

Agriculture by Robert L. Baker

Yeutter 'discovers' grain shortage

After years of lying about so-called "overproduction," the Agriculture Department now says too much land is idle.

In testimony on July 19 before the House Committee on Agriculture, Secretary of Agriculture Clayton Yeutter stated that his department's acreage reduction policies just aren't responding to "market forces," and that there is a shortage of grain and soybean supplies in the U.S. granaries.

The sudden change in Yeutter's policy of taking land out of production comes just as Marshal Sergei Akhromeyev, former chief of the Soviet General Staff, arrived in the United States for a grand tour. Visiting the Chicago Board of Trade on July 26, Akhromeyev had a demand for the U.S. grain producer: Come up with more cheap food.

Was his visit a coincidence?

After almost five years of blaming low grain prices on a "grain surplus" which never really existed, now suddenly, Yeutter is saying that grain prices have become depressed because *other* countries took advantage of the U.S. efforts to reduce crop acreage. "Our production rigidities encouraged foreign production expansion just as effectively as did high loan rates in the early 1980s," Yeutter said in his written statement.

In fact, Yeutter, a faithful mouthpiece of the international grain cartels, wants to steer U.S. agricultural policy to accommodate special world political relationships that have been nurtured by the cartels. With both the Soviet Union and Communist China facing severe economic breakdowns and drastic food shortages, and special "New Yalta" political arrangements being worked out between them and

the United States, food has become a means by which the Bush administration believes it can prop up those corrupt and doomed regimes.

In the 1990 Farm Law, Yeutter said, he would like to maintain the option of idling acreage to control surpluses; but, he would also like to minimize acreage cutbacks mandated under the Conservation Reserve Program (CRP).

The CRP was established by Congress with the goal of taking 45 million acres of cropland out of production for 10 years, supposedly in order to control soil erosion and "overproduction," but actually as a means of giving members of the international grain cartel such as Cargill, Bunge, and Archer Daniels Midland full control over U.S. agriculture. Now, after 31 million acres have been locked up in this program, Yeutter and his associates say the United States needs a different, more flexible program, because, predictably, the grain stocks have run *too* low.

From its inception, the Conservation Reserve Program was criticized by *EIR* as a program that would help destroy the business infrastructure of the farm sector and help cause a food shortage.

Other critics have said that the Agriculture Department has overpaid farmers in the CRP by as much as \$300 million. For the nation's taxpayers, the cost is about \$1.5 billion per year, or \$15 billion over the 10-year period. But subsidies are less of an issue at the moment, because drought has raised prices and tightened crop supplies.

Current tight grain supplies have wiped out the principal rationale put forward by promoters of the CRP "set-aside" program.

Rural development has suffered a severe blow in the meantime. Assessing economic impacts, businessmen and academics have raised concerns about adverse economic impacts of the CRP. It has hurt agriculturally dependent states which suffered from the poor farm economy of the early 1980s and can hardly afford any further economic setbacks. The massive impact of taking land out of production and enrolling it in the CRP has forced firms servicing the farm sector to sell fewer tractors, seeds, fertilizers, and pesticides, and to handle smaller harvests.

At North Dakota State University, research assistant Timothy Mortensen worked on a study which concluded that the CRP caused a \$56 million annual loss to North Dakota's economy and a loss of 2,400 jobs as of 1987. With more acreage signed up since then, Mortensen says, the annual losses have about doubled.

After driving 600,000 farmers off the land in the last 10 years, and closing thousands of rural businesses, Clayton Yeutter is shaping his new farm policy for the cartel interests he looks out for. Now, with a smaller number of agricultural producers to deal with, and major global trading policies being put into place for the benefit of the international grain traders, the American farmer is being told once again that agricultural policy isn't quite right.

Farmers will now be given a new excuse why grain prices will continue to stay low, namely: The Soviets and the Red Chinese need cheap food. The Communist system has looted and destroyed collectivized agriculture; now Yeutter and the Bush administration intend to loot American farmers to supply those Communist regimes.