Farm policy change to be heard, not seen

Issue’s salience in ‘00 election unclear

By MARK SCHOEFF JR.
The Howey Political Report

WASHINGTON - As Sen. Richard Lugar set about rewriting U.S. farm law in 1995, columnist George Will compared him to Martin Luther. Lugar began his reform effort by posing a long list of questions designed to foment new thinking about agricultural policies that had been in place since the 1930s.

Five years later, Lugar continues to advocate the market-oriented framework he helped create, even as congressional colleagues question the new creed.

Under agriculture law established in 1996, farmers have been given flexibility to plant any crops they want to meet market demand. They receive fixed but declining federal payments until 2002 to ease their transition to a new system. The government no longer dictates what crops farmers must plant; nor how many acres they have to idle. Government was not supposed to increase the transition payments.

But over the last two years, Congress has passed $15 billion worth of emergency aid to help farmers who have been roiled by bad weather and low prices. The spending was approved outside the budget caps set in 1997 to reduce the deficit.

Although he wants to stay the course, Indiana's senior Senator is again taking a Socratic approach to his job as chairman of the Senate Agriculture Committee. The emergency spending "was a political compromise," said Lugar, who voted for the appropriations. "In part, it came from enthusiasm in both parties in the Congress-the Senate and

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McCAIN, GORE WIN: Sen. John McCain decisively upset $67 million man George W. Bush, 49-31 percent. If McCain wins next week in South Carolina, watch out! War hero McCain might play well in the most militaristic state in the Union. Vice President Al Gore defeated Bill Bradley 53-47 percent. Gore told CNN's Bernie Shaw, "The competition has been good for me. Competition is healthy. It put wind in my sails; put my keel deeper in the water." Bradley explained on CNN, "The only way you can do it (win) is on the issues and getting new people in the process. That's what has to happen in New York, California, Ohio and Missouri. This will be a different kind of race."

Farm Policy, from page 1

the House-to be helpful to farmers. At some point, we will be discussing that issue again: What is the policy of our country? If it is countercyclical in the sense of attempting to elevate net farm income to the average, that would be one countercyclical policy. If our idea is to have the best year ever in American agriculture, that would be a more ambitious goal."

Net farm income in 1999 was $48 billion, topping the $46 billion average for the decade. Farmers received $5.6 billion in transition payments and about $6 billion in loan-deficiency payments. But difficult times produced an outpouring of federal money for farmers. A similar situation may occur in 2000. The Wall Street Journal reported this week that the Clinton administration would ask Congress for $11 billion in extra agricultural spending to carry farmers through the next two years.

"We're probably going to be back looking for an emergency payment again, if we don't see prices pick up," said Kent Yeager, director of government relations for the Indiana Farm Bureau. He was in Washington this week meeting the members of the Hoosier delegation. "Last year's payment has been good in terms of keeping people in the business."

House Action

But resorting to such spending has caused the House Agriculture Committee to plan a series of hearings this spring. They are unlikely to result in farm policy changes this year.

"Maybe there needs to be a more structured way (to address farm problems) than to pass an emergency spending bill every year," said Rep. Baron Hill (D-CD 9), who sits on the House agriculture panel. He said he is not advocating modifying Freedom to Farm right now. The House hearings are designed to "see what's going on out there."

"I'm going to keep an open mind on that discussion," he said. "I can't say there is a groundswell of support for changes" from farmers in CD 9. "They like the idea of Freedom to Farm, but they understand there are things beyond their control." Those forces include drought and the vagaries of trade.

Too few trade outlets is the key sticking point, according to Rep. Ed Pease
(R-CD 7). "The general attitude in the House is that the three major components of Freedom to Farm have to work together before we can assess it," he said. The components include planting freedom, federal investment in agriculture research and aggressive promotion of U.S. agricultural products in international markets.

"We've done the first two, but haven't made progress on the third," said Pease. "We haven't completed the package, and that's where our time and attention need to be focused this year."

One candidate is hearing from farmers about trade on the campaign trail. "The USDA let them down when it comes to marketing their corn and beans and other products overseas," said Kevin Shaw Kellems, who is running against Hill in CD 9. Among farmers, "there is a problem-solving approach instead of a divisive political debate that includes finding new and improved coops that do their own marketing."

Bolstering agricultural exports was a theme Lugar emphasized in a meeting with reporters earlier this week. "There is no way to move prices dramatically if there is no movement of goods," he said. He criticized the Clinton administration for being feckless about opening markets in Europe and elsewhere. Indiana farmers must export one third of their corn crop and half of their soybean crop.

Fighting Big Brother

Rep. Mark Souder (R-CD 4) said, "I'm not willing to give up on Freedom to Farm. Having two years in a row where we have had an emergency supplemental has unnerved some people." Souder is part of a 40-member coalition of House Republicans from farm districts.

Rather than modify Freedom to Farm, Souder would like to make changes in tax and regulatory policy that would prevent agricultural conglomerates from producing at a loss, which puts small farms at a disadvantage. In district meetings, agricultural "concentration," or consolidating the agricultural industry into a few giant corporations like Cargill or Archer Daniels Midland, is foremost on farmers' minds. "At the grass-roots level, concentration is a hot issue," he said. "That type of rebellion is going to lead to pressure on the political system for antitrust reform. People are mad. They don't know whom to blame, and they're searching for an enemy. Concentration is that enemy." Lugar held hearings on agribusiness concentration on Tuesday.

Easing the transition

The Freedom to Farm Act became law in 1996. It is set to run through 2002, when Congress will have to take another comprehensive look at farm policy. In the meantime, producers are continuing to adapt to a market-oriented life.

Farm Bureau supports the change. "Our official position is to maintain the course, as far as the farm bill goes," said Yeager. "This bill sets us down the right path."

But the Farmers Union will be trying to scrap Freedom to Farm. "You have a system for a decoupled approach that doesn't address prices," said Tom Buis, vice president for government relations. The law "doesn't provide a safety net for rural America when prices are low."

But Buis wants farmers to maintain the right to control their acres. "I haven't heard one soul advocate getting rid of planting flexibility." Lugar argues that farmers should be able to plant to meet market demand, which was high in 1996 and enabled them to earn a record income of $53 billion. "It comes down to a basic question of supply control as opposed to market economics. This kind of wrenching change is a tough go. We're trying very hard to help farmers make that transition and keep their income."

Among the other questions Lugar will pursue is what kind of return on equity farmers are receiving. ✡

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David Johnson aims at Lugar

Jack Wickes, Jim Jontz. Now David Johnson as an opponent against U.S. Sen. Richard Lugar. HPR sat down with Democrat Johnson last Thursday afternoon at the Monon Coffee Company in Broad Ripple and had this conversation.

HPR: How are you going to beat Sen. Lugar? What’s the scenario?

Johnson: This race is going to be who can best represent the interests of Indiana as we head into a new century. We’ll talk to the voters about what matters most in this state. Having a strong mainstream message really centered on the interests of the people, what they’re thinking about and how their voting in other races as well. I come into the race with all the disadvantages you mentioned for a challenger. But I also come into the race with all the advantages of being a challenger, too. I have a great deal of energy, a very talented and in-touch team of mainstream political figures in this state. Starting with Frank O’Bannon and Joe Kernan, I think we’ll field a very strong team this year. We will be in a coordinated campaign discussing the issues that matter most to Hoosiers. I’m going to be part of that ticket and because of that, it gives me some real advantages.

HPR: You reported $500,000. Did that exceed expectations?

Johnson: It depends on who you talk to. It’s more than anyone’s raised in this race in the last 18 years, so it probably does exceed some expectations. It’s obviously not enough to win this race. It’s enough to make it clear we will have a race. So it’s a good starting point.

HPR: How did you end up as a Senate staffer?

Johnson: I was a Rhodes Scholar. I had gotten caught up in a lot of economic issues for developing Sub-Saharan countries. I thought it would be a great beginning to a career to get involved in issues of developing countries. I wanted to get into the foreign policy community and working on The Hill was the best way to do that. I walked the halls and talked to people about getting a job. Sen. Dick Clark of Iowa introduced me to Sen. Frank Church. I got lucky one day and managed to find Frank Church’s staff guy, who was walking to the cafeteria clearly intending to find a few minutes of peace and quiet. He got me instead.

HPR: Was the Clinton administration’s decision to put the latest nuclear arms treaty up for a vote a good one?

Johnson: I agree that the Clinton administration started by making it clear the Senate had not taken up the treaty. But I also think Sen. Lott had decided to make it a partisan issue and very clearly put it on a fast-track executive calendar where they had all of 12 days to consider it. There were no real Foreign Relations Committee deliberations. Everything was out in public. I candidly think that was partisan politics at its worst.

HPR: You’ve been campaigning for the past, what, seven months?

Johnson: Six months.

HPR: Is foreign policy even on the radar with Indiana voters?

Johnson: It’s too early to tell you the answer to that. I think domestic issues in this state are more important at this time, Social Security, Medicare, health care, education and what the appropriate federal role is. The other issue that is certain to come up this year, and it hasn’t evolved yet, is what to do with this federal surplus. Should there be tax cuts? Should we put it into Social Security? What’s the right mix of things to do? We have to find out how much money there is first and I don’t think anyone has a reliable answer.
to that.

HPR: Sen. Lugar portrayed an interesting picture of global affairs before the Commonwealth Club in San Francisco, saying the United States has lacked leadership, the world is not going to be a stable place but inherently dangerous, but he says there will be immense opportunities if we assume a leadership role. What is your perception?

Johnson: I haven’t seen the speech. That’s a topic for some cause for concern. Sen. Lugar was in favor of committing ground troops in Kosovo and I’m not sure in retrospect that was a very good idea. America is still in the process of evaluating what its role in the world should be. It’s an evolving process. Sen. Lugar’s had an important voice in that debate, but I think there will be other points of view.

HPR: Democrats on the Hill are increasingly calling for reforms in the Freedom to Farm Act. How do you perceive the agriculture economy and what changes would you advocate?

Johnson: I don’t think it’s just the Democrats that are talking about that. The questions are obviously bigger than the Freedom to Farm Act itself. The question is whether that act in its current structure works. And I think the answer to that is not very well. There have been estimates that two-thirds of the net farm income in this state is going to come from the federal government and not from earnings. So if we think we’ve changed the subsidy system, I doubt that we have. I’m not saying we should go back to the old system as it was. I don’t know enough to make a statement about that. My suspicion is that going back is never a good idea. But does the current system work? Can we afford to make payments of $22 billion to bail out the farm economy? I doubt that too. My position is that I don’t have all the answers, but I know what we have is not the answer.

HPR: Viewing Sen. Lugar through the agricultural prism, can you make a case that he is out of touch?

Johnson: Possibly. I think he certainly needs to be better in touch with his constituents, at least from the farmers I’ve heard from and talked to.

HPR: Where are some of the deeper contrasts between you and Sen. Lugar on domestic issues?

Johnson: I’m not in a position to do that in great detail. When we get into a position to wage those issues I will be happy to talk with you about them issue by issue. I think we’ve not had a campaign for this Senate seat as long as I can remember that has talked about issues such as health care, education, Social Security, Medicare and jobs, frankly. I think in spite of the fact that we have a very strong economy at this point there are some real issues about the future of the economy in this particular state and some concerns people have about what the future holds for them. The federal government by no means has all the answers and in some cases, has none of the answers.

HPR: Give us some perspective on where you are on health care issues.

Johnson: Again, I’m not prepared today to give you a comprehensive policy. It’s certainly something worth talking about when there are as many uninsured Americans that we have now. It is not only something that we shouldn’t have as a country, but it is something that will ultimately cost us a great deal when you have that many people with no safety net. Obviously HMOs and the current delivery system for medical care for a number of people have a patchwork of conflicting regulations or no regulations.

HPR: Do the Kyoto accords have the potential to damage the manufacturing economy in Indiana?

Johnson: Possibly. But the question is, are we ready as a state to face the issues of a 21st Century economy?

HPR: Where do you stand on the abortion issue?

Johnson: I’m pro-choice. I believe in a woman’s right to choose.  

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**Indiana 2000 Racing Form**

**Governor:** Republican: U.S. Rep. David McIntosh, John R. Price. Democrat: Gov. Frank O'Bannon. **1996 results:** O'Bannon 1,107,342, Goldsmith 997,505, Dillon 35,261. 2000 **Forecast:** The governor’s most conspicuous legislative priority - stiffer fines for industrial pollutants - died in the House because the sole author, Rep. Jeb Bardon was sick. Sources tell HPR that Bob Kovach was seen having an animated discussion with Speaker John Gregg and Rep. Chet Dobis prior to the bill dying. Meanwhile, Republicans are slugging away at his 1996 campaign ad where he holds a property tax bill, contrasting it with his “Taxpayer Protection Plan” that delays reassessments and moves welfare off property taxes and on to the state budget. While the plan passed the House 83-16 on Monday, the Bloomington Herald-Times reported last Sunday, “O’Bannon’s property tax cut not likely to pass the state Senate.” Reporter Steve Hinnefeld wrote, “Leaders of the Senate have scoffed at the plan, pointing out that the bulk of the tax savings will be for property owners in a few urban counties.” As for the House vote, Hinnefeld observed, “Many House Republicans voted for the measure rather than skip what may be their best chance this year to vote for a tax cut.” At this point, O’Bannon doesn’t look like he’s going to get much of a bump out of the legislature and that will fuel GOP contentions that he lacks “leadership.” McIntosh released his campaign roster: Al Hubbard, general chairman; Jim Kittle, finance chairman; Kelli Waggoner, campaign director; Jim Huston, campaign manager; Terry Baker, finance director; Steve Austin, grassroots director; Rob Collins, press secretary; and Linda Gilcrest, campaign treasurer. Price celebrated his 59th birthday by filing at the Statehouse on Wednesday. General Status: Leans O’Bannon.

**U.S. Senate:** Republican: U.S. Sen. Richard Lugar. Democrat: David L. Johnson. 1998 results: Lugar (R) 1,430,525, Wickes (D) 668,778. 1994 results: Lugar (R) 1,039,625, Jontz (D) 470,799, Bourland (L) 17,343, Barton (A) 15,801. 2000 **Forecast:** Johnson announced that Tim Shock will manage his campaign (317-231-6298). Shock managed the 1998 South Carolina governor candidate Jim Hodges, who won an upset victory. Hodges overcame a 38-point deficit to defeat incumbent Gov. David Beasley. Johnson will use media consultants Greer, Margolis, Mitchell & Burns; pollsters Garin-Hart-Yang Research Group; and Crounse & Malchow for direct mail. Lugar will co-sponsor a bill to ban gambling on amateur sports. Lugar said he had been contacted by Notre Dame Fr. Edwin Malloy, Purdue President Steven Beering, and Valparaiso University President Alan F. Harre about sponsoring the bill. Status: Safe Lugar.

**Congressional District 2:** Republican: Mike Pence, State Rep. Jeff Linder, Andrew Phipps, Brad Steele, Bill Fraizer, Luke Messer. Democrat: Ron Guyre, Bob Rock Jr., Troy Liggett. **Geography:** Muncie, Anderson, Richmond, Shelbyville, Columbus and East Central Indiana. 1994 results: McIntosh 93,592, Hogsett 78,241. 1996 Results: McIntosh 122,288, Carmichael (D) 83,478, Zimmerman (L) 4,662. 1998 Results: McIntosh (R) 99,584, Bolles (D) 62,426, Federle (L) 2,236. 2000 **Forecast:** Guyre finally entered the race. Guyre is extremely late in doing so. Tom Scheck of Ball State radio offered this perspective on the 2nd CD from Muncie: “Guye just made his announcement. I think he’ll make some noise, just because he’s been in so many of these battles before with Phil Sharp. He really didn’t highlight how he would tackle these issues, but who really does? Rock has the name recognition but it seems like a lot of the Madison County Democrats are rallying around because of his pop, not because of him. Liggett lacks substance. Linder is a non-starter but he’ll get some respect because of his pop. As far as the Republicans ... Luke Messer is running ads in Muncie right now. He’s running on the theme that he worked in McIntosh’s office. Linder is trying to make some noise up here and is really trying to push that he’s a Ball State grad. As far as Pence, I haven’t heard a word from him or his campaign. There is one monkey wrench that could be thrown into this campaign and that’s Bill Fraizer. He’s got money and is a maverick so watch for him to try to steal far right
votes and hit the airwaves if he decides to really go after it.” Scheck was able to offer such a
candid assessment because he will be leaving next week to take a job with Minnesota Public
Radio. Pence battled a beltway blizzard to meet with a number of PACs. “We were very
encouraged by the response we received,” said Pence, who is about to go online with a new
website: www.mikepence.com. Pence said that one PAC director remembered him from his
1990 campaign and asked, “Where did you go to get this new Mike Pence. We need to send
about 100 members of Congress there too.” Pence said he replied, “Church.” Democrat Troy
Liggett opened his 2nd CD bid with the mayors of Winchester and Portland and said, “I have a
strong base of support in Eastern Indiana.” Winchester and Portland have a combined popula-
tion of less than 20,000, so we’re very skeptical of this so-called “strong base of support.”
Liggett also said that his commitment to the public trust includes “not accepting or soliciting
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contributions for the campaign from lobbyists while the Legislature is in session.” Contact
Liggett at Liggett4Congress@aol.com or 765-969-3254. State Rep. Ron Liggett will manage
his son’s campaign. **Primary Status:** Leans Pence (R); Tossup (D).

**Congressional District 4:** Republican: U.S. Rep. Mark Souder, Mike Loomis.

**Democrat:** Mike Foster. **Geography:** Fort Wayne, Huntington, NE Indiana. **1994 results:**
Souder 83,466, Long (D) 65,956. **1996 Results:** Souder 118,344, Houseman (D) 76,152,
Bisson (L) 4,743. **1998 Results:** Souder 93,671, Wehrle 54,286. **2000 Forecast:** Souder holds
a commanding $64,438 to $7,604 edge over Loomis in the year-end 1999 FEC report. Loomis
has a $25,000 debt left from his 1994 campaign. Loomis told the *Fort Wayne Journal Gazette*,
“The disparity reflects the advantage of incumbency. There’s no question that the system sup-
ports incumbency.” Loomis said he had requested an issues book from the NRCC and was
turned down. He has not been able to raise any PAC money. Souder was sharply critical of
President Clinton’s State of the Union address. “I struggle with that tone of what can this
country and Washington do for you,” said Souder (*Fort Wayne News-Sentinel*). “He’s saying to
people: ‘You can’t figure out how to fix your schools, so we in Washington are going to help.’
**Status:** Solid Souder.

**Congressional District 7:** Republican: Brian Kerns, Bob Griffiths, Doug Hess.

**Democrat:** Jeff Clapper. **Geography:** Terre Haute, Lafayette and Western Indiana. **1994
results:** Myers 104,359, Harmless 55,941. **1996 Results:** Pease 130,010, Hellmann (D)
72,705, Bourland (L) 7,125. **1998 Results:** Pease (R) 109,553, Hillenburg (D) 44,749. **2000
Forecast:** Griffiths officially entered the race. Kerns resigned as Pease’s spokesman, hired
Hammond & Associates to assist in fundraising and hired Wirthlin Worldwide to do his
polling. He announced that his five minor children will be his campaign’s honorary co-chair-
men. Kerns campaign can be reached at 812-298-0003. **Republican Primary Status:**
Tossup.

**Congressional District 8:** Republican: U.S. Rep. John Hostettler. **Democrat:**
John Hamilton, Dr. Paul Perry. **Geography:** Evansville, Bloomington, Vincennes and SW
Indiana. **1994 results:** Hostettler (R) 93,529, McCloskey (D) 84,857. **1996 Results:** Hostettler
(R) 109,582, Weinzapfel (D) 106,134, Hager (L) 3,799. **1998 Results:** Hostettler (R) 92,227,
Riecken (D) 81,381, Hager (L) 3,395. **2000 Forecast:** This assessment of the Democratic pri-
ciary comes from 8th CD Chairman Anthony Long: “The 8th is going to be very interesting.
Both camps seem to be doing more field work and monmey raising than making public splash-
es. I agree with your sources that Dr. Perry has been very active in Vanderburgh, Warrick and
Gibson counties. I suspect, however, his county level work extends well beyond those three
traditional Democratic counties. John Hamilton seems to be appearing more in the southwestern
part of the district of late. I don’t see the White River fish kill having an impact on this race;
not much coverage here. We are fortunate to have two really capable candidates and are look-
ing forward to a real old-fashioned 8th District primary (hopefully without the Seth Denbo
fireworks).” Hamilton kicks off his campaign at 9 a.m. next Monday at the Statehouse and
works south. Said Hamilton campaign manager Lisa Wagner, “Hostettler’s anemic fundraising
indicates a lack of grassroots support and a growing sense in the district that his partisan
Washington agenda is being rejected here at home.” **Democratic Primary Status:** Tossup.

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the Elephant, whose retirement became an emotional campaign issue. The Chicago Tribune reported that Bunny’s retirement to a Tennessee elephant refuge has been the stuff movies are made of. Apparently two elderly circus elephants - Jenny and Shirley - were brought to the refuge after years of separation. They remembered each other and have become inseparable. Bunny joined them last October and has become fast friends with the other two, refuge officials report.

AUSTIN FILES AGAINST LUTZ: Democrat Terri Austin has filed in HD36, a seat now held by State Rep. Jack Lutz. Austin is a former teacher and an administrator for Anderson Community Schools. HPR’s Horse Race lists HD36 as "leans" Republican.

COLLEGE VOTERS: The Indiana State Election Commission plans to distribute about 300,000 new voter registration cards to Indiana colleges and universities by October, the Lafayette Journal and Courier reported. “This is a big push,” said Bruce Northern, National Voter Registration Act coordinator with the Indiana Election Commission. “They’re trying to figure a way to encourage turnout. There have been studies that point out that people who start voting at age 18 turn out to be lifetime voters.”

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