

## Agriculture by Susan B. Cohen

### What kind of emergency reserve?

*A special grain stockpile could be a precedent for parity, but the Carter administration will make it a "food weapon."*

Early this spring the Carter administration began to parlay the leverage it had won against farm producers through the grain embargo. It established a new government grain reserve. Last week the project was advanced with Senate passage of S.2639, a bill which provides for a 4.5 million ton reserve the President can use as "backup" for the Food for Peace (PL-480) food aid program. A similar bill is pending in the House.

Partisans of a squeeze-the-farmer policy at home and Henry Kissinger's "food weapon" policy abroad are rooting for prompt House action. As the *New York Times* editorialized this week, the "political opportunity" is at hand to defeat what has been consistent farm opposition to both the use of food as a diplomatic weapon and to the idea of the government controlling a significant stockpile of grain overhanging the market.

In the aftermath of the embargo, which had the effect of smashing grain prices, the administration announced that by setting up a government reserve for emergencies farm prices could be boosted 15 to 20 percent. The administration ordered legislation for such a reserve, and House Agriculture Committee chairman Foley and other Carter deputies set to work. Foley told congressmen and farmers that the reserve was a good deal for producers since the conditions for releas-

ing grain from the emergency reserve would be tighter than release conditions—when the market price reaches more than 150 percent of the support price—under the crop loan programs administered by the Commodity Credit Corporation.

But the force of the argument lay almost exclusively in the fact that the administration already controlled the grain. The program neatly provides for four million tons of grain to "backstop" PL-480 and another 300,000 tons for a "special reserve" in case Food for Peace supplies are already programmed when an emergency arises. This adds up almost exactly to the 4.2 million tons of wheat the Administration has declined so far to tender from among the contracts it picked up after declaring the embargo.

The fraud and hypocrisy of this swindle against the American grain farmers has characterized U.S. food aid policy from the outset.

Rhetoric aside, Food for Peace was a dumping program whose net effect was to exacerbate the problems the program was ostensibly designed to solve. The government's ability to take amounts of "surplus" grain at bargain basement prices set by the support loan levels left farm producers to paper over their losses with an accumulation of loans that now threatens to pull down the whole farm economy. At the same time, dumping the

cheap grain into underdeveloped countries created a dependence that prevented basic agricultural development in countries already beset with difficulties.

Furthermore, the law allowed the U.S. unilateral intervention in recipient countries, such as the provisions that a portion of the transferred commodities be used in the World Food Program's food-for-work operation, and the so-called local currency programs where local currency payments for the commodities were banked in U.S. accounts in the country. Under the latter, the United States gained virtual control over the money supply of an entire country like Pakistan.

Recent amendments to the law specify that no less than 5 percent of the program commodities must be used to enforce population control. The so-called Food for Development aspect of the program makes aid contingent on the fostering of random, small plot, "self-help" agricultural and other cottage industry undertakings.

Congress should look at the record before renewing a bad program—especially at a time when the famine in Africa demands immediate, effective action. All that is required for a proper famine relief program is emergency reserves of the basic food items—wheat, rice and dry milk—established *at parity prices*. Such a program should be run by the Agriculture Department, free of the meddlesome PL-480 and Agency for International Development apparatus, and without strings other than the assurance of effective followthrough to get the commodities directly to the hungry individuals. A country with a serious commitment to agriculture would do it that way.