

Agriculture by Marcia Merry

Food cartels get government handout

A "PIK plan" for exports is the latest swindle concocted by the USDA and congressional traitors.

The week of May 13, the U.S. Department of Agriculture and congressional agriculture subcommittees concurred on a blatant swindle—the "food export enhancement" program, otherwise known as the infamous "export PIK." The program is a giveaway of scarce national food stocks, at the expense of taxpayers, to the international food cartel companies.

According to the details of the plan, announced on May 15 by Agriculture Secretary John Block, \$2 billion worth of government-owned Commodity Credit Corporation (CCC) food stocks will be released to food exporter companies over the next three years, for use as giveaways to sweeten sales deals to certain nations importing U.S. food. Since only seven companies handle the bulk of U.S. grain and major commodity exports (preeminently, Cargill, Inc., Continental Co., Bunge, Louis Dreyfus, and André), the giveaway program is a direct boon to the international food cartel. Nothing is written into the program for farmers, who, under the government rhetoric, are supposed to gain by virtue of the expanding food exports.

Block justified this plan in terms of need to counter subsidized agriculture exports from other nations, and in terms of the need to reduce "surplus" food stocks in the United States. Both conditions are myths of the media and the food cartels.

For example, one of the often cited major competitors of the United States for grain markets in Egypt and North Africa, is France, the nation the USDA

most attacks as having subsidized exports. However, the bulk of the grain exports of France are handled by the same companies monopolizing U.S. grain exports. Either way—whether Egypt buys flour from France or the United States—Cargill, Inc. wins, and both French and U.S. farmers lose.

The USDA's so-called proof of huge surplus grain stocks in the U.S. is the empty logic that since the annual tonnage of U.S. food exports has fallen since the peak of 1980, there must be large surpluses. The official USDA figures given show a drop from over 160 million metric tons exported in 1980, to an annual rate of about 143 million metric tons this year. However, national harvests and stocks have been declining under the combined impact of the depression collapse, the disastrous 1983 PIK plan, and the continued government land set-aside programs. Even USDA staff spokesmen, reached after the Block announcement, had to describe CCC held stocks as "reasonably short."

There is now so little grain in storage in the United States that the normal channels of farmer and country elevator supplies for commercial grain purchases and exports have all but dried up in many regions. In Kansas, the world's wheat capital, last October there was only about 10% of the crop on hand, when there would normally have been 50% of the harvest.

In the main facilities of Cargill, Inc. and the other cartel companies in the Missouri-Mississippi River elevator centers, the grain flow has fallen

to a trickle. It has been an open secret in the grain trade for the last six months, that there would be some gimmick by which the cartels would soon lay hands on government-held grain, and through the blatant "export enhancement scheme," they have now done so—and for free.

The day after the program was announced, U.S. grain prices fell, a sign grain traders attributed to the new government supplies being released. Grains fell 2 to 2.5 cents a bushel, and soy beans fell 4 cents a bushel. Farmers report they heard Block, in a private conversation recently, jokingly say that corn will go down to \$2.00 by fall, and soy beans down to \$4.00.

Congressional approval of this cartel-serving scheme was orchestrated while President Reagan was in Europe, and Sen. Robert Dole was maneuvering on the infamous Senate defense budget "compromise." Block and David Stockman collaborated with Dole and offered their "farm export enhancement" scheme to farm state congressmen in exchange for their vote against defense expenditures. The traitors and fools went for it.

Dole calls the new giveaway plan the Bonus Incentive Commodity Export Program, or BI-CEP.

The question of whether the giveaway plan will be deliberately used by Cargill and other companies to give the Soviets free food was raised at Block's press conference, even by the Soviet-loving Washington press corps. Block declined to comment about the possibility, and indicated that he presumed the Soviet Union would not qualify for the subsidy. He said details on the first phase of the "initiative" would be released in June. He added, defensively, that the plan will not be "scattershot" but very targeted at importing nations where the U.S. is competing against exporting nations that subsidize farm exports.