

# Farm Sector Pre-Empts Trilateral 'Food War' Scenarios

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## AGRICULTURE

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Carter Agriculture Secretary Bergland announced this week that he had "set up a U.S. grain reserve" — long sought by Carter advisors as the firepower for a State Department-National Security Council controlled "food weapon" for use against recalcitrant Third World debtors and their European and Japanese pro-development allies.

While Bergland's decision to extend the 1976 crop loan program for two more months, and add a three-year loan option, may net the Carter Administration several hundred million tons of wheat if the current wheat price collapse is enforced, it is unlikely to survive even as a foot-in-the-door for the "food weapon" in the face of upcoming congressional action of new omnibus farm legislation. As one Capitol Hill source commented, "This is not really a major grain reserve move. The Secretary just wants to get the idea out."

The truth behind Bergland's "grain reserve" talk is that Bergland is virtually hog-tied by a congressional farm bloc steadfastly opposed to Carter's manipulations to gut the farm sector — whether by sacrificing American agriculture to a destructive foreign policy, or bankrupting farm producers by dismembering the target price and crop loan support system.

To function, a "strategic reserve" would require a top-down executive takeover of domestic grains production and marketing. Significantly, Carter-Bergland have not dared to whisper such a proposal, much less push for it, despite more than three years of Rockefeller propaganda for the "food weapon."

It is this same potentially explosive opposition to Carter which has so far nipped a less complex "food weapon" tactic — namely a mooted soybean embargo — in the bud. Fears have been reported in Europe and elsewhere that the Administration might try to take advantage of the widely-puffed soybean shortage to wield political economic muscle against Europe and Japan, who are stubbornly resisting Carter Administration pressure to support a hyperinflationary IMF bailout of the Lower Manhattan banks. Carter is also painfully aware of the fact that an embargo is one move that would catalyze the entire farm belt into opposition to the Administration.

Otherwise, Europe and Japan are now in a position to rebuff such a Trilateral strongarm gambit. Europe has already moved to subsidize the use of its more than 1 million ton "dry milk mountain" as an alternative feed base, a measure which the U.S. government is desper-

ately protesting. Japan, overwhelmingly dependent on U.S. soybean imports for its protein source, has already taken delivery on more than two-thirds of its expected 1976-77 imports, and has nearly all of the balance in contracted commitments.

On the home front, Bergland's presentation of the Carter farm program to Senate and House Agriculture committees in recent weeks was roundly denounced. "You have destroyed the target price and loan system," an astonished Senate Agriculture Committee Chairman Talmadge (D-Ga) told Bergland, after hearing the Secretary state that the Administration intended to hold the line on target price increases. The severe price collapse, particularly in grains, over the past year has already forced many producers out of business, and drought conditions and soaring production costs — especially energy — have put the rest to the wall.

"If Earl L. Butz had offered this, he would have needed a body-guard to get out of here," Senator Dole (R-Kan) told Bergland, in a pointed reference to the former Agriculture Secretary watergated by the Carterites as a friend of "big" agriculture and industrialization.

Dole, an outspoken critic of Bergland's provocative efforts to set up an international "wheat cartel" to face down OPEC and the developing nations, is a co-sponsor of the Talmadge omnibus bill that would raise target prices in the context of extending the other provisions of current Agriculture and Consumer Protection Act of 1973. The 1973 Act introduced the key target price mechanism, a transfer payment that guaranteed farmers for the cost of full production, and functions, at the same time, as an alternative to government stockpiling.

The Talmadge bill, together with a similar bill authored by Senator Bellmon (R-Okla) which contains precisely worded provisions for a strictly farmer-held and farmer-controlled reserve at greatly reduced loan rates, are the focus of Senate legislation due to begin final mark-up on April 19. Whatever the fine points of the final legislation, it is certain that the Senators will insist on maintaining a viable cash-flow in the farm sector.

This week, the House also voiced its intention to hold the line against the Carter-Bergland wrecking operation. The House Agriculture Subcommittee on Grains and Livestock voted 9 to 2 in favor of setting the 1977 wheat target price at \$2.90 per bushel (30 cents above the Bergland austerity level), raising it to \$3.20 for 1978.

The consensus that farm income levels must be defended, at the risk of throwing the entire farm sector into depression collapse, is but one indication of the suspicion, if not outright hostility, for the Carter Administration that pervades the farm belt. The Administration did not enjoy a solid farm bloc mandate from the outset. Now severely squeezed financially, farm producers are not about to be swept back into the horrors of the 1930s by a President who does nothing more than claim to be the friend of the "family farmer."