

# Studying the Power Elite

Fifty Years of *Who Rules America?*

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## Introduction

How can we explain the disproportionate success of corporate control in U.S. public policy? G. William Domhoff has spent years digging in the trenches, uncovering the skeletons of past power struggles. He has exposed volumes of data, but more importantly, he has fashioned a theoretical and epistemological framework. Domhoff demonstrates the methodological imperative of looking beyond actors involved in final decisions. He shows the need to investigate the overlapping networks of foundations, think tanks, policy-discussion groups, corporate boards, and branches of government involved in policy outputs. I begin by acknowledging how labor intensive it is to try to replicate Domhoff's accomplishments—even on one relatively minuscule topic.

Theoretically, Domhoff has navigated the terrain between neutral-pluralism and a totally captured state. The neutral state advocates maintained that the state is nothing more than the aggregation of individual participants and preferences. Democratic states are pluralist; all participants have equal weight. The pluralist perspective entered the discourse with Robert A. Dahl and continued in the form of organizational studies such as that of Mizruchi. Elites are simply too fractionalized, Mizruchi argues, and therefore are incapable of capturing the state. On the other end of the continuum is the captured-state, a modern version of the Marxian position that the state is nothing more than a committee to manage the common affairs of the bourgeoisie. Domhoff's work demonstrates that neither of these adequately explains the role of corporations in public policy.

Epistemologically, Domhoff's work is first and foremost grounded in Marxism—it's about class struggles. And, these are class struggles in the context of democratic capitalism. The work is also informed by the theoretical contributions of Gramsci (hegemonic dominance) and the empirical contributions of numerous political scientists such as those mentioned in his introductory essay. One succinct way to portray Domhoff's approach is to use the scheme elaborated by Przeworski (1985). He describes the democratic state as a zone of struggle somewhere between two extremes (in his model, dictatorship and socialism). The battles over public policies, policy outcomes, and policy applications are indeterminate: sometimes the workers win and sometimes business wins; sometimes domestic capital wins and sometimes international fractions of capital win. This is consistent with Domhoff's unequivocal position that despite policy-planning networks and influential institutions, the power elite is not always successful. This does not make him theoretically agnostic; causality is at stake. It would be erroneous to conclude that the observed "indeterminacy" of public policy outcomes or a less-than-100 percent probability of "winning" supports the neutral/pluralist state position.

At the micro level, Domhoff investigates the organizational strength and cohesion of different actors and the implications for public policy. How are the fractions of the ruling class, the workers, or citizens internally divided or united? What role does the state have in organizing some classes and disorganizing others? What are the conditions under which legislation is successfully proposed, passed, or resisted (Stryker 2007)?

Methodologically, Domhoff's approach is one of rejecting counterfactuals (my description, not his). Domhoff's main strategy is to consider data that had been ignored by scholars at both ends of the debate. Often this means providing evidence of institutions, influence, and linkages that existed before that offered by his nemesis. When he turns to the passage of the National Labor Relations Act (NLRA), for example, he evaluates not just the years before the passage but the corporate position at the turn of the century. In his analyses, Domhoff has followed the template of network analysis. When he began, he presented linkages in terms of the sociological template of sociometry. This template was raised to a more formal level beginning with the work of Harrison White, and disseminated and advanced by Breiger and others.

## Poultry Politics

The U.S. poultry industry must function within the confines of several legislative arenas, including labor, consumer protection, environment, foreign

policy, and animal rights. They all affect the profit of producers. Regarding labor, business is in a constant struggle with workers over their right to unionize, wages, and the conditions of work. A 2005 GAO (General Accounting Office) report found that poultry plant injuries ranked high among industries; hand ailments were common. The report also ranked poultry as one of the lowest-paid industrial jobs. In 1991, at the Imperial Foods Chicken Plant (Hamlet, North Carolina), some 200 workers were trapped in a burning chicken factory unable to escape. Twenty-five were killed and fifty were injured. State investigators cited the company with eighty safety law violations and fined it \$800,000. Safety violations included doors locked from the outside and an absence of sprinklers and fire alarms. The owner spent four years in prison. The firm never reopened. Regarding labor, businesses are in a constant struggle with unions, National Labor Relations Board (NLRB) decisions, Occupational Safety and Health Administration (OSHA) investigations, Department of Labor, and U.S. Immigration and Customs Enforcement (ICE; formerly the U.S. Immigration and Naturalization Service, or INS), but overall they seem to have the upper hand.

In the case of consumers, the industry is subject to inspections that are intended to protect consumer health. The Food Safety and Inspection Service (FSIS) of the U.S. Department of Agriculture (USDA) is responsible for oversight and issuing recalls. A recent "Class I" recall (a health hazard with a reasonable probability that the product will cause serious, adverse health consequences or death) involved canned organic roasted chicken breast contaminated with foreign materials. The producer had to recall 5,610 pounds. In another case, Tyson Foods Inc. (September 2016) had to recall approximately 132,520 pounds of fully cooked chicken nugget products that might have been contaminated with hard plastic. Such consumer recalls adversely affect company profits.

Environmental oversight also threatens industry profits. In 1993, the Maryland executive director of the Chesapeake Bay Foundation called on the federal government to force poultry companies to take responsibility for manure, alleging that the industry was the primary source of Chesapeake and coastal bay pollution.

Because of the importance of exports, the industry is affected by U.S. foreign relations. Foreign policy may result in U.S. trade embargoes of nations, jeopardizing industry profits. Conversely, other nations may use phytosanitary complaints against U.S. producers as a strategy for protecting their own industries. In such cases, the U.S. foreign policy apparatus may be required to "neutralize" the trade barrier. President Bill Clinton, for example, exchanged support for Boris Yeltsin's re-election for Russia's agreement to drop its embargo against American chicken.

A fifth arena of struggle is that of animal rights. From time to time animal advocates are successful in passing legislation addressing the pain and suffering of birds. In the 2016 election, Massachusetts voters approved a ballot question that banned the sale of foods derived from animals raised in cruel conditions, and mandated minimum cage sizes.

How are we to understand poultry policies? Do product recalls suggest a consumer-advocate victory? Did the 1986 NLRB *Harter Equipment Inc.* ruling, which upheld the legality of permanently replacing strikers with temporary workers during a lockout, constitute the power of business over workers? The NLRB's decision, based on a 1938 Supreme Court ruling upholding the legality of permanently replacing strikers, makes it crystal clear that an employer can lock out strikers and then continue operating with temporary replacements (Serrin 1980). This is an effective tool used by poultry firms in the 1980s to temper or destroy overzealous unions.

A perusal of poultry legislation reveals oscillations: sometimes toward business, at other times toward the other stakeholders (consumers, environmentalists, animal activists, or foreign importers). Such indeterminacy might even appear to support the pluralist/neutral state interpretation. Not so fast, Domhoff would say, the power elite perspective offers superior explanatory power. Although it's clear that deregulations in any of the aforementioned arenas are best for industry, individual companies and producers associations must continually intervene in the policy arena. Industry's strategies run from formal to informal; from legal to illegal.

There have been imaginative cases of "illegal" management strategies to deal with labor organization. In 1980, when the United Food and Commercial Workers (UFCW) tried to unionize the Perdue plant at Accomac and again in 1981 when the union planned to picket a Perdue restaurant in New York, Frank Perdue turned to a member of the Gambino crime family for help with his labor problem. He failed to enlist mob support in both cases and, according to the 1986 report of the President's Commission on Organized Crime, Perdue violated no law. Perdue said, "In hindsight, I should never have had the meetings" (U.S. News and World Report 1986).

The Pilgrim's Pride "Company Perspectives" (nd) reported that the "only blemish for the company . . . was Pilgrim's involvement in a campaign contribution scandal with eight Texas lawmakers." In 1989, Mr. Pilgrim had handed out \$10,000 checks to Texas senators (with the payee's name left blank), to help persuade them to gut the state's workers' compensation laws. Mr. Pilgrim successfully defended himself before a grand jury and was not indicted.

In 1997, Mike Espy, President Clinton's Secretary of Agriculture, was indicted on 39 counts of corruption. He pleaded guilty to one count, and in 1998 was acquitted by a federal jury of the remaining charges. His lawyers argued that the gifts were not illegal; rather they stemmed from long-standing friendships with members of the industries, and did not influence him in official decision-making. The independent counsel appointed by Attorney General Janet Reno got Tyson's Foods to agree to pay \$6 million after pleading guilty to making illegal gifts to Mr. Espy.

In 2001, the Department of Justice brought a federal indictment against Tyson. As a result of an INS undercover action (Operation Everest), managers were accused of a seven-year scheme to recruit and hire hundreds of illegal immigrants from Mexico and Guatemala. The indictment further claimed that Tyson paid \$100 to \$200 per head to smugglers. No Tyson executives were convicted but a former employee was.

Domhoff's power elite perspective would direct us to those formal and legal interventions on behalf of the industry. Lobbying and campaign contributions formed an important conduit linking corporate control to poultry policies. During Clinton's Arkansas governorship, Tyson benefited from about \$12 million in tax breaks for expansion projects. Mr. Tyson denied that there was anything inappropriate; rather, he argued, the largest employer (22,000 workers) and the Arkansas governor have to work together (McGraw and Simons 1994). Tyson Foods donated to the presidential inauguration funds of Clinton (\$100,000 in 1993) and Bush (\$100,000 in 2005) (Buncombe 2005). More detailed descriptions of the aforementioned examples can be found in *The Chicken Trail* (Schwartzman 2013).

### *The Domhoffian Research Agenda—How Many Years Do I Have?*

Each policy represents a research agenda. There are hundreds of cases involving the poultry industry on the five aforementioned dimensions. For each case we would need to ask: is the emergence of policy helped or stymied by a lack of unity among the power elite (individual firms, business interest groups, and governmental representatives); and what was the network through which the policy preferences materialized. The collection of answers would allow a generalization about the "poultry power elite," corporate control, and its effect on public policy. Here I present one infinitesimally small



slice of the ongoing struggle. The Cuban embargo was one place where U.S. foreign policy and domestic policy collide.

### *U.S. Exports—Weapons of Foreign Policy*

Poultry industry executives and representatives have continuously engaged with branches of government to maintain their capacity to export. In 2014 about 21 percent of U.S. poultry production was exported. But trade is an armament of foreign relations, and poultry producers have sometimes been sacrificed for U.S. foreign policy goals. Trade restrictions were written into the Jackson-Vanik amendment to the Trade Act of 1974. It established criteria by which countries would gain (or be denied) the Most Favored Nation (MFN) status. The MFN were approved for Normal Trade Relations with the United States and access to U.S. government financial facilities. These are the two fundamental pillars for U.S. exporters: unfettered ability to trade and to offer credit or financing.

The Department of Treasury's Office of Foreign Assets Control (OFAC) helps enforce economic and trade sanctions. Tyson Foods, along with companies such as Ikea, Harper's Bazaar, banks, and others together have paid millions of dollars to settle federal government allegations that they violated U.S. trade embargoes based on the 1974 Act. Tyson Foods reportedly shipped \$250,000 worth of frozen chicken parts to Iraq through a broker in Jordan, violating a U.S. trade embargo (Reddy 2002).

Since the 1990s, Russia has been a major destination for U.S. meat exports. Russia had put an embargo on U.S. poultry for alleged phytosanitary violations. In a 1995 summit meeting in Egypt, President Clinton agreed to publicly support Russian President Boris Yeltsin in his re-election. Yeltsin was becoming increasingly unpopular for his war against Chechnya. In what became known as "Chechens for Chickens," Clinton's support was given in return for Yeltsin's lifting the embargo of U.S. chicken. At the time, 90 percent of U.S. poultry exported to Russia originated with Tyson Foods.

For U.S. companies to benefit from Russia's accession to the World Trade Organization (WTO), Congress had to strike Russia from the Jackson-Vanik legislation's barred list and authorize the president to extend permanent normal trade relations (PNTR). The National Chicken Council enthusiastically supported granting Russia PNTR status. In 2013, poultry and meat ranked No. 1 among U.S. food exports to Russia, but in 2014, Russia threatened a ban on U.S. poultry imports. Because WTO rules make it difficult to impose import restrictions, Russia's Veterinary and Phyto-Sanitary

Surveillance Service claimed that it found signs of the antibiotic tetracycline in four shipments of U.S. poultry. More recently, poultry producers were caught in the cross fire of U.S. sanctions against Russia for its support of Ukrainian rebels. These examples show how easily U.S. foreign policy can become injurious for poultry exporters and why they must be organized and attentive.

One important industry organization, USAPEEC (USA Poultry and Egg Export Council), works with other industries and trade associations that advocate for industry on trade policy issues. It then acts as an intermediary with the USDA in Washington, and with embassies and Agricultural Trade Offices around the world. Its membership includes the National Chicken Council, National Turkey Federation, United Egg Association, the U.S. Poultry & Egg Association, and the U.S. Agricultural Export Development Council. In total, it represents forty-eight processors, eighty-nine trading companies, fifteen commodity groups, and seventy-one associate members (shipping, cold storage, port authorities, etc.).

The Trade Act of 1974 placed extremely strict restrictions on U.S. financing of exports. As early as 1906, U.S. banks sought the ability to finance U.S. exports. Then, as now, bankers argued that only by extending credit to foreign buyers could the U.S. successfully compete with European exporters. The U.S. Congress finally responded to this need with the Federal Reserve Act of 1914. It authorized American banks to establish branches in foreign countries. This link between trading and extending credit is equally vital today.

U.S. agricultural exporters to Mexico have benefited from numerous USDA "credit" programs. The Export Credit Guarantee Programs (GSM 102 and 103) provide loan guarantees for specific commodities. Agricultural exports destined for Mexico received the highest amount of all GSM loans between 1980 and 1994. In 1983, more than half of the U.S. agricultural sales to Mexico were financed with GSM credits (GAO 1990, 34). The U.S. Export-Import Bank (EXIM) also assists by offering credit insurance, long-term loans, and guarantees. In the event that a foreign buyer goes bankrupt, defaults, or is otherwise unable to acquire U.S. dollars, EXIM protects the U.S. exporter. In 1994, "the Ex-Im Bank provided more services to U.S. business selling to or investing in Mexico than in any other country in the world" (Detzner and Gonzalez 1995). In 1997, the second highest award (\$440,000) from the Market Access Program (USDA Foreign Agricultural Service [FAS]) went to Tyson Foods (105th Congress 1998). None of these USDA subsidies or credits is available for financing Cuban purchases. For the poultry industry this constitutes a restraint on trade.

## *The Cuban Embargo—Summary*

Sanctions against Cuba have vacillated since 1960. Each executive decision involved conflicts among the various stakeholders. The initial sanction prohibited all U.S. exports to Cuba, excluding food and medicine. Then President Kennedy placed a total trade embargo: a prohibition on all financial and commercial transactions, and a prohibition on travel. Under Presidents Ford and Carter, fragments of the embargo were loosened. In the 1980s, President Reagan reinstated the travel ban and the prohibition on U.S. citizens spending dollars in Cuba. In 1983, Reagan enlarged the coverage by imposing a ban on nickel products from the Soviet Union, which bought nearly half of Cuba's nickel production. With the 1992 Cuba Democracy Act, President George H.W. Bush tightened the embargo to prohibit foreign subsidiaries of U.S. companies from trading with Cuba, prohibited travel, and restricted family remittances. The 1992 act also prohibited entry into the United States of vessels that had entered Cuba within the preceding 180 days. In 1996, Clinton signed the 1996 Cuban Liberty and Democratic Solidarity Act (Helms-Burton Act). It imposed penalties on foreign companies doing business in Cuba and on U.S. citizens traveling to Cuba. And, it withheld payments to international organizations in amounts equal to any loans or other assistance they provided to the Cuban government.

In 1999, President Clinton began to normalize relations: permitting direct mail service; raising the remittances levels; expanding the number of direct passenger flights; and importantly, authorizing agricultural sales to non-government entities. The 2000 Trade Sanctions Reform and Export Enhancement Act (TSRA) signed by Clinton removed unilateral agricultural and medical sanctions, and exempted business travel from the long-standing embargo. Exports were controlled through one-year licenses. The law continued to deny exporters access to U.S. government or private commercial financing or credit, and required payment in advance of delivery. In 2005, under President George W. Bush, the travel ban was again tightened, in particular regarding the payment scheme. In 2009 and 2011, President Obama eased travel restrictions, ended restrictions on Cuban Americans and business travelers, and authorized a higher quantity (\$3,000) and unrestricted destination of remittances (LeoGrande 2015).

## *Agricultural Exports to Cuba*

Cuba depends on imports to feed its 11 million citizens and growing numbers of foreign visitors. About 80 percent of its food is imported (Scuse 2015). Notwithstanding the U.S. trade embargo, Cubans have been eating U.S. chicken

since 2001. Poultry was among the exports authorized by Congress in the 2000 TSRA. In December 2001, the first month after the embargo was lifted on agricultural and medical products, Cuba bought \$4.3 million worth of food and agricultural products. Then it ranked 144th out of 226 global agricultural export markets. By 2003, Cuba was the 35th-largest export market for U.S. agriculture (Varney 2004). In 2014, poultry and meat made up 49 percent of all U.S. agricultural exports to Cuba (USDA 2015).

Poultry exports to Cuba continued to increase following the termination of unilateral agricultural sanctions. The Cuban purchases of U.S. poultry in 2015 were forty times greater than in 2001 in contrast to global purchases, which doubled during the same period.<sup>1</sup> Cuba in the past few years has ranked somewhere between the top fourth and eighth-largest export market for U.S. broilers. In 2014, frozen chicken-leg quarters, a relatively low-cost poultry cut, accounted for 83 percent of U.S. broiler meat exports (Zahniser et al. 2015).

Nevertheless, U.S. agriculture has stiff competition from Europe and Brazil: the U.S. market share slipped from a high of 42 percent in FY 2009 to 16 percent in FY 2014 (USDA 2015). This is due to U.S. export-financing rules. Rep. Rick Crawford (R-Arkansas) opined that these finance rules have effectively ended U.S. exports of rice and wheat to Cuba. Cuba now buys rice from Vietnam and Brazil, and wheat from Europe and Canada (Bloomberg 2016). There is consensus among U.S. agricultural producers that Cuba would become a significant market with further relaxation of the embargo, particularly the export-finance rules. Poultry producers in Georgia, Alabama, and Arkansas would very much like to terminate the detrimental regulations that require payments before shipment, and prohibit extension of any U.S. public or private credit. Unfortunately, the Southern states that could benefit significantly have Republican representatives who have traditionally opposed lifting the embargo because of Cuba's Communist government (Yu 2015). It is to this clash over financing in that period that I now turn.

Although the Association for Linen, Uniform and Facility Services Industry (TRSA) opened trade (Title IV of Public Law 106 387), the financing restrictions as outlined in the Trade Act of 1974 remained unchanged. U.S. government agencies—including USDA—were prohibited from providing U.S. export assistance, or any U.S. credit or guarantees for exports to Cuba. As Agriculture Secretary Tom Vilsack said, he can't use a single dollar of trade promotion funding for trade with Cuba. These restrictions apply to FAS's successful cooperative market development programs like the Market Access Program and the Foreign Market Development Program (National Chicken Council 2015). Poultry exporting under these conditions was difficult.

## *Poultry Exports*

President George W. Bush placed an additional hurdle on the export-financing restrictions. He proposed a reinterpretation, which would require Cuba's import agency, Empresa Cubana Importadora de Alimentos (Alimport), to pay cash for commodities *before* departure from a U.S. port. Trade with Cuba was a political quandary for President Bush. He was pressured by constituencies that he needed for his 2004 fall re-election. Cuban Americans in Florida viewed the forty-year effort to strangle Castro's Cuba of foreign currency, goods, and services as paramount to a regime collapse. U.S. agribusinesses saw Cuba as a lucrative market (Gross 2004).

There were, and continue to be, four major stakeholders. Extremely organized and active lobbies represent agriculture (farm organizations, agricultural commodity associations, and agribusiness firms), industry, and commerce. In 1998, in the Congressional debate leading to the 2000 TRSA, USA\*Engage included 675 American companies that were involved in exporting. The U.S. Agriculture Coalition for Cuba (USACC) represents more than thirty agricultural organizations and companies committed to a deeper U.S.-Cuba relationship. The National Chicken Council and USAPEEC promoted embargo elimination. They also participated in broader coalitions. The foreign policy preferences of the business associations were bolstered by a second, less powerful and less aggressive stakeholder—an assortment of religious and humanitarian groups who desired to end the embargo. They are too numerous to mention but include organizations such as Americans for Humanitarian Trade with Cuba. An alliance of some 600 business and 140 religious and human rights organizations emerged after Pope John Paul II's 1998 trip to Cuba. They were joined by an increasing number of think tanks dedicated to different versions of reasonable foreign relations with Cuba. They included bodies such as the Center for Democracy in the Americas (CDA), the New America Foundation (U.S.-Cuba 21st Century Policy Initiative), the Center for International Policy (Cuba Program), and the Latin America Working Group.

The third stakeholder is made up of Cuban Americans. The pro-embargo pressure from the Cuban lobby, Cuban associations, and Congressional representatives continued throughout the whole period. Their ardent embargo position appears to be based on a moral argument. Robert G. Torrecelli (D-New Jersey) argued that Cuba is the greatest rogue regime in the world. It needs to "free their people, allow basic human rights, or make basic concessions in their relations with the United States" (105th Congress, S8216). It could be argued, however, that these Cuban Americans represent the

remnants of a capital fraction that lost assets in the 1959 Cuban revolution. Part of their agenda is repatriation and/or compensation for lost land and financial assets.

A fourth and minor stakeholder, siding with the third, is made up of U.S. agriculture producers who would be vulnerable to competition from Cuban imports should trade resume. The U.S. sugar industry has resisted efforts to lift the embargo. Erikson (2005) notes that only about 15 percent of U.S. sugar consumption is currently imported. An end to the embargo might be the end to their protective quotas and subsidies. U.S. citrus producers also predicted injurious market competition from Cuban imports.

To what extent is foreign policy subordinate to corporate executives and policy-planning experts? The larger umbrella organizations united business interests, justice rights advocates, and policy experts against those who advocate maintaining and/or strengthening the embargo. Passage of TSRA (Public Law 1076-387) was a significant victory for the first two stakeholders; nevertheless, it left intact those disadvantageous restrictions on export-financing. Thus, the post-TSRA amendment and bill skirmishes among different fractions of the ruling elite developed around the export-financing regulations.

In the 107th-108th Congresses, anti-sanction representatives continued to introduce bills to repeal the export financing and travel prohibitions (H.R. 173, H.R. 174, H.R. 187, H.R. 188, H.R. 798, H.R. 1698, H.R. 2646, H.R. 3422, S. 402, S. 403, and S. 1731 to name a few!). They were met by the opposition. Rep Ron Paul (R-Texas) introduced H.R. 2662, which prohibited U.S. assistance to Cuba from the Export-Import Bank, the Overseas Private Investment Corporation, or the Commodity Credit Corporation, and any exchange, reduction, or forgiveness of Cuban debt. The battle continued from 2001 on, but the export-financing battle changed radically with the arrival of a new advocate. In May 2001, President George W. Bush expressed his opposition to any effort to remove the financial restrictions, stating that it "would just be a foreign aid program in disguise, which would benefit the current regime." He reiterated that his administration would oppose any efforts to weaken sanctions against Cuba (July 11, 2002), and followed this by asking the Treasury Department to enhance and expand the embargo enforcement capabilities of the OFAC. Secretary of State Colin Powell and Treasury Secretary Paul H. O'Neill followed up in a letter to House appropriators stating that they would recommend a presidential veto of any bill that eased restrictions on trade and travel to Cuba (CRS 14).

The U.S. Department of Agriculture provides guidelines to potential exporters to Cuba. Still, trade was a political problem for President Bush, who was getting squeezed by two important constituencies: Cuban Americans in Florida,

who view the forty-year effort to strangle Castro's Cuba of foreign currency, goods, and services as paramount; and agribusinesses that view Cuba as a potential market. Organizations such as the Cuban-American National Foundation and Cuban Liberty Council—crucial interest groups in Florida—oppose the expansion of trade. To appease exile groups, President Bush cracked down on the People to People program, thus curtailing the flow of American tourists to Cuba's beaches. The administration also supported the long-standing U.S. bans on Cuban imports. On October 24, 2004, Bush asked Congress to maintain the embargo and said the transfer of power from Fidel Castro to his brother Raúl, amounted to "exchanging one dictator for another."

Shortly after, he announced plans for new restrictive guidelines on the payment issue. In lieu of the previous practice—payment to be received before the shipment's release to the buyer (even if the ship is docked in Havana)—the new rule of the Department of the Treasury's OFAC required payment before the shipment left the U.S. port. It had an effective date of March 25, 2005. This reinterpretation of "payment in advance" unleashed a flood of complaints from agribusiness stakeholders. In 2004, food giants Tyson Foods Inc., Louis Dreyfus Corp., and Gold Kist Inc. shipped about 15,000 tons of Alabama-raised poultry to Cuba (Alabama Port Director and CEO James K. Lyons in a November 29, 2004, letter to U.S. Sen. Richard Shelby, R-Alabama). The poultry industry feared a loss of trade under the new payment system. Alabama Agriculture Commissioner Ron Sparks, who had traveled to Cuba in support of trade ties, lamented that, "Such a reinterpretation of this law would be a reckless act at the expense of Alabama's poultry farmers and producers" (Poultry Site 2004).

Many U.S. producers feared trade losses. The American Farm Bureau Federation responded that it will likely cut off U.S. farm product sales to Cuba. The USA Rice Federation stated this will inhibit rice sales to the sixth largest market in volume in 2004. They supported S. 328 to counter OFAC's action. However, the pro-embargo stakeholders were further fortified by Bush's appointment of Cuban-born Carlos Gutierrez as Secretary of Commerce. He was co-chair of the Commission for Assistance to a Free Cuba, and a strong advocate for the Bush Administration's policy of helping the Cuban people hasten the day of their freedom from dictatorship by blocking most trade with Cuba. Protests from farm groups and agribusiness firms finally extracted a small concession, namely shipment of goods was allowed once the seller's agent (if located in a third country) receives payment from the Cuban buyer.

The tug-of-war over export-financing restrictions continued with the pro-embargo stakeholders holding ground. Representing business interests,

senators and representatives continually sponsored amendments and bills that would allow open trade and permit U.S. export-financing. When these two avenues were blocked, some introduced amendments to appropriations acts to disallow those U.S. agencies from using funds to enforce the embargo restrictions. Congressman Jerry Moran (R-Kansas, first as a representative and then as a senator) introduced, session after session, bills and amendments. The goal of the amendments was to cut off funding to the Treasury's OFAC for administering those tasks involving the private financing prohibition and shipping restrictions, among other Cuban embargo regulations that apply to agricultural and medical product sales. H.Amdt.1031 (106th Congress) was an amendment to H.R. 4871, the Treasury and General Government Appropriations Act, 2001. H.Amdt.554 (107th Congress) amends Bill: H.R. 5120, the Treasury and General Government Appropriations Act, 2003. H.Amdt.1049 (109th Congress) amends Bill: H.R. 5576, the Transportation, Treasury, Housing and Urban Development, Judiciary, and Related Agencies Appropriations Act, 2007. H.Amdt.467 (110th Congress) amends Bill: H.R. 2829, the Financial Services and General Government Appropriations Act, 2008. H.R. 1737 (111th Congress) amends the Trade Sanctions Reform and Export Enhancement Act of 2000. They all endeavored to prohibit funds from the respective appropriation bills from being used to enforce a Department of Treasury regulation that changed rules related to trade with Cuba. These are a few of the unsuccessful bills introduced by only one congressman on one topic. During the Obama Administration, Jerry Moran, now a senator (R-Kansas), introduced bills recommending total elimination of the embargo: S. 1543 (114th Congress) and S. 472 (115th Congress).

### *A Poultry Coup d'Etat?*

Granting the success of poultry corporations in ongoing policy conflicts with labor, consumers, environmentalists, and animal rights activists does not mean ignoring conflict among different fractions of capital. In the case presented, the interests of U.S. exporters to Cuba were in conflict with politicians protesting Cuba's non-democratic regime, human rights abuses, and violations of freedom of speech. But, in fact, the politicians represent a fraction of capital: those who were defeated in the Cuban revolution. They are looking for restitution of their former Cuban assets or at least reprisals against Cuba. That fraction of capital is joined by a smaller group of special interests—U.S. producers of commodities (such as fruits) who fear competition from Cuban imports.



President Donald Trump nominated Sonny Perdue for secretary of agriculture, and he was eventually confirmed after untangling his various conflicts of interest. He is not related to the founders of Perdue Farms, but he is a former governor of Georgia, the No. 1 chicken-producing state, and has owned several agribusinesses, including a Georgia-based grain global trading agency. The National Chicken Council was highly supportive of Perdue's nomination—a welcomed choice. Representatives of the “Broiler Belt” now have an advocate inside the “beltway.”

Poultry will continue its reign over consumers. Secretary of Agriculture Perdue, while the governor of Georgia, cut the budget of the state's Agriculture Department. The deputy commissioner of the department said that conditions leading to two serious salmonella outbreaks requiring large-scale recalls should have been caught, but there were insufficient funds for inspections. As Trump's USDA head, Perdue promises to defend agriculture against critics, viz., those opposed to industrial factory farms and GMO agriculture.

The poultry industry will continue its reign over conservationists. As governor, Perdue favored the timber industry and ignored the climate implications of deforestation. During a 2007 drought, he, three Protestant ministers, and a choir singing “Amazing Grace” prayed for rain. Some worry that it's unlikely that a former fertilizer salesman will tackle the unregulated farm pollution that poisons drinking water or fouls the Chesapeake Bay. Chicken manure used as fertilizer carries nitrogen and phosphorus into the bay.

The poultry industry continues its rule over labor. Poultry processing continues to be more dangerous than other factory work. In 2010, poultry workers had a 5.9 percent injury and illness rate compared with 3.5 for all U.S. workers. In 2015, the rates were 4.3 and 3, respectively (Department of Labor, Bureau of Labor Statistics). Industry representatives claim that there is a steady reduction in injuries and illnesses since 1994. In contrast, labor representatives claim that workers fear being disciplined, harassed, and fired for reporting injuries. The drop in the number of OSHA inspections also contributes to possible underreporting of injuries. Poultry firms are fined from time to time for safety and health violations, exposing workers to serious hazards, back wages, etc., but it would be incorrect to interpret this as a significant setback for the industry. Successful labor control has been furthered by ethnic succession. The replacement of African American workers with immigrants from 1994 to 2010 (Schwartzman 2013) continues. The share of African Americans working as butchers and other meat-, poultry-, and fish-processing workers has dropped from 20 percent in 2012 to 13.5 percent in 2016, while for Hispanic workers the percentage has risen from 34.6 to 41.6.

Industry power over labor is likely to continue under Perdue. In 2009, as governor, he signed a bill that blocked local communities in Georgia from regulating animal cruelty, worker safety, and pollution related to factory farms. And by 2010, he reversed his previous tough stance on employer use of illegal immigrants. Following his 2017 nomination, he indicated support for making it easier for farmers to employ immigrant workers year-round.

The poultry elite has held onto its position over the other stakeholders (labor, environmentalists, consumers, and animal rights) through both Democratic and Republican administrations. It is unlikely to lose that position in the Trump Administration. Still, there is struggle over exporting. This hardly constitutes support for a pluralist interpretation; it simply demonstrates the need to investigate different policies separately.

The victory of the poultry elite encapsulated in the 2000 TRSA law was partial. They won authorization to export commodities but not finance them. In 2014, Georgia exported \$8.6 million worth of poultry to Cuba, but the Georgia Department of Economic Development remained dissatisfied with the 2005 financing restrictions (National Chicken Council 2015). Poultry exporters had to repeatedly defend their positions against political lobbies, which reached into the legislative, judicial, and executive branches of government. The National Chicken Council continues lobbying to remove the financing and trade restrictions. Recently, legislation was proposed that would allow farmers to extend credit to Cuban clients (January 2017, Rep. Rick Crawford [R-Arkansas]). This change was favored by Arkansas rice producers, chicken growers, and other agricultural groups. It was opposed by members of Congress, including Sen. Marco Rubio (R-Florida), Sen. Ted Cruz (R-Texas), Sen. Bob Menendez (D-New Jersey), and Rep. Ileana Ros-Lehtinen (R-Florida), who remain staunchly opposed to lifting the Cuban trade embargo. Trump's Mar-a-Lago residence falls in the district of Rep. Ted Deutch (D-Florida), who opposes lifting the trade embargo against Cuba "unless and until the regime is prepared to start respecting human rights."

Who then rules the roost? In September 2016, Republican presidential candidate Donald Trump said in response to a question about normalizing relations with Cuba, "I think it's fine. But we should have made a better deal." In October 2016, when accepting the endorsement of Bay of Pigs veterans in Miami, he said he would present Cuba with "demands" for political liberalization and reverse Obama's executive actions if those demands are not met. In late November, after he won the election, he tweeted: "If Cuba is unwilling to make a better deal for the Cuban people, the Cuban/American people and the U.S. as a whole, I will terminate the deal" (BBC 2016). Sen. Marco Rubio and others advised Trump to revive the Bush policies (Peters 2017). Perdue is

now Secretary of Agriculture, and Bob Young, of the American Farm Bureau Federation, is optimistic that Perdue will be a voice of free trade within the administration.

Dominance over public policy is not achieved easily, and is reversible once earned. Poultry has been relatively successful since the 1970s. Despite some setbacks, it has continued to grow and resist excessive regulation regarding labor and environment. But it wants to export poultry to all corners of the globe. Will chicken nuggets triumph over U.S. foreign policy; material over ideology? It will depend on which fraction of capital receives President Trump's support.

## Note

1 My calculations based on USDA/FAS data.

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