

EIR Feature

Pot production soars as depression hits United States

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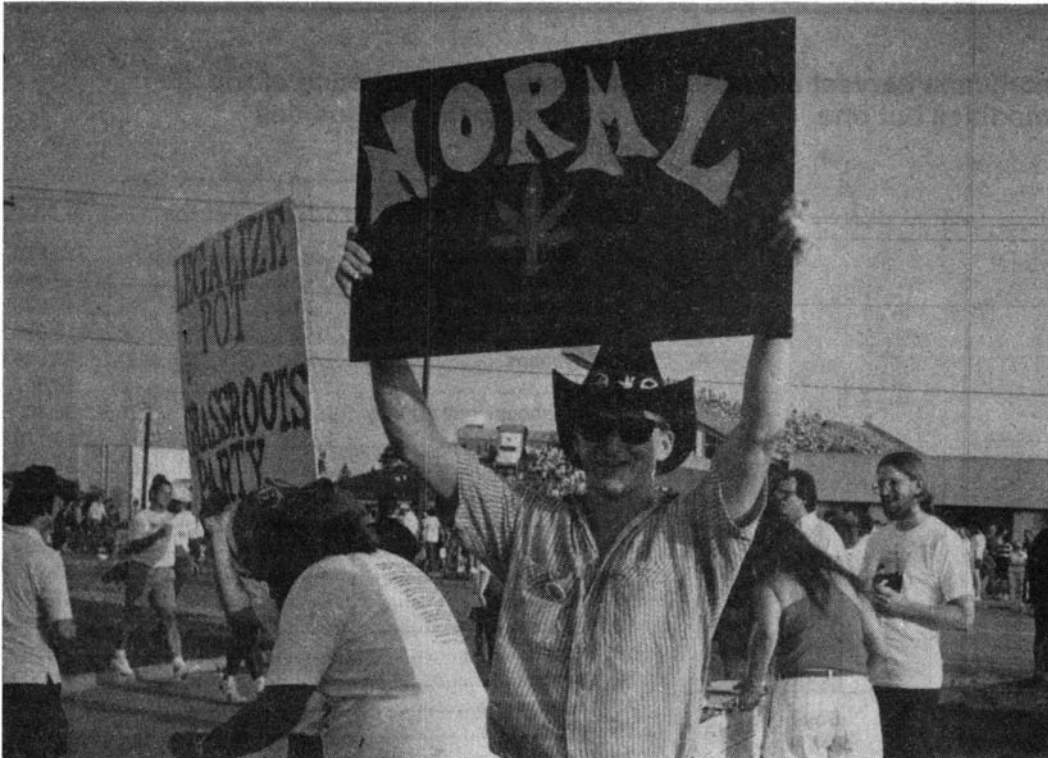
In 1988, a Montana farm couple, Dick and Judith Kurth, of Fort Benton, were convicted and jailed for switching from cattle to marijuana as their cash crop. *People* magazine, the TV networks, and all major media publicized the incident, in part to promote the view that decent farmers everywhere were turning to pot growing, and wrongly punished. In 1985, the Kurths were in debt for \$1.2 million to Norwest Bank, and the bank cut off their credit. Unable to operate their once-prosperous cattle ranch, they investigated growing marijuana in makeshift hot-houses in their farm buildings, in a desperate bid to save their farm.

Over the 1980s, marijuana cultivation in the United States became gigantic, and it continues to soar. For example, in 1987, the total gross value of the crop was an estimated \$43.7 billion. Two years later, in 1989, that had risen to \$50.1 billion. In part, this reflects the rising street price, particularly as eradication raids periodically kill off significant amounts of cultivation in certain regions. But over three-fourths of the dollar increase is due to increased *physical production* of marijuana. Clearly, the trend is toward increased domestic cultivation of the drug, even as Mexico and other points also continue to increase their production. In terms of percentage of annual estimated world output, the U.S. share of marijuana production in 1989 constituted about 27% of the world total.

America's drug problem is no longer just a *consumption* problem—importing marijuana, cocaine, and heroin from “over there.” We now have a major domestic drug *production* catastrophe on our hands as well.

Twenty percent increase per year

We use 1987 data in this report, because, for purposes of assembling a consistent and complete data base for both agriculture and estimated marijuana values, that was the best recent year. (See accompanying box for methods and sources used.) The patterns have, if anything, worsened over the intervening years, as pot production has kept growing by around 20% per year. Meantime, levels of farm



Barbara Miller

Drug legalizers are on the rampage, as marijuana becomes the top crop in many states. Here, the National Organization for the Reform of Marijuana Laws (NORML) peddles its wares in July 1990, at a concert in Iowa that featured aging ex-Beatle Paul McCartney.

output of food and fiber are depressed, relative to need and potential productivity. In fact, 1987 marked the first year in recent history that, for a month or two, the United States was a net food importer.

Figure 1 shows that the 1987 marijuana harvest (\$33,095 million) was almost equivalent to the receipts from the largest agriculture commodity (cattle and calves) that year (\$33,829 million), and it was larger than *every other* agricultural commodity, and larger than several major grain crops combined. The relative values are shown for a breakdown of five of the top farm commodities in the bar diagram, and another 20 commodities are shown for comparison in **Table 1**.

What is outstanding is that by 1987, the harvest value of marijuana exceeded that of soybeans and corn combined (\$18,372 million)—the two crops in which the United States leads in world production. Even adding in the value of wheat (\$4,869 million) and hay (\$2,233 million), the \$25,474 million total does not begin to rival marijuana.

Bankers give the nod

You would be wrong to expect to see “waving fields of hemp” in Iowa, however. The pattern in these figures does *not* reflect some imputed “natural shift of preference” among farmers away from producing food, into producing dope. The U.S. marijuana harvest reflects a series of deliberate policy decisions by a network of influentials in the megabanks, the Justice Department, U.S. Department of Agriculture, the International Monetary Fund (IMF) and related

agencies, to create the conditions where dope growing in the United States is encouraged.

Over the 1970s and 1980s, the banks jacked up international interest rates into the stratosphere, and then forced Third World nations to adopt austerity policies. This predictably destroyed the productive sectors of their economies, at which point the bankers told them that they should produce any crop—including drugs, wherever it was lucrative—for the purpose of generating cash to repay their debts to the banks.

The spectacular growth of marijuana cultivation in the United States in the 1980s is a result of the same policies. The same usurious interest rates that destroyed the Third World have also made it nearly impossible for agriculture to survive in the United States. Bankruptcies in the farm sector have skyrocketed, and farmers are being told to grow pot, or lose their farms.

So long as the Bush administration promotes liberal free market economic policies at home and abroad, the drug trade will flourish—at home and abroad—and Washington’s so-called War on Drugs will remain a cruel joke.

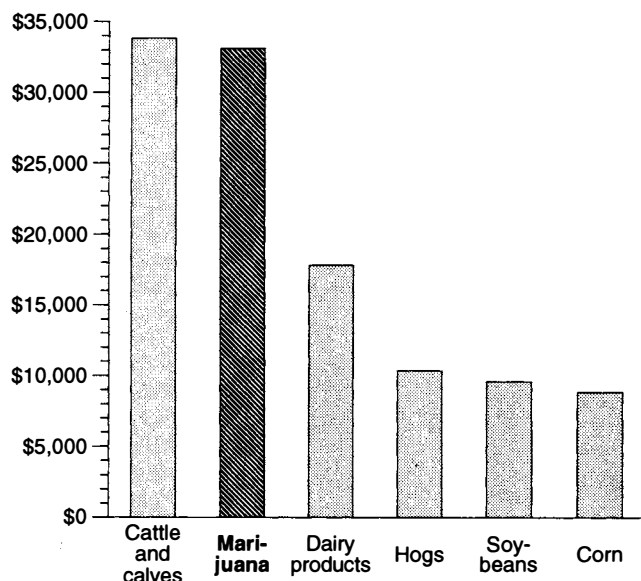
The example of the conviction of the Montana farmers is a case in point. It is on public record that Dick and Judith Kurth were advised by their local Norwest Bank officer Floyd DeRusha, that they would have a chance to prevent bankruptcy if they produced marijuana. Once the farmers, very experienced in agronomy, did produce successive years of marijuana crops, they paid off their debts, with money to spare.

According to press accounts, DeRusha was just “joking”

FIGURE 1

Value of 1987 U.S. marijuana harvest exceeds all agricultural commodities but one

(millions \$)



Source: USDA; NORML; EIR estimates

when, in 1985, he replied to the Kurths' anguished plea for help to continue ranching, "Well, other than growing marijuana, I don't know what you can do. Why don't you try that?" Norwest Bank President Frank Shaw denies that this was an okay to grow dope, but the bank gladly accepted the Kurths' money to pay off their loan, even though any bank official would have to wonder where the money was coming from, since the Kurths had been insolvent. Dick Kurth further testified that he informed Norwest how he was making his money, and that bank officials even helped him make big cash deposits in such a way as to evade federal rules to detect suspicious sums of cash. According to the bank's behavior, money is money.

Nationally, this "one step removed" policy has prevailed among banks and other agencies connected with taking in or laundering dope money. The big banks caught violating federal reporting laws, and taking in large amounts of cash—such as the Bank of Boston and SeaFirst in Seattle—were given only slap-on-the-wrist fines. No followup of the drug money networks was done by the Justice Department. In the marijuana-producing areas, likewise, there are large unaccounted for cash flows, and yet there have been conspicuously few regional-raids, indictments, and convictions.

What is one to conclude from the size of the domestic pot economy? Marijuana advocates like the National Organization for the Reform of Marijuana Laws (NORML) conclude that

TABLE 1

Receipts from marketing of top 25 crop/livestock commodities

(millions of \$)

Crop/livestock commodity	Receipts
1. Cattle and calves	\$33,829
2. Marijuana	\$33,095
3. Dairy products	\$17,829
4. Hogs	\$10,326
5. Soybeans	\$9,565
6. Corn	\$8,807
7. Greenhouse and nursery	\$6,402
8. Broilers	\$6,176
9. Wheat	\$4,869
10. Cotton	\$4,027
11. Eggs	\$3,177
12. Hay	\$2,233
13. Tobacco	\$1,827
14. Turkeys	\$1,701
15. Potatoes	\$1,588
16. Grapes	\$1,355
17. Oranges	\$1,300
18. Tomatoes	\$1,283
19. Apples	\$1,091
20. Peanuts	\$1,016
21. Sorghum grain	\$1,009
22. Sugar beets	\$942
23. Lettuce	\$857
24. Barley	\$782
25. Cane for sugar	\$778

Source: USDA

marijuana output is so big and lucrative that it reflects public support, including that of farmers, and therefore must be legalized. Much of the major media also promote this view. But closer inspection of the patterns of cultivation do not indicate widespread public support or farmer involvement.

In the report that follows, we present a systematic computer-assisted study of the scope and geography of marijuana growing in the United States. The study shows that there are demarcated areas of cultivation, which any concerted eradication program could obliterate—if the political will to do so actually existed.

The two zones accounting for 42% of U.S. marijuana output (1987) are concentrated in the Pacific states (California, Oregon, Washington, and Hawaii), and in the secluded, poverty-stricken counties of the Ozarks and Appalachians, in a five-state region in the eastern central United States (Arkansas, Missouri, Kentucky, Tennessee, northern Georgia, and also adjacent southwestern Virginia) (Figure 2).

The figures show that there were not wholesale switchovers to marijuana by traditional farmers in the big farm states. Instead, the marijuana cultivation has been taken up

FIGURE 2

Ten states produce 42% of U.S. marijuana output

(billions \$)



Source: NORML; EIR estimates

in remote areas impoverished by the shutdown of local coal mines and other industries and by the fall in farm commodity prices. Added to that is the counterculture’s “Mother Earth”-type farmer, based especially on the West Coast, but located around the country, as a product of the “New Age.”

If, over the 1980s there had been genuine economic growth, instead of “Reaganomics” followed by Bush’s equally disastrous free market liberalism, then the U.S. farm sector would be booming, and marijuana would not have become the new crop of “alternative agriculture.”

Pop singers say, ‘Grow dope, not food’

The most prominent promoter of marijuana cultivation is the entertainment mafia’s favorite pothead, Willie Nelson, billed as a country and western singer. Wailing Willie is the figurehead for an outfit called FarmAid, which in 1985 began annual charity concert bashes to raise funds to donate to needy farmers. FarmAid has worked hand-in-glove with the FBI Community Relations division, to police rural areas and prevent any serious political farm movement from taking shape.

FarmAid has pledged financing for a national emergency farm protest meeting in March in Washington, D.C.; the group will have its usual strings attached to see that the meeting remains at the level of impotent “protest,” not “program.”

Last October, Nelson was on the election trail for

pot. In Kentucky he supported gubernatorial candidate Gatewood Galbraith, whose platform called for a “hemp-based economy.” Galbraith, the best-known marijuana lawyer in the state, calls for legalizing marijuana, levying stiff taxes on it, and applying the revenues for action against “hard” drugs. Galbraith says that pot growing has caused the “revitalization of the rural economy.”

In his 1988 autobiography, *Willie*, Nelson bragged about how he and a pal smoked marijuana on the White House roof, during a stay as guests of President Jimmy Carter. “The boys don’t play where they can’t smoke dope,” Nelson told a reporter who asked whether his band indulged in illegal drug use at the White House.

Now that Willie has come to be the entertainment industry’s “friend of the farmer,” his message continues to be: “Feelin’ bad? Try dope.” The *Washington Post* featured Willie in its “Personalities” column in October 1990, saying, “I don’t think there’s any big secret how I’ve felt about cannabis [hemp or marijuana] over the years. The biggest killer on the planet is stress, and I still think the best medicine is and always has been cannabis.”