

Cartels plan a new 'great grain robbery'

by Scott Thompson

A spokesman for Vice President George Bush told *EIR* on July 18, that Bush will live up to his promise to Gorbachov, to make the United States a "reliable supplier" of grain to the U.S.S.R., despite the drought that will devastate over 25% of U.S. grain production this year. Bush made his promise to Gorbachov at the Washington, D.C. summit last December, at a breakfast for the visiting general secretary, after Gorbachov criticized the U.S. for using "food as a weapon" during the Carter administration.

The Reagan-Bush administration is locked in secret negotiations with the Soviet Union to more than double the minimum amount of grain that the Russians will purchase from the United States over the next five years. Skyrocketing prices from so large a sale of grain, coupled with the effects of the North American drought, are likely to make the 1972 "great grain robbery" by the Soviet Union (which jacked up the price of bread in the United States) look like a mere twitch on the Richter scale.

So far, U.S. and Soviet negotiators have met three times to conclude a new five-year grain sales agreement, with the latest meeting occurring July 7-8 in Vienna, Austria and the next meeting scheduled for August. On July 14, a spokesman for Ambassador Alan Holmer, the deputy U.S. trade representative who heads the American negotiating team, told *EIR* that the terms of negotiation are a closely held secret, which is being revealed only to members of the administration and to the grain cartel companies—e.g., Cargill, Continental, Bunge—that stand to make a killing from zooming grain prices.

However, a source in the U.S. Department of Agriculture revealed that the United States is demanding more than a twofold increase in the minimum corn and wheat purchased by the Soviet Union: up to 9 million metric tons of each, for each year of the five-year agreement. This compares with the 4 million metric tons of each grain under the present five-year agreement, which runs out in September. The Soviets themselves are asking for less—a minimum of 6 million metric tons of corn and wheat combined—which shows that it is the Reagan-Bush administration, backed by the grain cartels, which is shoveling grain at the Soviet Union.

Asked whether the price increase expected as a result of the drought had been taken into account in the talks, a spokesman for Ambassador Holmer said it had, but "there is really no implication that can be drawn from the drought on the

negotiations." Already, under the terms of the present five-year grain agreement, the Soviet Union recently snapped up 1 million metric tons of corn for shipment this summer, before grain prices start to rise. These sales are depleting the U.S. strategic reserve at a time of economic crisis.

Dirty deals with the cartels

The Reagan-Bush administration has reinstated the policy of secret collusion between the U.S. government and the grain cartel companies, which was begun by Henry Kissinger during the Nixon administration's policy of détente. In 1972, Kissinger organized the deal behind the scenes, so that when companies showed up for their normal purchases in the fall, the grain was gone. He also directed Jay Lovestone, the former Bukharinite leader of the Communist Party, U.S.A., to crush trade union opposition to grain sales to the Soviet Union.

At present, the U.S. Department of Agriculture is taking no chances. It refuses to reveal how much grain each of the major cartels is selling to the Russians, while the U.S. trade representative's office runs negotiations with the Soviets and the cartels simultaneously. This collusion has been approved by the Economic Policy Cabinet Council, whose chairman *pro tem* is George Bush's crony, Treasury Secretary James Baker. So far the EPCC has refused to say whether it will revise its grain sales policy with the Soviet Union because of the impact of the drought.

Historical roots

Under the present crisis conditions, the activities of the grain cartels ought to be of national security concern. Historically, today's cartels are the heirs of the Aleppo Syrian Jewish community, whose speculations in grain prices during the Byzantine Empire were used to bring about contrived shortages, and usurious prices, and to control nations within the empire.

Later, Greek shipping traders and merchant banking houses tied to cartels, whose ultimate controllers were in Switzerland and the City of London, allied themselves with a faction of the Bolsheviks led by Nikolai Bukharin. Bukharin conceived of a plan of using Bolshevik Russia as a battering ram to drive Western Europe back into a pastoral state that would be ruled by the same cartel interests that had exploited Ukrainian grain production through the port of Odessa.

Such collaboration continued through the good offices of Soviet agent-of-influence Henry Kissinger, who engineered the signing of a three-year grain agreement with the Soviets on July 8, 1972, which was later known as the "great grain robbery," because it forced U.S. bread prices so high. The amounts of grain involved in that deal were minuscule compared to the quantities the United States is now trying to get the Soviet Union to purchase, under the "New Yalta" policies of the Reagan-Bush administration.