

U.S. Sees Red As Soviets Buy Grain To Feed Third World

Aug. 2 (IPS) — This week General Mills announced a 10 per cent rise in prices charged for family flour, blaming the Soviets for raising the price of wheat.

Today, the New York Times demanded in an editorial that Congress impose an embargo on further grain sales to the USSR until their "inflationary impact" can be assessed.

Both moves are purely red-scare propaganda.

The truth is actually that General Mills is using the Soviets as an excuse to raise prices to cover their huge debts. At the same time, the Soviets are using their grain purchases to alleviate Third World food shortage in countries the U.S. has written off as poor debt risks.

A New York Times reporter told New Solidarity that according to sources in the grain trade, the Soviet Union will

use part of the grain purchased from the U.S., Canada, and Australia to supply its Third World allies, particularly Cuba, Algeria, and India. In addition, the Soviets are expected to export grain to South Vietnam and Cambodia, since a U.S. trade embargo has cut off all U.S. emergency food shipments.

Algeria stands in special need of assistance. Drought conditions resulted in a crop shortfall of 2 million tons.

U.S. Grain Glut

Even the conservative Wall Street Journal pointed out this week that the U.S. actually has a huge grain surplus available for export, which without the Soviet grain deal would have "gone into storage."

The U.S. Department of Agriculture says that the U.S. can export 35 million tons of wheat this year out of a total

supply of 75 million tons and still have a carryover stock at the end of the year larger than it started with.

As for the General Mills price rise, the temporary speculative rally which the Rockefeller grain companies created in the grain markets last month failed to bring farm grain prices up to the level of a year ago. In mid-July, farmers still received only \$3.33 for a bushel of wheat compared with the record price of \$5.52 in February 1974.

The real pique behind the Times and other red-baiting is that the Soviets are moving to carry out essential international grain trade, burying the food weapon long brandished by Kissinger and the CIA against the starving Third World. Any developing nation which declares a moratorium on Rockefeller debt now has some added protection.