

Agriculture by Marcia Merry

Eastern Europe deserves better

The new joint farm projects being launched from the U.S. are more apt to line bankers' pockets than to produce food.

In December, the Denver-based National Farmers Union (NFU) announced "Project Hungary," which they describe as "a collaborative partnership with Iowa State University and the Budapest University of Economic Sciences."

Such an initiative to improve agriculture output potential could not be more urgent. However, the political context of such exchanges to date, plus the particulars surrounding this project, portend yet more farm output decline, instead of more food.

Project Hungary is funded by the United States Agency for International Development (AID), which is also providing a grant to the NFU for another project. This latter one is aimed at several of the new republics in the former Soviet Union, and will be a multi-year effort conducted in cooperation with Iowa State University, the Winrock Foundation, and the National Farmers Organization. Last November, two NFU officials went to Budapest to gather information for the projects.

The rub is that ever since the Berlin Wall came down, AID has been functioning as an integral part of a whole battery of western individuals and agencies that intervened in central and eastern Europe to set up special economic arrangements for purposes of looting, not development.

In November 1989, after George Bush went to Poland and Hungary during the summer, Congress enacted a program called "SEED I" involving grants of \$1.5 billion over subsequent years for "Enterprise Funds." These were run as pools of money to facili-

tate the private operations of political cronies of Washington, London, and favored circles. The officials in charge were then-Deputy Secretary of State Lawrence Eagleburger, former director of Kissinger Associates; Michael Boskin, chairman of Bush's Council of Economic Advisers; and later, Dr. Ronald Roskens, head of AID, subsequently charged with bribery.

Leading the pack has been the International Monetary Fund, sending its "missions" of banking experts to the eastern capital cities, ordering them to impose austerity in the name of fiscal responsibility.

Under SEED I, there was a Polish-American Enterprise Fund (PAEF) with a ceiling of \$240 million. There was an Hungarian-American Enterprise Fund (HAEF) with a ceiling of \$60 million; and a Czechoslovakian-American Enterprise Fund (CAEF) with a ceiling of \$60 million.

No development came out of these slush funds at all. Such outfits as Citibank in Warsaw lined their pockets. When private family farmers tried to get a loan, they were told the interest rates would be 25-70%!

Look at what has happened with the collectives in eastern Germany and elsewhere in central Europe. Instead of being transformed into independently owned family farms, collectives have largely been turned into "factory farms" operating with peasant-level wages on contract to the big-name cartel companies like Archer Daniels Midland/Töpfer. Enterprise fund money greased the skids for this to happen.

The cartel companies have pro-

ceeded to broker the factory farm output at low prices, undercutting western Europe. In turn, they are dumping selected western European-produced foodstuffs on eastern markets, undercutting any incentive for family farms to be established. Overall, farm output potential is declining drastically in many eastern farm regions.

The top officials of the German Farmers Federation, the sister organization to the NFU, looked the other way.

Those who have moved to oppose this economic subversion have been targeted. Polish farm organizations demanding rural development programs are under judicial attack. Detlev Rohwedder, the German government official who was pursuing a policy to restore private business capabilities under independent ownership, was assassinated in 1990.

Benefitting from these crimes are private, mostly Anglo-American, financial interests pursuing their geopolitical strategy to prevent central European development, especially German, and to foment such atrocities as are occurring in former Yugoslavia, an area in which Lawrence Eagleburger has long specialized.

These are the realities which must be opposed with efforts at real economic development in eastern Europe: infrastructure building, independent ownership of farms and businesses, and increased output through better inputs. Those conducting subversion and profiteering in the name of the "free market" should be prosecuted, not propitiated.

The tipoff that AID is up to its usual dirty tricks in funding the NFU farm projects is the inclusion of Winrock International in the deal. This policy center is based in Arkansas and named for Winthrop Rockefeller. Its specialty is promoting low-input, primitive farming.