CHAPTER FIVE

Taking Care of Business

"What's the influence in Farm Bureau? It's zilch. They don't talk to me. They don't pressure me. If they tried to I would say 'buzz off.' They don't drive us. They don't help us pay the bills. Our dues pay the bills. Farm Bureau membership fees pay the bills, so there's no connection."

— Former AFBF president Dean Kleckner commenting on the influence of Farm Bureau businesses on bureau policy.

or years, AFBF has fought laws designed to protect wetlands, wilderness areas, drinking water and streams. It has lobbied aggressively to weaken pesticide regulations and the Endangered Species Act and has been instrumental in blocking Senate ratification of international treaties to safeguard biodiversity and counteract global warming. Although these issues may have at least some bearing on agriculture, AFBF also has used its clout to push policies that have no apparent connection with farming.

Why would a supposed farmers' organization oppose higher fuel-efficiency standards for automobiles or fight Clean Air Act provisions that

apply almost exclusively to urban areas? Why would farmers care about easing restrictions on mining or deregulating telecommunications? Understanding the Farm Bureau's business ties offers some clues. Seemingly odd policy positions are easier to fathom in the light of the business connections outlined in previous chapters of this report, including Farm Bureau links to insurance, oil, chemical, automobile, timber, paper, communications and other industries. For example:

- The Farm Bureau has lobbied to privatize Social Security and to put limits on legal damage awards for product liability and medical malpractice steps that could substantially benefit insurance and financial businesses.
- AFBF is a member of the Coalition for Vehicle Choice, which helped defeat legislation to raise fuel-efficiency standards for automobiles. FBL Financial Group, which controls Farm Bureau insurance affiliates in 12 states, also owns stock in Ford Motor Co., Texaco and other oil and gas producers, according to FBL financial reports. The Iowa Farm Bureau owns 63 percent of FBL. IAA Trust, headed by Illinois Farm

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Bureau president Ronald Warfield, owns millions of dollars worth of stock in Ford Motor Co. and half a dozen oil companies. In addition, Farm Bureau-affiliated co-ops hold substantial stakes in oil refineries and retail gas stations.

Farm Bureau leaders insist that the organization's business ties have no influence over policies whatsoever. Policies are developed at the local level and move up through state farm bureau conventions to the national meeting, where voting delegates choose which resolutions to support. According to former AFBF president Kleckner, all policies "must have some connection with agriculture, even indirectly, or we wouldn't be involved." The Farm Bureau takes no position on most of the thousands of bills that move through Congress, he says, "because they are not directly enough related to farming."

With some AFBF polices, however, the connections to agriculture are hard to figure. Even the Farm Bureau's known financial interests do not fully explain why the organization even cares about certain issues. For instance:

- AFBF policy calls for restoring provisions in the 1872 Mining Act "that guarantee the rights and freedom of prospectors and miners." This law has allowed foreign corporations to extract billions of dollars in precious metals from public lands without paying more than minimal royalties to the government. It contains no requirements for land reclamation and elevates mining above all other interests on public land, including wildlife habitat, clean water and grazing rights.
 - The Farm Bureau played a leading role in

efforts to delay tighter standards on groundlevel ozone and particulate matter, an issue that primarily relates to urban areas. Public health officials had found that in many cities these pollutants were contributing to serious respiratory illnesses such as asthma, especially among young children. EPA blamed the pollution primarily on auto and diesel engine exhaust and industrial emissions. From the outset, EPA made it clear that agriculture was not a target and the proposed regulations would not require farmers to change the way they operate. Nevertheless, the Farm Bureau went out front in a public relations and lobbying campaign to delay implementation of new standards for four years.

For whatever reason, AFBF and its state affiliates have chosen to ally themselves with coalitions that include many of the most powerful trade associations in the country. AFBF has worked closely with the National Association of Manufacturers, American Petroleum Institute, National Mining Association, Association of International Automobile Manufacturers, Steel Manufacturers Association, National Asphalt Pavement Association, Associated General Contractors and many others.

In addition, AFBF and these industrial associations have formed alliances with conservative political groups, including the inappropriately named wise-use organizations. AFBF has contributed funds to many of these groups, including coalitions that are seeking to eviscerate the Endangered Species Act, roll back wetlands protections, lower clean air and water standards and thwart steps to reduce global warming.

THE WISE-USERS

"The Farm Bureau has become, in an odd way, a very attractive group to put in the forefront of all kinds of environmental fights that industry doesn't fight very well on its own."

— Ken Cook, Environmental Working Group.

Over the last decade, some of the greatest threats to environmental protection have taken shape among a conglomeration of so-called wiseuse groups. The common thread among these diverse organizations seems to be the belief that private property rights must always take precedence over the public good. Farm Bureau leaders have been active in the wise-use movement since its inception. In 1988, when wise-use leaders convened for the first time at a conference in Reno, Nevada, Farm Bureau representatives from Oregon and California participated. That meeting set an agenda for the movement focused on the goal of protecting private property while exploiting public resources. Among the specific goals, conference participants pledged to campaign for opening all public lands, "including wilderness and national parks," to mining and energy development; increasing logging of oldgrowth forests and allowing oil development in the Arctic National Wildlife Refuge.

Since then, the American Farm Bureau Federation (AFBF) and state farm bureaus have participated actively in and helped to fund wise-use coalitions. According to records compiled by the Clearinghouse on Environmental Advocacy and Research (CLEAR), a watchdog group based

in Washington, D.C., AFBF is a member of the most prominent wise-use group, the Alliance for America, which sponsors an annual "Fly In For Freedom" rally in Washington. The Farm Bureau has contributed funds to more than a dozen other wise-use organizations. Among them:

- ECO, the Environmental Conservation Organization, set up as the grassroots wing of the Land Improvement Contractors Association. ECO concentrates on property-rights issues. Members include representatives of the timber, pulp and paper, oil, mining, real estate, building, fur trapping and coal industries as well as AFBF and several state farm bureaus.
- Foundation for Clean Air Progress, which campaigns against stricter clean-air standards. Members include the National Asphalt Pavement Association, American Road and Transportation Builders Association, Petroleum Marketers Association of America, American Petroleum Institute, Asphalt Institute and AFBF.
- Air Quality Standards Coalition, which lobbied to delay implementation of tighter restrictions on ozone and particulate pollution. This coalition includes the National Association of Manufacturers, Geneva Steel, National Mining Association, American Electric Power Co., Mobil and Ford Motor Co.
- Global Climate Information Project, an industry alliance that includes auto makers, oil companies, manufacturers and AFBF. In 1997, this group spent more than \$3 million on an advertising campaign alleging that a proposed international treaty to curb global warming would hamstring the U.S. economy.
 - National Wetlands Coalition, set up by real

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estate developers, utilities and mining and oil companies to lobby for less restriction on commercial development of wetlands. The coalition also has lobbied for laws requiring taxpayers to compensate property owners whenever wetland regulations prevent development.

• National Endangered Species Act Reform Coalition was set up primarily by southwestern electric utilities. The coalition wants Congress to require that economic factors be considered in any plans to protect endangered species. It also has lobbied for new policies to make it more difficult to add species to the endangered list.

In addition to helping to finance these organizations, AFBF has contributed money to conservative think tanks and legal foundations, including the Cato Institute, Reason Foundation and Pacific Legal Foundation. Pacific Legal Foundation has used the funds to challenge clean water regulations, hazardous-waste cleanup requirements and wilderness designations.

The Farm Bureau also has ties to other antienvironmental legal groups. From 1985 to 1989, former Wyoming Farm Bureau president Dave Flitner was also president of the Mountain States Legal Foundation (MSLF), set up by arch-conservative beer magnate Joseph Coors primarily to challenge environmental restrictions on public lands. Former Reagan administration Interior Secretary James Watt served as the first MSLF president. Amoco, Chevron, Exxon, Ford Motor Co., Phillips Petroleum and other corporations provide funding. MSLF represented the Farm Bureau in its Yellowstone-Idaho wolf lawsuit.

Former AFBF president Kleckner served as vice chairman of the National Legal Center for

the Public Interest (NLCPI). According to CLEAR, NLCPI is an umbrella for other legal foundations, including Pacific and Mountain States. NLCPI gets money from AT&T, Exxon, Ford Motor Co., Gulf Oil, Kimberly-Clark, the Sara Scaife Foundation and Union Carbide. Ultra-conservative former Judge Robert Bork and Kenneth Starr, special prosecutor for the Clinton-Whitewater case, are listed as legal advisers to NLCPI.

FRIENDS HELPING FRIENDS

AFBF's own nonprofit, the American Farm Bureau Federation Foundation for Agriculture, has benefited from the Farm Bureau's close connections with the nation's business elite. In 1997, the foundation received more than \$10,000 apiece from Philip Morris, ADM, Nationwide Insurance, American Agricultural Insurance Corp., Asgrow Seeds and Kraft. Pharmaceutical, seed and pesticide giant Novartis contributed more than \$5,000. In 1993 and 1994, RJR Nabisco, maker of Winston, Camel and Salem cigarettes, contributed at least \$80,000 to agriculture sciences programs sponsored by the North Carolina and Kentucky farm bureaus.

Because of these links to the tobacco industry, it comes as no surprise that farm bureaus often are allied with big tobacco. For example, in 1998 the Maryland Farm Bureau lobbied against legislation for a tobacco tax to support a children's health and learning program. The bill included a tobacco crop conversion program and a health protection fund. It died in committee.

AFBF would like to see taxpayers foot the bill anytime its business associates are faced with

expenses for compliance with environmental regulations. AFBF policy states that "businesses, industries and farmers who have to expend sums of money to implement or prove they are meeting environmental regulations should be reimbursed for their expenditure." Such a policy could save businesses — and cost taxpayers — billions. If the tab ran too high, the Farm Bureau's reasoning implies, the government could simply dispense with environmental protection. This is clearly an option most Americans would not support, but the Farm Bureau's views are generally given great weight by lawmakers even when those views are at odds with those of the majority of American citizens.

POLITICAL POWER

"I remind Congress that our proposal is not a 'wish list.' It is a 'must do' directive."

— AFBF then-president Dean Kleckner commenting in October, 1998, on Farm Bureau-backed proposals, including fasttrack international trade authority and elimination of capital gains and estate taxes.

Of the more than 10,000 organizations that lobby Congress, few would presume to issue so brazen an ultimatum as the Farm Bureau's "must do" directive. But AFBF president Kleckner's demand was not mere chutzpah. The Farm Bureau wields enormous power with Congress and state legislatures. "It's extremely difficult to get anything through without them on board," says a Capitol Hill insider who asked not to be identified. Through the years, Farm Bureau lead-

ers have had close ties with conservative politicians. In 1991, Kleckner was on the short list of candidates for Secretary of Agriculture under President George Bush.

In compiling its annual list of organizations with the most clout in Washington, *Fortune* magazine surveys members of Congress, senior congressional staff and prominent lobbyists. The survey, called "The Power 25: The Influence Merchants," professes to tell "what Washington insiders already know: who are the true masters and who the mere pretenders." In 1998, the survey ranked AFBF 14th; in 1999, 21st. No conservation or environmental group has ever made the list.

In an article accompanying the 1998 survey results, Jeffrey H. Birnbaum wrote about that year: "Bills that should have been sure-fire failed, including ones designed to reduce teen smoking and improve the service of HMOs. . . . How could this be? The answers lie far from public view in a region inhabited only by lobbyists, interest groups and the lawmakers whose votes they seek. It's where some of the nation's most powerful people play an extraordinarily high-stakes game of persuasion, where backs are scratched, arms twisted, favors granted and redeemed. This is where the business of politics really gets done."

Part of the Farm Bureau's power stems from the presumption that the organization does indeed speak for the nation's farmers. But as this report illustrates, that impression may be mostly illusion. Those who have watched the Farm Bureau's maneuvering at close quarters speak of an organization in lockstep with business allies, pushing for causes that could never be classified

as part of a family-farm agenda. The Farm Bureau also has won friends on Capitol Hill through the traditional means of entertaining politicians and helping them finance their campaigns. In 1998, AFBF spent \$4.56 million on lobbying in Washington. State farm bureaus spent another \$250,000 on lobbying, according to documents compiled by the Center for Responsive Politics, a Washington-based public interest group. From 1989 to 1997, 18 stateaffiliated farm bureau political action committees (PACs) contributed a total of \$1.2 million to federal candidates. While the Farm Bureau does not support a national PAC, from 1989 to 1997 AFBF contributed \$38,000 in "soft money" (donations not regulated by campaign finance limits) to the national political parties — mostly to the Republican National Committee. In addition, employees of the Farm Bureau and related businesses contributed to individual campaigns.

With a few exceptions, the beneficiaries of Farm Bureau largesse have some of the worst records in Congress on conservation and environmental issues, according to scorecards of the League of Conservation Voters (LCV). LCV evaluates legislators on the basis of their votes on such issues as wetlands preservation and pollution control. For the most part, the Farm Bureau has been spending its money on politicians who generally side against environmental protection.

In making a pitch for contributions to its PAC, the Arizona Farm Bureau advertised its activities as "Lobbying that carries power with punch." It told members their assistance was critical to counter labor unions and environmental groups that are trying "to create self-serving leg-

islative regulation aimed at putting you out of business . . . and they are only two of the many groups looking to put farmers and ranchers in the unemployment line."

AFBF has lobbied for legislation to bar labor unions from using membership dues for political purposes without express consent from individual members. AFBF also has supported restrictions on lobbying by other nonprofit groups. Agricultural organizations, including the Farm Bureau, were specifically exempted from these proposals. It would be interesting to see what might happen if the Farm Bureau had to abide by the rules it wants to impose on labor unions. Labor union members at least get to vote within their organizations. Much of the money the Farm Bureau uses for its political activities comes from membership dues paid by insurance customers who are not allowed to vote in Farm Bureau elections and have no say in Farm Bureau policies. Those insurance customers constitute the majority of Farm Bureau members. By some estimates they make up as much as 80 percent or more of the organization's "members." As this report points out, many of those insurance-customer members are not even aware of how the Farm Bureau is spending their money.

Tony Dean is one Farm Bureau insurance customer who has made it his business to find out. "They are opposed to wetland acquisition, regulations — anything that means a good environment," says Dean, an outdoor writer and popular South Dakota television and radio show host. "If the average person saw what their policies were, the Farm Bureau wouldn't exist. But they don't operate at that level. They are very

PAC CONTRIBUTIONS AND ENVIRONMENTAL VOTING RECORDS 1989-1999 **League of Conservation Voters** AFBF PAC **Recipients National Environmental Scorecard Ratings** contributions* 1994 1993 1995 1996 1997 1998 (\$) Steve Buyer (R-IN) 20% 12% 0% 7% 25,000 31% 6% 23,746 Jim Lightfoot (R-IA) 0% 0% 10% 4% Charles Stenholm (D-TX) 22,250 12% 15% 15% 10% 25% 6% David McIntosh (R-IN) 20,000 0% 15% 14% Greg Laughlin (D-TX) 19,099 30% 19% 0% 0% Tim Roemer (D-IN) 18,700 55% 70% 73% 46% 62% 50% Frank Riggs (R-CA) 18,250 0% 23% 13% 7% Ike Skelton (D-MO) 17,650 31% 23% 31% 19% 21% 50% David Camp (R-MI) 16,480 20% 8% 8% 38% 13% 17% Mike DeWine (ROH) 15,500 31% 31% 29% 13% Lee Hamilton (D-IN) 70% 65% 62% 15,400 54% 62% 63% Dianne Feinstein (D-CA) 14,930 100% 100% 63% 77% 85% 85% Gary Condit (D-CA) 14,760 25% 19% 31% 31% 50% 34% John Doolittle (R-CA) 14,420 15% 4% 0% 0% 13% 7% Richard Lugar (R-IN) 14,250 6% 31% 15% 15% 0% 7% Bill Emerson (R-MO) 13,500 10% 0% 0% 0% Chet Edwards (D-TX) 13,000 50% 35% 31% 38% 25% 31% Wally Herger (R-CA) 12,242 15% 4% 0% 0% 7% 13% Kika de la Garza (D-TX) 12,073 60% 54% 31% 23% Henry Bonilla (R-TX) 12,000 15% 4% 0% 8% 13% 7% Richard Chrysler (R-MI) 8% 11,750 46% Christopher Bond (R-MO) 11,629 6% 15% 0% 0% 14% 7% Kay Bailey Hutchison (R-TX) 10,807 0% 0% 15% 15% 0% 0% Jim Nussle (R-IA) 10,693 20% 19% 8% 8% 13% 21% Earl Hillard (D-AL) 10,631 62% 69% 62% 48% 60% 31% James Talent (R-MO) 10,440 25% 23% 8% 23% 19% 17% Phil Gramm (R-TX) 10,250 0% 8% 8% 0% 0% 6% Charlie Rose (D-NC) 54% 10,250 60% 38% 54% Vic Fazio (D-CA) 62% 62% 50% 66% 10,100 55% 77% Jill Long (D-IN) 10,000 60% 65% Ed Pease (R-IN) 10,000 38% 31% 0% Lamar Smith (R-TX) 10,000 15% 0% 8% 6% 7%

*Source: Center for Responsive Politics

close to the upper echelon of decision-making in the state and federal government."

The South Dakota Farm Bureau was not happy when Dean, a registered Republican, circulated a list of Farm Bureau-endorsed policies in a campaign brochure for the Democratic candidate in the race for South Dakota public lands commissioner. The Republican candidate for land commissioner was a board member of the South Dakota Farm Bureau. Dean says he thought the public ought to know exactly what the Farm Bureau supports. "I lifted the policies straight out of the Farm Bureau's manual," he says. Two days after the brochure hit the mail, Dean says he got "steaming" letters from Farm Bureau officers and board members, along with phone calls accusing him of being a Communist and left-wing radical.

The Farm Bureau candidate lost. Perhaps South Dakota voters sensed that someone representing an organization that consistently opposes protection of public resources might not be the best person to put in charge of state-owned lands. A close look at Farm Bureau policies reveals a radical agenda with little concern for protection of treasured national resources.

NO NET LOSS OF PRIV ATE PROPERTY

"We strongly urge that no more private property be acquired by state or federal governments for wilderness, national preserve or any other nonproductive, non-economical use without first conducting a binding referendum of property owners in the county or counties directly affected."

— AFBF 1999 policy manual.

Perhaps the Farm Bureau did not intend that such anti-democratic language sneak into its policy manual, but the provision on federal land-acquisition clearly harkens back to a time before the principle of one-man-one-vote, when only the landed gentry were allowed a voice in affairs of state. But if property owners alone will not be allowed to decide the fate of public land, the Farm Bureau has a fallback position. "County governments should have the right to ratify or reject any proposed wilderness area," the AFBF policy manual declares. This would give county governments veto power over decisions involving lands that belong to all Americans.

The Farm Bureau opposes all expansion of wilderness areas and is urging reevaluation of all existing wilderness designations. In addition, AFBF wants the National Park Service to "cease efforts to condemn and acquire privately owned farmland and ranch land within the boundaries of national parks." At the same time, the Farm Bureau would like the government to improve roads through national parks to allow more motorized access.

Furthermore, the Farm Bureau would like to prohibit the government from acquiring additional land for any purpose, whether to protect sensitive watersheds from development or to protect endangered species habitat. AFBF has adopted a policy of "no net loss of private property," meaning that government agencies could not purchase land without first selling off property to private buyers. "What happens when the federal government gobbles up land?" asks a Farm Bureau website essay. "First, more and more land becomes inaccessible to the public."

That's an odd concept, since generally it is private landowners who forbid trespass and public land that most people are allowed to use. But AFBF takes the bold position that Congress should sell off all federal public domain and national forest lands to private individuals. The sales should include all subsurface oil and mining rights, AFBF's policy manual says. If Congress is not willing to go that far, the Farm Bureau wants ownership of such federal lands transferred to the states.

For a number of years it appeared that the Farm Bureau's public lands agenda might prevail in Congress. Now, however, popular demand for protection of our shared national resources has become so great that even long-time Farm Bureau allies in Congress appear to be listening. "Sensing widespread support for programs to preserve open spaces, lawmakers from both parties have offered competing proposals that exceed even the Clinton administration's record \$1.1 billion request to protect open land from development," the New York Times reported on March 11, 1999. "But the differences serve mainly to underscore the political popularity of spending more on conservation, demonstrated by the success across the country of ballot measures to buy open space and preserve it for the public good."

Part of the money for these projects would come from the Land and Water Conservation Fund, a program that taxes offshore oil production to pay for conservation. AFBF policy calls for repeal of the Land and Water Conservation Act, which established the fund. This policy comes as no surprise. The Farm Bureau has repeatedly opposed measures that offer protec-

tion for land, water or wildlife. For example:

- The New Mexico Farm and Livestock
 Bureau adopted a resolution requesting the state
 attorney general to "investigate the activities of
 The Nature Conservancy in New Mexico to
 determine whether conspiracy exists between it
 and government entities." The Nature
 Conservancy has been active in negotiating with
 New Mexico landowners for conservation easements to prevent development of open land.
- The Idaho Farm Bureau pushed a joint memorial in the 1998 legislature opposing designation of "any river, watershed or river segment within the state of Idaho" as an American Heritage River. The memorial passed the house but not the senate.
- The Oklahoma Farm Bureau has tried to block protection of the Red River, which delineates the border between Texas and Oklahoma. According to its policy manual, the bureau opposes all proposals "for potential wildlife habitats, parks, 'wetlands' preserves, hiking/biking recreational areas, wilderness designations, game preserves and Wild and Scenic River designation on the Red River. All land should remain in private ownership."

AFBF opposes expanding the national wild and scenic rivers system and wants land already acquired under the national program to be "returned to the original owners." (Presumably this excludes the Native American tribes who owned the land before the arrival of white settlers.) AFBF opposes a national policy of "no net loss of wetlands" and believes isolated wetlands such as vernal pools and prairie potholes should not be protected under the Clean Water Act.

AFBF opposes any legislation to regulate the sale and use of nitrogen fertilizers even where they have been found to pollute lakes, streams or estuaries. And AFBF insists that fertilizer runoff is not contributing to the "dead zone" at the mouth of the Mississippi River, scientific evidence to the contrary notwithstanding.

COMPENSATION FOR COMPLIANCE

"We oppose any action that infringes on an individual's right to own and manage private property, including stream beds, stream banks, water rights, wetlands, mineral rights and adjacent private lands. . . . We support legislation protecting the rights and property of private property owners against animal rights activists and environmental activists."

— Oklahoma Farm Bureau policy manual.

The Farm Bureau supports a broad interpretation of private property rights that would require taxpayers to compensate property owners for the costs of compliance with environmental regulations. AFBF takes the definition of property rights even further by classifying private use of public land as a property right. AFBF's policy manual insists that taxpayers should compensate ranchers whenever grazing permits on public land are revoked or ranchers are required to reduce cattle numbers on public land.

Federal courts disagree. The Tenth Circuit U.S. Court of Appeals in Denver recently reject-

ed a claim of New Mexico rancher Kit Laney that the Forest Service acted illegally when it revoked his grazing permits in the Gila National Forest.

Federal scientists had concluded that the statutory wilderness areas where Laney held leases had been seriously damaged by overgrazing. Laney claimed that his grazing leases constituted vested property rights. The court ruled that ranchers do "not now hold and have never held a vested private property right to graze cattle on federal public lands. At the time plaintiffs' predecessors began ranching, grazing on the public domain was a privilege tacitly permitted by the government by an implied license."

Nonetheless, AFBF continues to argue that federal agencies should be prohibited from taking any action to protect public land in areas where ranchers hold grazing permits. For example, the Farm Bureau argues that the government has no right to fence off streamside riparian zones within grazing allotments even though biologists have concluded that cattle grazing has been a major factor in the destruction of these fragile ecosystems throughout the West. Riparian zones provide critical habitat for hundreds of species, including many that are endangered.

The Farm Bureau's opposition to protection of critical streamside habitat fits a pattern that the organization has followed throughout its history. As detailed in Chapter Six, whenever policy questions involve protection of species with no immediate commercial value, the Farm Bureau nearly always assumes an adversarial position.