Drought becomes 1988 election campaign issue

by Nicholas F. Benton

An unavoidable economic reality has just struck the United States in the middle of the 1988 presidential campaign. The worst drought since the Dust Bowl, which wiped out thousands of acres of croplands during the depths of the 1930s Great Depression, is now afflicting the farm regions of the United States. It is threatening to send world markets into panic, precipitating a new stock market crash, introducing food shortages in basic grain and meat products by the end of the summer, and once again reducing the world's most fertile cropland to desert.

Warnings of the inflationary consequences of the drought—with food shortages producing sharp price increases—are being flashed in headlines across the pages of the *Wall Street Journal* and *New York Times,* accompanied by predictions that its effect will be to unleash the single greatest threat to the economy: the spectre of uncontrolled inflation.

"An explosion in food prices over the next year seems likely to loosen America's already shakey grip on inflation," warned the *Wall Street Journal* in its June 14 edition. The *New York York Times* followed suit June 17, pronouncing, "The driest spring in half a century has brought declarations of emergency in the Middle West, the South and the Great Plains and has raised what Department of Agriculture economists see as a prospect of the most dramatic rises in commodity prices since the 1970s."

However, these warnings reflect only a superficial aspect of the problem. Hoarding of vital foodstuffs by major grain cartels is already reportedly under way. With the U.S. soybean crop threatened, hoarders are perceiving that European beef producers, who rely heavily on soybean imports from the United States to feed their cattle, will be forced to turn to powdered milk as a substitute. Not coincidentally, European Community stocks of powdered milk were bought out April 25, in anticipation of premium resale prices, driving the cost of beef there to record highs.

Such cartel practices lead rapidly not only to dramatic price increases, but also to shortages—as if the effects of the drought itself were not bad enough. As for crop damage, estimates are that a 3% decline in production leads to a 20% increase in prices.

Meanwhile, back in the States

Crop disasters are being reported all across the United States. The North Dakota Wheat Commission reports wheat harvests 35% to 46% below normal, and barley harvests 40% below normal. In Montana, 60% of the wheat crop is listed in poor or very poor condition, while 70% of Minnesota's spring wheat crop is listed that way. At least 25% of the soybean crop is listed by the Agricultural Department as "poor or very poor" in Mississippi, Louisiana, Arkansas, Missouri, Indiana, Ohio, and Tennessee. The department rated 46% of Louisiana's and 25% of Mississippi's cotton crop as poor or very poor, and at least 20% of the sorghum crop in Louisiana, Mississippi, Missouri, and Illinois is listed as poor or very poor.

In Canada, grain elevators are operating at 40% of capacity, and the amount of wheat available for export is down sharply. The United Nations Food and Agricultural Organization has reported that world cereal stocks have dropped by 62 million tons. The wheat reserves held by the U.S. government are reportedly down in May to 1.2 billion bushels, a half-billion below levels of a year ago. U.S. milk powder stocks are down to 143.5 million pounds, down from 470.3 million pounds in 1987, and over a billion pounds in 1985 and 1986.

While the destruction of crops will have an immediate effect on prices and supplies, the destruction of land by the drought could become virtually irreversible. Nature extracts a brutal price for neglect once man has begun to improve her.

For example, the "Dust Bowl" effect is created by land

which has been cleared of protective prairie grass in order to be cultivated for crops. The natural respiration between vegetation and the atmosphere is maintained, and even enhanced, as long as crops replace the grass that previously covered the soil. More intensive agriculture, increasing the yield of crops per acre through irrigation and crop-enhancement techniques, will significantly increase the rate of respiration between the ground and air, cooling the atmosphere and creating more rainfall.

However, the reverse effect occurs once land has been cleared, but crops are no longer grown on it. Stripped of its earlier protective grass cover, this land not only produces no oxygen for respiration with the atmosphere, but suffers the ravages of evaporation and direct exposure to the sun. Therefore, what was once prairie land, under conditions where a sufficient number of acres have been taken out of agricultural production and allowed to stand idle, gets turned into a dusty parking lot. Such dusty pockets then blow onto adjacent, cultivated land, creating a dustbowl, much as an epidemic spreads by weaker, sick organisms infecting healthy ones.

In addition, the decline in respiration heats up the atmosphere, and actually induces shifts in prevailing wind patterns. Therefore, in extreme cases like the one we face now, it is not droughts which wipe out agriculture, but the wipeout of agriculture, as a result of cutbacks in production, which produces droughts.

How the government produced the drought

In the case of the current drought, it is conclusively demonstrated to be the case that its cause lies almost entirely with human political decisions, rather than acts of God or caprices of nature. Two factors, in particular, have been decisive.

First, 78.5 million acres of land have been taken out of production in the drought-ravaged areas of the country since 1985, due to policy decisions made in Washington either to "manage supply" or to refuse to provide economic relief for farmers being driven out of business in record numbers.

Second, there have been over two decades of total neglect on the issue of providing new water resources for the regions now being affected by the drought, as well as other parts of the continent confronting emerging water shortage crises over the coming years.

Not a single dime of federal money has been spent on providing a drop of new fresh water for the United States since the early 1970s. This is despite the fact that during this entire period, the government has been keenly aware that the entire continent faces a severe water shortage crisis—drought or no drought—well before the end of this century.

Driven by "fiscal austerity" motives, often disguised as "environmental concerns," Washington began to kill the national agenda for new water development at the same time it killed the space program and the vision to build 1,000 nuclear power plants by the year 2000. Faced with analyses made in the mid-1960s of impending chronic water shortages in whole regions of the continent, prompting Rep. Jim Wright (D-Texas) to author a 1966 book entitled, *The Coming Water Famine,* the U.S. Senate took under consideration a massive water diversion project in the spirit of the great dam and canal projects, from the Panama Canal to the Hoover Dam, completed earlier in the century.

This one envisioned capitalizing on the enormous flows of surplus fresh water that rush out of the high Canadian Rockies annually down northward-flowing rivers into the Arctic Ocean. By capturing only 15% of this water and reversing its flow, engineers at the Ralph Parsons Company in California determined, over 180 billion acre feet of new fresh water could be made available for agricultural, industrial, urban, and transportation use in the Canadian plains provinces, the U.S. plains and southwest, and even northern Mexico.

The master plan, named the "North American Water and Power Alliance" (Nawapa), involved the construction of 369 separate, moderately-sized components, creating tens of thousands of jobs. Since the water would flow almost its entire route by gravity, the cost of water at its destination would be very low, cheapened even further by the fact that the gravity flow would produce an enormous surplus of hydro-electric power. Despite the cost of the system, it was predicted that it would fully pay for itself in only 20 years, while generating virtually limitless new economic growth in the meantime.

The idea was killed by a massive anti-growth assault in the late 1960s, coming from both sides of the border. Once Nawapa was shelved, other water projects were also scuttled.

The abject poverty of the government's response to the crisis was reflected in the initial reaction of administration officials. When, on consecutive days, June 14-15, Agriculture Secretary Richard Lyng and White House spokesman Marlin Fitzwater responded to inquiries, one from a congressional committee and the other from this reporter during a White House press briefing, on what options exist to deal with the drought, both said only, "Pray for rain."

The press's reaction to Fitzwater's glib response was so violent, that the very next day he came out to announce a battery of emergency measures by the White House. Designed to sound impressive, they amounted to nothing but the creation of just one more interagency task force to study the problem.

The only positive development from the drought so far has been the renewed interest it has created in Nawapa. Sen. Frank Moss (D-Utah), who headed the Special Subcommittee on Western Water Development of the Senate Interior Committee that studied Nawapa in 1966, held a press conference June 17 in Washington under the auspices of the "North American Water and Power Action Committee" (Nawapac). The press conference drew 16 press agencies, and Nawapac planned a follow-up press conference for reporters covering the Toronto Economic Summit June 20.