreted as arrogance. When Brown rejects the idea of cost-of-living raises for judges by saying, "Why should judges get a cost-of-living increase? Did the country club dues go up?" he strikes a responsive chord. After all, there are very many more non-judges than judges so alienating the judicial vote is inconsequential. But when the governor refuses to send his picture to a girl collecting the photographs of all fifty governors because he's trying to block a "personality cult," Brown has struck another chord. Brown's aloof, brusque manners are politically popular when used against other politicians, journalists and assorted other "heavies." But when Brown uses

those same manners with the people, he risks his undoing. Brown is a half-populist. He knocks the "biggies." But he doesn't cater to the little people; he amuses them.

Jerry Brown has sort of a Don Rickles approach to government. People laugh at Don Rickles, but do they love him? As long as Jerry Brown castigates "the other guy," the electorate will probably be pleased. But Brown has two problems. First, he can only gore so many oxen before the laws of probability take hold and his own ox risks going. And second, although doing nothing has become politically faddish, Brown is running a good thing into the San Andreas fault. ■

## POLITICS: The GOP

Ohio: Ronald Reagan's presidential primary petitions have been invalidated. Considering the manner in which they were prepared, the action is understandable. At the last possible moment---Reagan's Washington headquarters waited until six days before the filing deadline to begin to organize a delegate slate---slates were filed in 17 of Ohio's 23 congressional districts for Reagan in addition to a complete slate of 28 at-large delegates. The at-large slate was filed only six minutes before the deadline. Although Reagan aide John Sears explained the late start in Ohio by saying, "It wasn't a matter of not wanting to. It was a matter of whether we could," other prominent Reagan supporters were less charitable and considerably irritated by the amateurish, last-minute effort. As disgruntled State Sen. Thomas A. Van Meter(R) commented, "I'm really disgusted by the whole thing. I question the whole Reagan organization. They have made fundamental political blunders that I wouldn't make in my senatorial district and you certainly should not make in that league. Those blunders, more than anything else, created the impression of a bandwagon for Ford."

Texas: The latest Texas Poll shows Reagan has a 49-44 percent lead over Ford among Republicans but when independents are added to the GOP voters, Reagan has only a 44-43 percent margin. However, Ford has a clear edge among Democrats, 41-34 percent over Reagan.

Utah: Unless Reagan has dropped out by then, he is the solid favorite to capture most of Utah's 20 delegates. State GOP chairman Richard Richards has a heavy fix on. First, Reagan will address both the Utah GOP Bicentennial fundraiser and keynote the state GOP convention at which delegates will be selected. Secondly, apportionment of delegates to that convention will, in populous Salt Lake County, clearly favor conservative sentiment. In that environment,

the President's best opportunity to dent the Reagan monolith is with candidates who can be elected despite Ford, not because of him. One such example is Sen. Jake Garn, a Ford backer.

## POLITICS: STATES

**GEORGIA** Former Gov. Jimmy Carter's strength as a Democratic presidential contender is worrying Georgia Republicans. Their chances of rebounding from a bad 1974 showing will diminish sharply if Carter generates home-state enthusiasm as the Democratic standard-bearer. One of the key losers in a Carter-led election year would be Newt Gingrich, the Carrollton College professor who narrowly lost to U.S. Rep. John Flynt (D) in 1974. Says Gingrich, "Obviously, it would be easier for me to run if the Democratic presidential nominee was a George McGovern or a Sargent Shriver instead of a Jimmy Carter. And in a district where there are two relatively unknown candidates running party against party, I think the Democrat would win."

**MISSISSIPPI** Mississippi GOP State Chairman Clarke Reed, perhaps the most influential southern and conservative voice on the Republican National Committee, is stepping down as state GOP chairman. Despite his national prestige and influence, Reed has not always been admired at home. As journalist Wayne W. Weidie has observed, Reed's "national party role has in fact been the prime source of criticism about Reed. Some critics say that Reed has been so taken with his national role that he has not given enough attention to building grassroots party support. They argue that the GOP is riddled with ineffective county chairmen who have primarily been placed because of their loyalty to Reed in his effort to hold power. In truth Reed has devoted more time to the state party workings during his current term than during his previous tenure. Since the GOP is a distinct minority in the state, Reed cannot take all of the blame for weak county leaders." Reed's abilities has often found more fertile field at Republican National Committee deliberations than in Mississippi elections. State Sen. Charles Pickering, one of only four Republicans in the Mississippi legislature, will succeed Reed as state chairman while Reed himself will succeed Victor Mavar as GOP national committeeman. Mavar succeeded former GOP National Committeeman James Moyer in 1972 when Moyer made the mistake of trying to take Reed's post away. Reed has succeeded in electing two Republican congressmen but failed in attempts to elect businessman Gil Carmichael to the Senate in 1972 and to the governorship in 1975. Now, a large segment of the Mississippi GOP is mad at Carmichael, the party's most popular vote-getter.

Carmichael seemed on the verge of taking a Ford Administration appointment at one point, but turned that down, reportedly toyed with an invitation to join Eugene McCarthy on a third party ticket, and formed what some Mississippians call the "Meridian Shadow Cabinet" of advisors in his home town. These and other "ego" problems have led to the alienation of such powerful Mississippi Republicans as State Finance Chairman Billy Mounger. As Weidie observes, "Carmichael had a very good chance to win against Cliff Finch last November. Thousands of former Winter and Dantin (other Democratic gubernatorial aspirants) voters flocked to the Carmichael banner. But Carmichael lost and it may possibly be because of his gun control stance, which was the doing (of his professional campaign consultant). The eastern press and national consultants to the contrary, Carmichael lost the governor's race and did not score another moral victory. Carmichael's recent image is distressing. He was a bright political star in Mississippi and two defeats did not mean he had lost the war. At this writing, however, he is beginning to appear more like a Mississippi Harold Stassen than our next U.S. Senator or Mississippi governor." Carmichael's defeat is not the only recent defeat inflicted on the Mississippi GOP. After a year of wrangling, the nomination of businessman James Hooper to the Tennessee Valley Authority was rejected in February by the Senate Commerce Committee. The opposition of Tennessee Senators Bill Brock and Howard Baker, Jr., both Republicans, was instrumental in Hooper's rejection. Virginia Hooper, wife of the T.V.A. nominee, has decided not to seek reelection to her post as Republican National Committeewoman; she will be succeeded by GOP State Vice Chairwoman Lillian Todd. As if to complete the party shift, GOP Executive Director Haley Barbour is also quitting. That will leave Pickering in an awkward position as state chairman since he will have to share the reins of party power with Mounger and Reed without enjoying Reed's prestige or Barbour's assistance. And Pickering's legislative responsibilities and ambition for higher public office may conflict with his partisan responsibilities. If these difficulties are not enough for the Mississippi GOP to contend with, the Reagan-Ford race may be more than enough. Reed and Mounger have been tied at least spiritually with Reagan while Carmichael has been a Ford supporter. Ford's eventual nomination may not sit well in Mississippi, while the state's position may further cut Reed's influence at the national level.

**NEW YORK** U.S. Rep. Peter A. Peyser has a beef with the National Republican Senatorial Campaign Committee. Peyser, who is challenging Sen. James Buckley (C-N.Y.) for the Republican Senate nomination, would like \$5,000 from the GOP group,

just like Buckley received. He can't understand why Buckley, elected on a third party ticket when he ousted Republican Sen. Charles Goodell in 1970, should deserve GOP support and Peyser should not. Peyser notes that there are five criteria for receiving campaign committee money. While Peyser meets all five standards, Buckley has not promised to run as a third party candidate nor has he promised to support the GOP nominee. The committee chairman, Sen. Ted Stevens, says that Peyser's request was unanimously rejected by the committee because it always supports incumbents. The criteria for GOP loyalty in these circumstances seem a bit perverted.

**TENNESSEE** A federal court decision has strengthened the reelection positions of U.S.Reps. Harold Ford (D-8th), Robin Beard (R-6th), and Ed Jones (D-7th). The ruling removed about 12,000 voters from Ford's district and moved most of them into Beard's district. The move strengthened the predominantly black, Democratic nature of Ford's district and the white, Republican nature of Beard's district.

**VERMONT** Gov. Thomas Salmon's announcement that he will indeed challenge Sen. Robert Stafford (R) this year has unleashed a bizarre combination of political allegiances in Vermont. Salmon's image as a two-term governor has tarnished in the last year, and he will have a tough race against Stafford because he cannot count on one source of traditional Democratic backing. Stafford, who avoided a possibly damaging challenge from a serious conservative opponent, neutralized Vermont unions by his vote for the common situs picketing bill. Salmon's chances of unseating Stafford are more dubious than the likelihood that the Democrats will retain the governorship. There will be a spirited Democratic primary between State Treasurer Stella Hackel and Lt. Gov. Brian Burns. Hackel, a former Republican whose administrative talents are widely respected among conservatives and Republicans, will have a tough time in the primary but would be a tougher general election opponent for the GOP because of her bipartisan

support. Hackel's stand against higher unemployment benefits led Salmon to drop her from her post as state commissioner of employment security and has created some union antipathy. While Burns has led a crusade against the Vermont electric utility, Hackel has represented two other utilities in her private law practice. Either Democrat will be favored against House Majority Leader Richard A. Snelling, who appears to have preempted the GOP gubernatorial nomination. Snelling, a staunch conservative who lost a previous gubernatorial run, opposed new taxes in a recent legislative session where Gov. Salmon was unable to enact his own tax package. By contrast, House Appropriations Committee Chairman Emory Hebard supported new taxes. As a result, Hebard may be the Republican beneficiary of Democratic support in his race for state treasurer. State Rep. David Curtis (R) is going a step further in his bid for bipartisan support in his race against Attorney General Jerome Diamond, who took a controversial role in opposing the reappointment of a state judge last year. Curtis is seeking the Republican, Democratic and Liberty Union Party nominations. These blurred lines of party support may make their first impact in the state primary, where GOP supporters of Snelling may be tempted across party lines to vote for Hackel. Meanwhile, U.S. Rep. James Jeffords has reason to feel relatively content. Alone among the major office holders in the state, he has thus far failed to attract a serious opponent. The former attorney general is considered sufficiently formidable to deter most Democrats from making a hopeless race.

**WASHINGTON** The decision of Gov. Daniel Evans to stop at three terms leaves the GOP with a two-man race between King County Executive John Spellman and King County Assessor Harley Hoppe. Spellman seems to be the logical heir to Evan's moderate mantle while former Atomic Energy Commission Chairman Dixy Lee Ray is currently the leading Democratic candidate. Spellman was narrowly ahead of Hoppe in a recent Seattle Times poll; he expects Seattle Mayor Wes Uhlman to emerge was the Democratic candidate.

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# COMMENTARY: ECONOMICS

FREE TRADE AND THE FARM MARKET

by Gary Seevers

America's historical commitment to free trade goes back a long way. When the Boston Tea Party dumped a British cargo of tea into the harbor, the bogus Indians were really protesting a trade barrier. They were being required to buy their tea only from Britain, and to pay a heavy tax on it. This and other trade restrictions on the colonies played a major role in bringing about the American Revolution. In 1812, trade restrictions and harassment of U.S. shipping led to a second war with Britain.

From that early commitment to the principle of free trade, the United States has continued to pursue liberal trade between nations, and to seek easier access to markets for her agricultural exports abroad. The path has not always been smooth. The free trade policy has always been subject to attack from special interest groups. Nevertheless, the free trade commitment has been more consistently followed than most of our national policies over a comparably long period of time.

The last time the U.S. political system rejected the free trade principle in a major way was during the period of rising protectionism at the beginning of this century which culminated in the tariff wars of the 1920's and 1930's. Along with generally unsound monetary and fiscal policies, the tariff wars helped bring on the Great Depression. Like most traumatic episodes caused by policy errors, at least in a democracy, the seeds of correction were sown in the episode itself. Public and congressional reaction in favor of free trade produced legislation in 1934 that provided the foundation for America's world economic leadership during the ensuing 40 years.

The United States also backed away--- somewhat inadvertently---from free trade in agricultural products during that traumatic period of the 1930's. The nation lost faith in the ability of free markets effectively to organize and reward agricultural production. We turned to government price supports and land control programs instead. We still favored agricultural exports during the period that followed but found that our domestic agricultural programs forced the use of duties and quotas to restrict imports, and various kinds of subsidy programs to maintain our exports.

Over the years, government management of U.S. agriculture was found to be relatively ineffective. We made poor use of our agricultural resources. The government programs raised production costs by idling acres, hampering private management and discouraging desirable economic adjustments. We also found that our

use of agricultural import barriers and export subsidies encouraged other nations to adopt similar techniques. Both the higher production costs and the proliferation of trade barriers hampered export market growth.

The conflict between our liberal trade policy and our managed agriculture helped turn the United States back toward a market-oriented farm policy starting in the mid-1960's. The surge in exports that followed pushed exports from \$5-6 billion annually during the 1960's to the \$22-23 billion level today. Farm exports are now the nation's largest single source of foreign earnings, and a major underpinning of the dollar in foreign exchange markets.

Despite the obvious importance of our agricultural exports, and our long commitment to liberal trade, agricultural trade policy is currently in a state of some disarray. Fundamental questions are being raised about both free trade in general and agricultural exports in particular.

The support for liberal trade has always had to come from the general public because it was usually opposed by special interest groups. Today, the public support has been weakened by fears of inflation and examples of trade intervention by dozens of countries around the world. The success of the Organization of Petroleum Exporting Countries makes cartels look attractive. The 40 percent increase in U.S. food prices in the last three years has raised consumer doubts about the wisdom of unlimited agricultural exports. And after the Soviet buying sprees, people question the ability of free markets to deal effectively with centrally-planned economies. Much of the Third World is pushing for an entirely new world economic order. All of these developments have given ammunition to critics of free international trade.

It is true that the U.S. is proceeding with the Tokyo Round of trade negotiations. But the arguments in favor of free trade are rarely heard in public. Our free trade commitment is suffering from "benign neglect."

There are two basic paths this nation's trade policy can take today. One is to continue our efforts to liberalize trade between nations. The alternative is to move toward an administered world economy, with trade terms settled between governments. The choice is much like the one facing us in our overall national economic policy---the basic choice between reliance on the discipline of markets or reliance on the discipline of government.

As an economist and an ordinary citizen, I come down on the side of market discipline. But the point is that, broadly speaking, the choices facing us are mutually dependent. If we move toward more government management domestically, we probably will do so internationally as well. And if we do, it will surely alter not only agricultural trade but also the structure of our agricultural system.

To me, the case for trade liberalization is as strong as it ever was. In fact, improvements in transportation and communications are probably making it stronger than ever. And the arguments against trade liberalization are just as shortsighted and heavily oriented to special interests as ever. I may not have glowing expectations for the Tokyo Round of trade negotiations, but the effort to liberalize trade is just as worthwhile as it has ever been. Some reasons are suggested below:

1. Should there be U.S. government grain reserves to moderate fluctuations in domestic farm and food prices? Clearly, there are costs to both producers and consumers from unstable prices. If greater stability could be achieved with government grain reserves at small expense, it would be hard to argue against the idea. However, there are several reasons to doubt the efficacy of government reserves for purposes of price stabilization.

First, government reserves would probably turn out largely to substitute for holdings that would otherwise be held in private U.S. hands and in the importing countries. These private holdings currently are quite large, especially those held by farmers. I suspect that if the other nations of the world were really convinced that the U.S. would no longer hold their reserves for free, their holdings would increase substantially too.

The second problem is whether the U.S. government would really manage its reserves in a disciplined fashion. History shows it is all too easy for policy-makers to succumb to short-run political pressures, building stocks too high and releasing them too soon.

The third problem is that any price-stabilizing benefits that actually are achieved would be partly exported to world markets. Either the United States would have to be willing to pay the costs of providing worldwide stability or we would have to institute some form of export management to insulate our markets. It is for this latter reason that U.S. grain reserves are potentially contrary to a free agricultural trade policy.

Finally, in the long run, government-held reserves probably would lead us back into high price supports, then into surplus man-

agement and finally back into conflict with free trade.

2. Should the United States give higher priority to food aid? It is sometimes argued that everyone in the world has a basic right to an adequate diet, and that food-aid should be given priority over cash exports. In addition to presuming that the government should have a heavier hand in the export business, this view attributes more to food-aid than is warranted.

Food aid has helped various nations through serious food emergencies. On the other hand, food aid has seriously discouraged agricultural development in Third World nations. Too many developing governments have relied on food aid shipments from the United States. Their development capital was allocated to steel mills and national airlines instead of fertilizer plants, agricultural research stations and grain marketing facilities.

Generous food aid not only encourages governments to neglect their own agricultural development, it also fosters discriminatory policies against food producers. A recent U.S. Department of Agriculture study of 50 developing countries indicated that 46 of them used various policies that discourage their own agricultural production. Thirty-seven of these nations control producer prices on some commodities, 35 control various consumer prices on some commodities, 22 indulge in export controls, 17 use import subsidies---a total of 457 disincentives in all. It is little wonder that farmers in these developing countries have not increased production to meet the needs of the growing populations.

Food aid certainly has a positive role to play but it is not a long-run solution. Using it heavily in the short run, in fact, could make the long-run problem worse.

3. Should the United States develop bilateral agreements with other countries to supply their grain needs? The most-favored-nation principle has been a cornerstone of trade liberalization since World War II. Bilateral agreements violate this principle although there have admittedly been numerous violations of free-trade principles in the agricultural trade area. Beyond that, bilateral agreements which have any content tend to build rigidities into trade relations and make trade flows less flexible to changing economic circumstances. They also presume more government involvement in a tight year when quantitative commitments to supply might exceed exportable supply.

4. Does that mean our long-term grain agreement with the U.S.S.R. was a mistake? Not necessarily. The Soviet Union, because

of its huge size and its very erratic grain production, has been a powerful destabilizing force in world grain markets. The recently-signed agreement adds a stabilizing factor. It will encourage the U.S.S.R. to accept and store a minimum amount of grain even during good crop years, providing additional buffer stocks for poor crop years.

5. Should the U.S. government take over agricultural exporting as a public utility? We have an example to help answer this question. Canada's Wheat Marketing Board has achieved a mixed set of reviews. In 1972, it sold all its wheat before the United States did, and at a lower price. The following year it held on too long for too high a price, losing sales and income for their farmers. In both cases it helped destabilize grain markets in the process. Government management is far from a guarantee of perfect decision-making. A government marketing board is also at a serious disadvantage in periods of ample supply, when private firms are out searching for customers.

Perhaps the key consideration is simply efficiency. The Canadians have been unable to take much advantage of the growing world demand for grain while U.S. producers and our grain marketing system have been able to expand exports sharply. This may have something to do with Canada's land and water resources. But it also has to do with insulating their producers from market demand, with the lack of incentives to put money into export facilities, and with the unreliability of Canadian exports due to labor problems.

6. Should the United States exploit its "food power" as the OPEC nations have done? This question would never be asked by advocates of liberal trade. One really does not have to go beyond pure economics to answer this question. Acting alone, we do not have a monopoly position in grain markets even though we have about one-half of world grain exports. The ability to expand production elsewhere is so great that any attempt to monopolize exports would last a very short time... if at all. And if it did work, it would be to the disadvantage of American producers unless

a complicated system was devised to pass the monopoly profits back to them. An Organization of Grain Exporting Countries consisting of the United States, Canada, and Australia might be economically effective for a while, but eventually it would suffer the same fate as unilateral action.

7. Should U.S. agricultural exports be used for diplomatic leverage in dealings with other countries? It is appealing for agricultural groups to think of their exports as "food power" which enhances America's international position. To the extent that the U.S. makes sales and generates foreign exchange earnings, the benefits are great and our economic position is improved. However, to use food for diplomacy implies its denial to those who fail to cooperate with the United States. To do this would be adverse to domestic producers and thereby discourage domestic production. And although food for many centuries has been used for political purposes---to maintain governments in power and to expand territories---to turn our agricultural export capacity over to the Secretary of State for management does not seem wise twentieth century policy.

Although a liberal agricultural trade policy can no longer be taken for granted, I suspect agricultural trade will have a bright future. Quantitative predictions are obviously hazardous. It wasn't long ago that the U.S.D.A. set an export goal of \$10 billion for 1980. Within one year the goal had been exceeded by several billion dollars. In some future years, agricultural exports may even decline in value. But barring a complete reversal of trends and policies, international trade should expand as a share of the U.S. economy. Because of our comparative advantage, agricultural products will account for a large share of that trade. ■

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