

Agriculture by Marcia Merry

Bush offers farm export credits

Cartels will benefit from the additional \$1 billion, and farmers are charging, "He's taking our own money to try to buy our vote!"

On Sept. 2, George Bush flew to South Dakota to offer to help farmers by authorizing an additional \$1 billion in Export Enhancement Program (EEP) funds to push wheat sales abroad. One South Dakota farmer, Ron Wieczorek, who is running for Congress, responded Sept. 5, "It should be exposed that Bush's offer of \$1 billion in farm subsidies will not be received by the farmers, it will go to the grain cartels, the grain traders, and exporters. And anyway, he's using our own money to buy our vote!"

The EEP was first established in 1985 at the time that Daniel Amstutz, former vice president of Cargill, Inc., was undersecretary of agriculture and responsible for U.S. international farm trade. The EEP is notorious for handing government food stocks for free to the cartel companies—Cargill, Continental, Louis Dreyfus, Bunge, André/Garnac, Archer Daniels Midland/Töpfer, and ConAgra.

As Wieczorek explained, "Due to the low target price for wheat," the floor price set each year by the Agriculture Department and Congress, "farmers will not receive any of the new EEP money. Because they will receive only as much as the target price. If the market comes up, they won't receive any of the increase in the price."

Wieczorek explained the situation for wheat, the top commodity in the Dakotas. "The target price today for wheat is around \$3 [a bushel]; and the going price is about \$2.50. So even if the so-called market brings up the price, like the day after Bush's announcement the market price went up

about 8-10¢, nevertheless, the next day it was steady and went down a bit." So the announcement had no real effect on the market anyway.

"Even if it did have an effect of pushing up the price, the mechanism is in place to see that the farmer will get no higher than the target price—which is lower than his costs of production.

"The way that this 'cap' works is that if the farmers got an advance this spring from the USDA—which is called a 'deficiency payment' toward what is expected to be a lower-than-target price sale for his wheat, and then the market price goes over the target price level, then the farmers will have to *pay back* money to the government! So the farmer is not going to get any advantage from the Bush program."

Farmers have nothing but ridicule for the latest Bush ploy. And Clinton is viewed as no alternative, though the National Farmers Union is trying to herd its membership into the Clinton camp. The LaRouche-Bevel slate, on the ballot in Iowa and many other farm states, is gaining headway because it is calling for emergency action.

On Labor Day weekend, farmers from many states gathered at a Schiller Institute conference near Washington, D.C. to confer on emergency measures needed, in view of the famine in Africa and international food emergency. Here are some of their firsthand reports of the U.S. farm crisis.

● South Dakota. Besides the low wheat price swindle, Wieczorek adds, "You now see a lot of cattle and a lot of hogs coming into our area from

Canada because of cartel free trade. In fact, at the cattle sales in the Sioux Falls stockyards, there were more cattle from Canada than from the United States on a few of the recent sales days."

● Minnesota. Farm leader Andy Olson reports, "It seems to be a year of extremes, probably more so than other years. All of Minnesota has had tornadoes, and there was frost the 21st of June. The view from the northern corn belt in 1992 is that it is still undecided if the corn and soybean crop is going to finish.

"This doesn't affect everyone, but certain parts of the corn belt are hit worse than others. And for these farmers there is no safety net. This puts more pressure on the food production system.

"The financial problems are not going away. For example, on Sept. 1, there was an auction sale of a cattle feeder. He was sold out and his farm was liquidated. This has a drastic effect on the future of agriculture. And at a certain point, the retiring age of farmers is going to be a serious situation where the younger farmers are not going to take over. What we are seeing in a certain sense is a collectivization of the farms.

"You will see cartelization and the independent family farmer and entrepreneur will more and more be an endangered species."

● Texas. Lester and Mary Louise Dahlberg, long-time farmers in southwestern Texas, call the farm situation grim. Mrs. Dahlberg, who has worked at a meat market, observed that "compared to six years ago, the volume has slowed down by more than half. People are buying . . . something for one day at a time. We don't keep T-bone on hand. Those are \$3.59 or \$4 per pound, but no one buys. People buy hamburger or chicken. Texans can't afford to have meat."