

## Agriculture by William Engdahl

### Soviets, EC in grain steal

*Once again, France's "Red Billionaire" Doumeng is reaping a fat profit off an agriculture deal with Moscow.*

On Sept. 26, the European Community (EC) announced from Brussels that it had offered 1 million tons of soft wheat to the U.S.S.R., at prices drastically under world market prices. Moscow moved within hours to confirm its acceptance. Spokesmen from Brussels said only that the wheat was being provided by "French traders." The deal, rumored to be part of what could be 4 million tons of purchases, provoked an outcry from wheat exporting countries.

The Brussels move reflects Moscow's power of determining today's Western depressed agriculture markets. At midnight, Sept. 30, an extraordinary offer from the Reagan administration of a special subsidized sale of 4 million tons of wheat to Moscow expired. The offer, made in August under farm-state pressures to increase collapsing U.S. grain exports, ended without Moscow buying a single bushel.

The Soviets waited, cultivating rumors in contract-hungry international markets, for an even cheaper price. Evidence is mounting that the way they got it involves a collusion scandal of perhaps criminal dimensions, reaching to top levels of the EC bureaucracy.

The terms of the Brussels deal are extraordinary. Because West European grain costs more to produce than world market prices, given the complex system of internal EC subsidies and protection measures, the EC pays a subsidy, or restitution payments, to the exporter. This covers the difference between the domestic EC price

and the usually lower world market price, determined at the Chicago commodity exchanges. According to a spokesman for the International Wheat Council in London, Brussels passed an exceptional below-market subsidy to make the latest sale to Moscow.

Moscow, as a result, reportedly pays only \$77/ton for the choice wheat. The present U.S. price is estimated at \$90/ton. But the real shock is the fact that to make this generous price, Brussels paid the French exporters a restitution payment of \$143/ton, meaning that the exporter gets some \$220/ton for the business—fully twice the sale price of the grain! The fortunate exporter collects fat profits, and Moscow furthers a savage price war in world agriculture which will bankrupt millions more farmers in the coming months.

Several industry sources in France say the French trader is the infamous Jean-Baptiste Doumeng's Interagra. Doumeng, for 20 years an intimate of Mikhail Gorbachov, is known to French intelligence as one of the most important assets of Soviet Union in Western Europe.

Doumeng created a scandal a year ago when his Socopa, a meat export company, captured a huge sale of subsidized beef from Brussels to Moscow. He has also been involved in sales of surplus butter at giveaway prices to his old crony, Gorbachov. What emerged in the meat scandal, forcing subsequent revision of the terms of sale by the Brussels Directorate VI for Agriculture, was that the man who headed Directorate VI until weeks be-

fore the huge meat deal, Claude Villain, left Brussels to become president of Doumeng's Socopa.

It was widely reported in trade circles that Villain engineered the deal to insure that only one European meat exporter—Socopa—could meet the size of the export order, and that only one importing country—U.S.S.R.—could import.

The latest wheat deal has spurred speculation inside European farming circles that Villain and Doumeng have established a far more extensive "mafia" inside the Brussels bureaucracy, which is using the clout of a \$23 billion annual agriculture budget to provide the Red Army with food at prices below the Russians' cost of domestic production.

The present director-general of Directorate VI in Brussels is another countryman of Doumeng, Guy Legras. One Brussels source told *EIR*, "It is very likely that Doumeng and Legras have ties. Interagra in Brussels is very sharp in picking the deals. But, given the size of this wheat sale, and the special terms, it had to have been done between the director-general and the exporter personally."

It is apparent that Doumeng already had submitted a tender to Brussels calling for a specially low sale price, knowing Moscow would give the sale to him, not to the United States or Canada.

The choice of Brussels over Washington could also have to do with the secret talks in recent weeks between key EC officials, especially Trilateral Commission member Willy de Clerq, Commissioner for EC External Relations, and the Soviet-East European trade bloc of the Warsaw Pact, Comecon. As it turns out, strategy for EC-U.S. food price war was outlined by the Trilateral Commission some months ago in its agriculture trade policy.