

## Cargill official admits plot to end family farms

American farming needs "a radical restructuring," but that would necessitate "undoing five decades of firmly entrenched developments in the U.S. since the Depression, and no one is willing to move so dramatically," a European official of the Cargill grain company stated on Jan. 9. Cargill is one of the leading companies of the international grain cartel, which is seeking to win a total monopoly on food production and distribution.

"We need fewer farms and farmers to feed the population," he went on, "but the problem is more fundamental: The heart and soul of the American perception of what its culture is all about is being changed by the farm crisis. It's the question of the independent family farm, the idea of the United States as a nation of gentlemen-farmers, an idea that has existed since the days of the Founding Fathers.

"The bedrock of American society has been farm values and traditions, it's part of the American fabric. Americans don't believe that every American has the God-given right to own a steel mill, but Americans do believe that every American has the right to run his own farm. So, while the reality is, that 20% of the farmers produce 80% of the food needed, the U.S. has 2.2 million farmers, and American politicians will fight to maintain the system of family farms. That is the political quandary everybody is in."

The Cargill official added, "Some U.S. government officials are saying that, within 10 years, the total of 1.2 million American farmers might be desirable. This is being said privately, because, obviously, moving 1 million people out of the farming sector is a very difficult thing to do. Nobody is willing to take to the public hustings and say something like this. . . . To get to a system that would enable market forces to work, is more than any political institution is capable of accepting. Just removing every farm-support program would be unacceptable to everyone. Economics is so intertwined with social and political factors that it becomes complicated. . . . Parity is an outmoded concept; what's really under attack is the pricing levels."

He continued: "The international farm economy is in an emergency situation in the minds of many people I talk to, to the point that no one I know is even focusing on questions

like debt-restructuring or debt-relief, to open up markets in the developing world. The whole Third World debt problem is too abstract. Anyway, who's going to loan money to Latin America to pay for grain, it's a problem of financing. . . . The real issue, is that we're in an emergency. First, farm prices are at record low levels. Second, at the same time, the world surplus is at record high levels, so supply and demand are completely out of whack. Third, American farm debt alone is over \$200 billion. Fourth, the only question for the European Community is when the CAP [Common Agricultural Policy] is going to run out of funds."

The Cargill spokesman said that very few people are thinking of the necessary fundamental reform that would be necessary to deal with the "emergency." One person he agrees with "very much" is former U.S. Agriculture Secretary Orville Freeman: "The Freeman approach of bringing in the IMF [International Monetary Fund] to help with a fundamental re-structuring of the farm problem, on a macro basis, is the kind of thing that addresses the problem, but there is no groundswell of support for this."

Another individual he praised is the University of Chicago's D. Gale Johnson. Johnson is the in-house international agro-economics expert of the Trilateral Commission.

### Soviets gain from trade war

He expressed doubts about recent Soviet claims that the U.S.S.R. will be self-sufficient in grain production by the 1990s, since, he said, the Soviets are getting grain so cheap from the West, that they have no need, or reason, to develop their own grain production. He said: "To me, it makes very little sense for the Soviets to worry about grain self-sufficiency. They love the U.S.-European farm-trade war, they are literally eating it up. Why invest a billion rubles, to produce so much, that will only get you a million in return? To my way of thinking, a smart East bloc official would say, 'Let's put the money we're saving, by buying cheap grain, into other places in the economy.'"

Although U.S. sales of grain to the Russians have actually fallen off significantly in recent months, he noted, Western European sales of barley and other foodstuffs to the Soviets have gone up significantly, and that trend can be expected to continue.

"Everybody I talk to is holding his breath about the European-U.S. farm-trade war, but I'm pessimistic about it being resolved. If the EC goes through with the kind of retaliation we can expect, the list of commodities that will be affected will expand very dramatically. Now, we're talking about *basic* commodities, such as wheat, which are part and parcel of the U.S. economy. Consider the impact of losing the EC market on American farm interests, especially at a time when the U.S. sees its markets shrinking to the point that, whereas the U.S. used to have a 60% share in world trade of such basic commodities, it is now going down to 40%."