

European Peasant Organizations Move Toward Debt Moratorium

July 10 (NSIPS) — As U.S. Labor Party Presidential candidate Lyndon H. LaRouche warned in a *New Solidarity* article June 30, the months-old drought which has been devastating West European agriculture “will most probably bring that last bit of dry straw that breaks the back of the Atlanticists’s monetary system,” and force various governments to grant debt moratoria to the hard-hit peasantry. As of today, major Italian and French farmers’ organizations have issued unambiguous calls for moratoria on European agricultural debt. In Italy, Christian Democratic Party leader Guilo Andreotti, who shares leadership of the Italian pro-development forces with Socialist Giacomo Mancini, is reportedly planning to form a government based on a program of three to four years’ debt moratoria. The West German state of North Rhine-Westphalia announced yesterday that it will grant its farmers a one-year moratorium on all debts owed to the state’s financial institutions. Last but not least, French Prime Minister Jacques Chirac informed his colleagues in the UDR Gaullist party July 7 that his government intends to grant the drought-stricken french peasants “a postponement of debt and tax payments” for an as yet undetermined period.

A few days earlier, Chirac had said in the parliament that a moratorium “was out of the question” and that “national solidarity” (food shortages and skyrocketing prices) were the only solution to the farmers’ plight. This sudden reversal testifies to the considerable impact of the European peasantry’s growing revolt against the inaction of the Common Market and the various West European Atlanticist-led governments in the face of the catastrophic drought.

The immediate problem confronting the Atlanticists in France, Italy and West Germany is that the farmers’ organizations which represent large segments of the political base of such mass parties as Italy’s Christian Democracy and France’s UDR are on the verge of taking the lead of a general drive for **global debt moratoria** and a program of industrial and agricultural development encompassing-class and other non-farming layers of the population. Such a programmatic alliance is precisely the ingredient required to definitely wreck Rockefeller’s pro-austerity policies in Western Europe.

Impact of Debt

In West Germany, and especially in France and Italy, there is immediate potential for the formation of broad pro-moratorium coalitions between the farming sector and municipal governments. The amounts of short- and long-term municipal debt in those three countries are simply staggering. In Italy, it is an open secret that Communist mayors throughout the country have a very different outlook on the problem of debt than Berlinguer, Amendola, and other NATO agents who make up the Italian Communist Party’s leadership. In France, the bi-partisan National Association of Mayors two weeks ago unanimously condemned the government of President Giscard d’Estaing for its refusal to deal with the catastrophic financial situation of the country’s cities and towns.

Already the Italian farmers’ organization Coldiretti, which represents 80 per cent of that nation’s farm-owners and has close ties with the Christian Democratic Party, is organizing

the *Alleanza Contadini*, a smaller peasant organization linked to the PSI and the PCI, as well as a dozen regional parliamentarians, to call for general moratoria. At the same time a de facto “united front” on debt moratorium is shaping up between the conservative French Federation of Agriculture (FFA), and the French-linked MODEF peasant organization, and the young farmers’ CNJA severely threatening the hegemony of the pro-Atlanticist leadership of the FNSEA, until now the largest farmers’ organization in France. According to conservative Gaullist deputy Hector Rolland, large sections of the UDR are about to join the Communist Party and a majority of the Socialist Party in calling not only for a moratorium on peasant debt, but also for a 10 billion franc loan to agriculture and related industries, to preserve the sector’s ability to invest in the coming years.

FFA Calls For Debt Moratorium: Cites American Precedent

Paris, July 7 (NSIPS) — In a press conference here today the president of the French Federation of Agriculture (FFA), Mr. Tennailleau, declared that his organization “seriously considers (debt) moratorium as the only solution to (farmers’) problems.”

Pointing to the gravity of the situation now confronting the hardest-hit agricultural sector, the livestock-raisers, Tennailleau warned that the agricultural crisis will hit with full impact this fall, after several months of panic-selling and outright dumping of livestock by drought-stricken farmers. Faced with a drastic drop of cattle-feed production corn crops are reporting 75 per cent losses and accelerating debt, these farmers are selling hand-over-fist to prevent total bankruptcy.

Quoting the latest figures from the government-owned agricultural bank, the *Credit Agricole*, Tennailleau announced that the magnitude of the debt problem is reflected in the fact that “interest on loans contracted and due this year alone amounts to 5.8 billion francs.” It is for this reason, he said, that his organization has taken up the debt moratorium demand, and has refused to set any time limit on the moratorium until overall losses can be adequately determined, Tennailleau concluded his opening remarks by issuing a challenge “that all other organizations take up this position and make clear that the (agricultural) situation is very grave.”

Mlle. Maisson, the Secretary General of the FFA, seconded Mr. Tennailleau’s remarks by pointing out that what is currently jeopardized by the debt crisis is essential capital investments in agriculture. Hardest hit by the drought are precisely those who invest most in technological innovations; thus “future production is compromised” if farmers are forced to pay their debts.

In response to a question on what actions the French

government has so far taken to solve the agricultural crisis, Tennaileau indicated that "some parliamentarians have already informally voiced the FFA's demands to the government...and the government has made known that on September 29, exceptional measures will be taken in favor of the agricultural sector." He blasted the government's Economic Plan — currently under discussion in the National Assembly — for preparing "the elimination of 500,000 jobs in French agriculture." Asked about French Finance Minister Fourcade's recent statements declaring debt moratoria acceptable only in the most "desperate cases," Maisson snapped that "the government and (Prime Minister) Chirac should look to the United States as an example. At one point, the American farmers demanded general debt moratoria for American agriculture."

Tennaileau expressed strong disappointment that other French farmers' associations have so far refused to work jointly with the FFA for debt moratoria. "Last year, we had already presented our proposal to all professional organizations. You could say we have tried to provoke a meeting. Unfortunately, so far responses have been negative." Questioned on the response of the Communist Party-linked MODEF farmers' organization, Tennaileau snorted, "When we presented them with our proposal, they responded negatively and then afterwards they took up our proposal...in part."

The press conference drew to a close when Mr. Tennaileau turned to the 10 press representatives in attendance, demanding to know "Why hasn't the press covered the FFA's demands?"

The Debt Moratorium Wave- Italy

July 3:

** The Milan regional secretary of Italy's largest farmers' organization, Coldiretti, told NSIPS that Coldiretti has called for a one-year moratorium on agricultural debt. Coldiretti's press release on the moratorium call was blacked out of the press. The Milan regional secretary also said that his organization has contacted the Socialist- and Communist-allied peasant organization Alleanza Contadini, as well as ten regional parliamentarians to work out a common call for a global moratorium on agricultural debt.

** The Mouvement de Défense des Exploitants Familiaux (MODEF), a French peasant union representing about 25 per cent of the farming population in France, called for postponement of all peasant debt, tax and social security payments until the end of the scheduled payments period.

** Ernesto Pucci, a member of the Directorate of the Christian Democratic Party, told NSIPS, "The next Italian government must call for a two to three year debt moratorium, otherwise there will be a disaster...Debt moratorium provides us with a breathing space during which we can go for high technological restructuring, especially in the export industry...There cannot be a reduction of consumption."

July 7:

** The Fédération Française de l'Agriculture (FFA), a conservative farmers' organization which represents about 8 per cent of the French farming population and is especially well implanted in the meat and dairy-producing areas of western France, demanded that all peasant loan repayments, tax and social security payments for the years 1976 and 1977 be assumed by the French government.

** At a meeting of the UDR Gaullist party's parliamentary group, French Prime Minister Jacques Chirac announced that his government would grant the French peasantry "a postponement of debt and tax payments in 1976." UDR deputy Charles Bignon, a close collaborator of former Gaullist Prime Minister Michel Debré, demanded that Chirac grant French farmers a 15-year low-interest 10 billion franc "green loan" in addition to the planned emergency subsidies and debt postponement measures.

July 9:

** At a meeting of Italy's municipal budget commissioners, Naples commissioner Scippa called for a one-year debt moratorium on the cities' debt. Meeting representatives of the European Labor Party outside, he commented, "We are taking your advice, we will pay nothing."

** UDR deputy Hector Rolland informed NSIPS in Paris that "my constituency is talking of nothing but debt moratorium." The same day, Rolland wrote an article for the evening daily France-Soir in which he announced "my definitive break with Prime Minister Chirac and President Giscard d'Estaing." Rolland was the first UDR deputy to bring his support to the presidential candidacy of Giscard in May-June 1974, and is usually regarded as the foremost spokesman of the UDR's right wing. He called on "new voices" to speak up against the present French government, which will represent "the real France."

** Italian Socialist Party directorate member Dragone stated at the Italian budget commissioners' meeting in Naples, "Debt service payments cannot be maintained at the expense of services."

** The CNJA, the French young farmers' organization, called for a postponement of all peasant debt, tax and social security payments in a press release.

** The state secretary in charge of food production in the state of North Rhine-Westphalia, West Germany, announced at a press conference that his state's government has decided to grant a one-year moratorium on all peasant debt owed to state-run institutions.