

# Are Soviets building war stockpiles from U.S. grain purchases?

by Marcia Merry

Is the U.S.S.R. stockpiling grain purchased from the United States in preparation for World War III? Ask the CIA and the U.S. Department of Agriculture whether the Soviet Union is storing food for civil defense, and you will get the same emphatic "No." The Soviets are merely importing grain to make up for their bad harvests, the U.S. government argues: "They couldn't be feeding their people, improving their meat herds, and stockpiling all at the same time."

Evidence compiled by private U.S. specialists, on the other hand, suggests that building up Russia's wartime grain reserve is precisely Moscow's purpose.

These analyses, conducted at the Hoover Institution for the Study of War, Revolution, and Peace and at the University of North Carolina, indicate that the Soviet diet is not improving in a way that reflects food imports. The same evaluations estimate that the cumulative total of food supplies the Soviets have stockpiled in the past 10 years comes to 92 million metric tons of grain, and 7 to 8 million tons of meat. Both grain and meat are rotated in and out of storage, keeping the stockpile "fresh." Enough grain now exists in storage to make up for 10 years of 20 percent shortfalls in the annual harvest.

The Soviet Union began buying significant grain imports from the United States and other Western food exporters in the 1970s. (See table.) In the past four years, imports have markedly increased. The Soviet Union bought, on average, 16 percent of all grain traded in world markets each year. If Eastern European purchases are included, the combined imports total 24 percent.

The CIA can't possibly know whether the grain is going into stockpiles; the agency discontinued its Soviet nutrition intelligence work in 1973, one year after the first gigantic Soviet grain purchase took place, when Henry Kissinger was secretary of state, and negotiated the SALT I treaty.

## 1970s Soviet build-up

The 1970s jump in Soviet grain imports coincided with a

major Russian military build-up. Soviet grain purchases indirectly aided the buildup, by freeing resources otherwise needed for Soviet grain production. Farming in the U.S.S.R. is notoriously backward; productivities are low, and harvests swing between good years and near disasters because the infrastructure and inputs essential for stable, high-farm output are lacking—fertilizers, irrigation, high quality seeds and breeding stock, transportation, and storage.

As documented by, among others, *New York Times* reporter Seymour Hersh in his book *The Price of Power*, Henry Kissinger dangled a U.S. agreement to sell vast quantities of American grain to the U.S.S.R. as a "bargaining chip" during the SALT I negotiations of the early 1970s. The Soviets not only got an agreement that permitted them to outbuild the U.S. missile capability, but cut-rate food in the bargain.

In 1972, Soviet representatives made secret grain purchases at fixed prices of huge amounts of U.S. crops from the grain cartel companies (Cargill, Continental, and the rest), which came to be called the "Great Grain Robbery." Protocols were signed to regulate the deal, under the direction of Kissinger at the State Department. The shipping protocol specified that the grain had to be shipped one-third in U.S. flag ships, one-third in Russian ships, and one-third in ships of other nations. In addition, U.S. ports were opened up to all types of Russian ships, not just bulk carriers.

Within 18 months there were hundreds of monthly Russian flag sailings from U.S. ports to U.S. trading partners, at freight rates up to 50 percent below the established rate structure. This drastically undercut the U.S. merchant fleet, the new U.S. containerization program, and U.S. shipbuilding capacity—all essential logistical military support capabilities.

At the same time, the Soviets moved to rapidly expand their maritime fleet. Today they have 7,500 vessels, the largest fleet in the world, with fully 90 percent less than 20 years old.

In 1976 at the 25th annual congress of the Soviet Communist Party, Prime Minister Kosygin announced a program of economic development to include large-scale food storage. The Soviets began a construction program to increase silo capacity and refrigeration lockers. These improvements

	Soviet grain imports (millions of metric tons)	Soviet grain harvest (millions of metric tons)
1972/73	23	168
1975/76	26	140
1978/79	16	237
1980/81	34.8	189
1981/82	46	160
1982/83	32.5	180
1983/84 (est.)	30	200

are usually referred to as an "inventory hedge" storage capacity, but the location of some of the facilities shows their strategic war reserve purpose. The majority of the silos, though above ground, are behind the Urals, in southern Siberia and in northern Kazakhstan. The exact location of the refrigerated storage is not known.

Associates of Kissinger have been prominent in the continuing food build-up in the Soviet Union. Armand Hammer, the longtime Soviet liaison to Western business circles, provided the Soviets with new meat fattening and slaughterhouse methods—the "boxed beef system." Hammer and Cargill Grain, the leading exporter of grain to the Soviets, had taken over the boxed beef market in the United States. Julius Hammer, Armand's father, was a charter founding member of the Communist Party USA; in 1921 Hammer got the first export-import company franchise with the Soviet Union.

All the international grain companies (Bunge, Louis Dreyfus, and André, as well as Cargill and Continental) have kept the grain flowing to the U.S.S.R. over the past 13 years, embargo or no embargo. In the latest U.S.-U.S.S.R. grain protocol, signed last summer, the State Department included an unprecedented "sanctity of contract" clause in which the United States cannot embargo a grain sale, unless it first officially declares a state of emergency or war.

### What the U.S. is doing

Whatever the Russians are up to, there is no question about the status of U.S. emergency food supplies. There aren't any, and the USDA and Federal Emergency Management Agency have no plans for strategic stockpiles.

A few years ago Congress enacted measures for a "Wheat Food Disaster Reserve," and a "Feed Grain Disaster Reserve," which together call for about 6 million metric tons of grains to be kept in the U.S. Department of Agriculture holdings or in the farmer-held storage. But there is no provision for strategic siting, or protection against radiation.

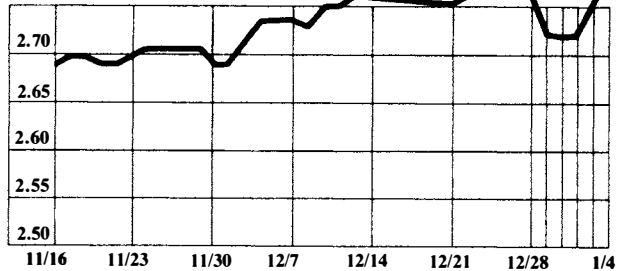
U.S. grain stocks are higher than the disaster reserve requirement; corn stocks alone, as of August, were about 29 million metric tons. But the 1983 Payment-in-Kind acreage reduction program brought the harvests and the stocks way down. The United States needs well over 210 million metric tons annually for proper domestic consumption. There was a 44 percent reduction of feed grain production from 1982 to 1983.

A preliminary briefing for the cabinet was prepared by the Federal Emergency Management Agency on Jan. 29, 1982, describing U.S. food vulnerability in the event of a nuclear attack killing half the population. This study, which has never been updated, made the presumption that crop yields would be adequate—unless fields were hit in the early part of the growing cycle in the spring—because of the facile observation that North American agriculture is highly dispersed. There was no action to implement hardened storage of strategic food supplies.

## Currency Rates

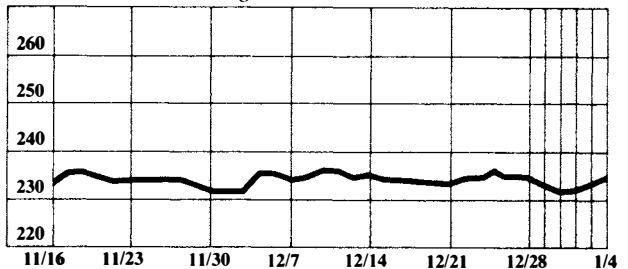
### The dollar in deutschemarks

New York late afternoon fixing



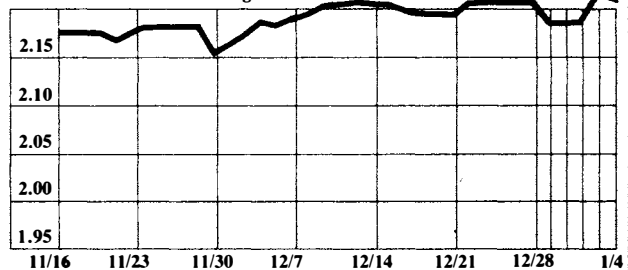
### The dollar in yen

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing

