
Interview: French farm leaders

EC's farm policy means disaster

EIR correspondent Garance Upham Phau accompanied Jacques Cheminade, secretary of the European Labor Party (Parti Ouvrier Européen) in France, on a visit on June 18 to the home of a Normandy farmer, Mr. Du Chaffaut, to meet farm leaders from the region. The result was an exclusive inside story on the dire situation confronting agriculture in France today.

Their host is a descendant of the Du Chaffaut who accompanied the Marquis de Lafayette to the United States to fight on the side of the American Revolution, and in his home are beautiful family portraits dating back to the age of Lafayette. He and his wife, members of the Society of Cincinnati, proudly reported that they are entitled by law to American citizenship should they request it, by virtue of their ancestor's role in founding the American republic.

The meeting took place in the wake of a European tour by two American farmers, Billy Davis and Don Scott, who are leaders of the National Democratic Policy Committee (NDPC). The purpose of the tour was to establish contacts between farmers on both sides of the Atlantic, to carry out a program to save modern farming and to export desperately needed food supplies to Africa. Du Chaffaut enthusiastically endorsed this program and offered to help.

At the luncheon at his home, leaders of the regional farm organization in Normandy—who prefer to remain anonymous—gave the interview which we publish here.

Q: The French government has recently instituted, at the instigation of the European Community [EC], measures to drastically reduce milk production, instituting a program akin to the U.S. PIK [Payment-in-Kind—ed.] program, paying farmers to kill their cows. This and the economic depression are hitting French farm production capabilities. What is the situation farmers find themselves in today? What is the financial situation of farms?

A: The first problem is that a good number of farmers don't know what they earn. Over 55 years of age (and more than half of them are over 55), they don't have to keep financial records. So for lack of professional training, farmers are not able to keep proper accounts.

Unfortunately, it is clear that the present system encourages people not to produce. The case of milk production is of course the most striking.

Let us take the case of Lower Normandy, of the Loire

and Brittany regions which produce over 50% of French milk. The quota system plans that any farmer over 55 years of age and producing more than 60,000 liters of milk receives a bonus of 61 centimes [about 8¢] per liter of milk taken out of production. That is the case for about 40% of the peasants in our region. Cashing in the bonus brings more money than the former profit margin per liter of milk produced. Draw your own conclusion! Those peasants pull their cows out of milk production, and either bring them to the slaughterhouse, or use them for calf-raising.

Thus, by reducing production, the old folks manage financially. But the young farmers who have bet on a policy of high productivity are cornered. They find themselves with a totally unprofitable "over production," while millions of children die in the Third World. This is totally absurd.

Today it is becoming more profitable to rent out agricultural land as hunting preserves for the wealthy than to raise milk cows. We are returning to the *Ancien Regime* [the feudal system, before the French Revolution].

In our case, for example, we are young farmers who have made a large investment effort. We started with cows which produced about 3,600 liters of milk per year. We have succeeded, through a big effort in genetic selection and upkeep of the herd, in obtaining cows which produce on the average 5,800 liters of milk per year. Now our effort is being punished. The genetic engineering, herd grooming, the whole modernization endeavor is being punished. It would have been better to have done nothing.

Furthermore, we are being crushed by our costs. While the price of milk has increased by 6.5% per year, [the increase was 2.5% for April-May-June] the price of animal feed has increased 15% to 20% during the same period, while fuel prices have increased even more. The increase in the value of the dollar relative to the franc has brought about an increase in the price of soybeans we import.

Finally, the quota applied to each milk farm is a 2% decrease in production. Each producer is identified, and the decrease is applied to each and every one. The penalty does not take into account whether the producer is big or small, whether the farming unit is modernized or not, and whether or not it is profitable.

Q: That affects industrial suppliers?

A: As for industrialists, they had invested in the expectation

of an annual increase of quantities of processed milk by 6% to 7%, and they face instead a decline of 2%. Consequently they also are cornered.

As for the producers of agricultural machinery, they can't sell at all any longer. There has been a decrease of 5 billion francs in financial turnover in agriculture for Lower Normandy. With such results, farmers no longer buy equipment. About 20,000 additional cows will have been slaughtered this year through the quota program. No milking machine can be sold in Calvados. Some wonder whether they won't have to learn how to milk by hand again.

In Calvados we would need 300 installations per year to maintain the active agricultural population, while for the moment only 150 young farmers are getting started. In 10 years, just through the demographic curve, not considering the aggravated effect of the economic crisis, the number of farmers in Lower Normandy will have gone from 50,000 to less than 30,000. Today the average age of farmers in the region is 59 years.

Q: So what does the future look like for the coming months?

A: If the present trend continues, we are headed straight for collapse. We produce less milk. We use the milk cows for breeding. But soon we will thus produce more heifers, and then the market will be "saturated," as they say. Then what will happen? What will we do with the unsalable heifers, which themselves are milk producers? The logic of the system would be to slaughter them. But then there will be a saturation of the meat market and collapse in prices. And we will be completely stuck.

What an absurdity! While millions of people have neither milk nor meat, while the Third World collapses into famine, we have a crisis of "overproduction." Obviously this crisis will only last for a while. After that we will enter a period of food shortages in France itself. That is where this crazy logic leads us. We must stop this.

There is a lot of talk about a "post-industrial" society. But we are also entering a post-rural society, in which food will be lacking as much as industrial goods.

Q: What is the situation of production and productivity per hectare and per farmer?

A: There has up to now been an increase in productivity per farmer. But the overall figures conceal two different periods. Between 1958 and approximately 1975 there has been at the same time a decrease in the agricultural population and an increase in modernization. Since 1975 there has continued to be a decrease in agricultural population, but investments have stopped. The recent tendency is for a stagnation of productivity, in spite of the constant reduction in population, because of the total lack of new equipment.

Q: How could exports of agricultural products to the Third World be organized? How, in particular, could we organize a policy of food export for milk products?

A: The farmers don't know how the milk is utilized. On the part of the EC there is no policy to create markets, simply a policy of stockpiling in the face of "overproduction."

Among the least known facts is how the European Community's milk production is undersold to the Soviet Union. Butter is delivered by the EC countries to the U.S.S.R. at the "broken" price of FF1.80 per kilo. Meanwhile the milk is bought from our peasants for FF1.60 a liter. And it takes 40 liters of milk to make a kilo of butter, which means a subsidy to the U.S.S.R. that amounts to about four times FF1.60 equivalent to FF6.40; and FF6.40 minus FF1.80 equals FF4.60. Which, by kilos of butter sold to the U.S.S.R., represents a 250% subsidy (4.60/1.80)! The system is crazy from beginning to end. All to the benefit of Mr. Doumeng the intermediary. [Known as the "red millionaire," Jean-Baptiste Doumeng is the communist Armand Hammer of France.]

Q: What is the present level of indebtedness of farmers? What do you think of the Crédit Agricole? What would you think of a moratorium on agricultural debt?

A: Indebtedness is enormous. In our region it reaches, depending on the farm, between one year and 18 months' worth of total financial turnover. And obviously those who have made the most efforts to modernize are the most indebted. Relative to our present profit level, it represents 15 to 20 years of profits. It's like the situation of a Third World nation.

In terms of interest rates, we benefited five years ago from fixed and state-backed interest rates of the Crédit Agricole, which meant about 4.5% for 9-12 years, with an inflation rate of about 14%. This is what allowed us to compensate for the increase in cost and decrease in prices paid to us, while continuing by and large to modernize equipment. Since 1981, the state-backed rate of the Crédit Agricole is 6% over 9 years. And thus we borrow at 6% with inflation at 8% to 9%. The subsidy has thus greatly decreased while costs have become prohibitive and prices have stagnated. For us it means ruin, and we are all the more ruined because we have made greater efforts to get equipment.

I must add that if we do not pay our debts when due, we are penalized with a 2% increase in interest rates. And the Crédit Agricole cuts off further lending.

Thus we borrow through open credit lines, at 22 or 23%. Our financial burden increases and we are more and more tied up to usurious banking.

Why do we avoid having recourse to the Crédit Agricole if we cannot pay our debts on time? Well, it's simple. Though the open credit line costs us a lot more, we choose this because if we demanded a postponement in debt payment to the Crédit Agricole, the latter would no longer grant us credit. We thus get into debt to our suppliers, so as to maintain our capacity to borrow in the future.

But why, will you ask me, is the Crédit Agricole now so severe? Because it cannot act otherwise. It is "cornered" by the state of the financial markets. It now operates under the

credit restriction policy. It has had to cut off all credit to farms with improvements (over 50% of the new milk production installations). And if it wants to loan additional credit at 16%, outside of the 6% state-backed credit, it is forced to borrow with penalty on the market at 26%. Thus it has to be very severe towards us, and we must more and more take recourse to the open credit line. In the end, this means ruin.

As for the moratorium on agricultural debt, the MODEF [farmers' organization of the Communist Party] has made that its battle cry. For ourselves, we say rather that of course the debt is unbearable, and solutions will have to be found, but the real problem is to insure for ourselves a decent income that would allow us to invest in equipment, to modernize, and to obtain decent living conditions.

Q: What is the trend of land prices?

A: Here in Calvados, it is a catastrophe. Bad land is simply unsalable. Good land now sells for about FF20-25,000 per hectare, which represents a decrease of about 40%. This year, with the milk quotas and the land market problem, the fall will continue.

Q: How about the group farms, the co-ops, like the CUMA [agricultural machinery cooperative]?

A: There are no longer any investments, so we have nothing new to put into a cooperative. What is happening is that the CUMA, which was created so that several persons could get together to buy new machines jointly, is now becoming just a way to share the misery. Whether through the CUMA or not, what we put into co-ops is not new equipment but what already exists. For example, we have two people on a mowing machine, two on a plow, five for one wood-cutting machine. So at the same time as the agricultural population is decreasing, those who remain hold in common what they have left.

Q: How about fertilizers?

A: That is also a disaster. There we see one of the links between the catastrophic policy [of the government] for steel and for the countryside. Now the industrial policy is closing down the iron mines. So there are no more scoriae, or they cost too much. Farmers replace scoriae [refuse from metals] with nitrates, "ammo." And while with scoriae the soil beds are enriched, with nitrates—especially through intensive usage of nitrates—in five years the land is burned out.

Even in the shorter term, the following situation prevails. Today the milk crisis and the ruin of milk producers. Tomorrow, in 6 to 12 months, the meat crisis, with overproduction of heifers. Already 60% of our meat comes from the "O" cows, meaning the post-"reform" cows. And the day after tomorrow, in 1985-86, the wheat crisis.

The trend is ineluctable under the present system. Help us to stop this disaster.

Swiss grain cartel is behind Sikh rebellion

by Thierry Lalevée

With American and European agriculture in the process of total destruction, whoever can grab India's Punjab, one of the world's most productive agricultural regions, will hold in his hands a most formidable blackmailing power against more than three quarters of the world's nations. Since the Green Revolution of the 1960s and 1970s, the Punjab region has produced 70% of India's wheat and 50% of India's rice.

This basic fact is one of the real reasons behind the creation in 1971 of a Sikh/Khalistani secessionist movement in the Punjab region and also one of the reasons behind the current upheavals. On June 3, the Indian government was forced to send the army into Punjab to head off what had become a major threat to the integrity of the nation. The Sikhs' Golden Temple at Amritsar was being used as an ammunition dump and headquarters for terrorist actions.

As investigations have revealed, the so-called Khalistan Republic, led out of London by its self-appointed president, Dr. Jagjit Singh Chauhan, is a puppet of many international forces which are committed to India's dismemberment, and, in particular, is a puppet of the international grain cartels. It was Chauhan who led a 30,000-person demonstration in London on June 11, demanding the assassination of Indian Prime Minister Indira Gandhi and other Indian leaders.

Though the evidence is not complete, there are growing suspicions that the London exiles have already signed privileged agreements with the cartels on the Punjab's future production. The exiles have little in common with most of the Indian Sikh community which, in the civil service, the army or in other institutions, is generally committed to a united India.

A Swiss conspiracy

At the center of the grouping which unleashed terrorism in Punjab, armed the terrorists, and brought about the present crisis is a little-known company: André and Company, SA, Export/Import. A several centuries old family-owned business, the André company is credited with a 10 billion Swiss franc yearly turnover which ranks fourth or fifth among the world grain cartels. However, in its long history, André has