
Interview: Robert Linnertz

How free trade is destroying agriculture in North Dakota

Mr. Linnertz, a Schiller Institute representative in Minot, North Dakota, farms 1,200 acres in Ward County, producing wheat. He was interviewed by Marcia Merry Baker on Sept. 27.

EIR: There is a lot of publicity on how Mother Nature intervenes to cause food crises, through drought and floods—especially with this being an El Niño period in weather; but in reality, bad policies over the years are the real issue in agriculture. That can be discussed in many ways: the lack of infrastructure (flood control, irrigation water, railroads, etc.), but also the fact that farmers have been systematically underpaid in recent years, and now we have a real crisis.

Linnertz: You bet we do. I'll start with transportation. We have transportation that we can control, where we want to put it, day to day, but the way the farmer is being manipulated downward all the time, we are at a slave-labor condition here in the United States, whether we know it or not.

The cartels are always downgrading, for example, milk, or grain; as they need money, they take it out of the farm economy, because they're the easiest ones to manipulate.

EIR: What would be a decent, or parity price, for wheat, or other farm commodities?

Linnertz: If we were to handle our ground, to preserve it, to raise crops in the future, we should be getting \$8 a bushel for wheat, to \$8.69 a bushel. Today, in Minot, North Dakota, we are getting, \$3.29 for a bushel of No. 1, hard, dark northern grain [spring wheat].

EIR: The Dakotas are world famous for wheat. What is happening?

Linnertz: I'll give you what is happening in the state of North Dakota, and nobody is talking about it. In 1996, we seeded 12,800,000 acres of ground. This year, we have only seeded 11,188,000 acres of ground—in durum, spring, winter wheat and all. . . . I can say truthfully, that every acre of ground of the 11 million acres, has gone in the hole \$20 an acre—being *conservative*. That \$20 an acre brings it up to a \$225 million loss. You divide that into the 32,000 farmers that are left in the state, and that brings you into a

figure of \$70,000 per farm, that has to absorb that loss. And that loss is either coming out of a checking account of the old people that have some left, because their sons are farming, or it is absorbed by what's left to borrow against the farm.

We have a company from Canada that's just opened up a new plant here, a manufacturing plant. The chemical companies, and this company, and the seeding companies, went in, and they seeded 40 acres of durum, just east of me, one mile; there was a nice summer fallow field. They went in, and they seeded it, and they just harvested last week, and they kept track of every penny that they went in, and put in, and took out of it, for durum, and they just harvested it—and it went 18 bushels to the acre. And with 18 bushels to the acre, they were short, \$1.28 a bushel, of making expenses. And that was on television all the time. Every night, they made a record, of when they sprayed it, etc. They did everything immaculately perfect. The right chemicals, the right fertilizer, at the right time; it was done by the county agent. And they were shy \$1.28 a bushel of meeting expenses. The durum went 18 bushels to the acre; and durum is generally 60 pounds to the bushel, and this went 55 pounds to the bushel. So, it wasn't milling durum. It was light durum.

So now you can figure out where I'm coming from, when I say, we're losing \$20 an acre.

EIR: What does that mean for the general economic landscape, of towns, social necessities, hospitals, and so forth?

Linnertz: It's fierce. Shutdowns can start happening within a couple of months, I would say, for the simple reason, that we have such a low price right now. And the reason why the companies do that, is people who are renting land [to the farmer], want their money *now*. So the farmer goes in and sells it, regardless of what the price is. And the cartels know that, so they get, I would say, 75% of the wheat, because of the pressure on the farmers—"I got to have it now." And the pressure the bank puts on the farmers. Then there's only 25% out here, that will, maybe, get the cost of production, if they're lucky. That's the situation we're in.

I just interviewed the Farm and Home administrator here, and they figured that every one of the farmers who have lent

FIGURE 1
Food expenditures
 percent of total consumer expenditures

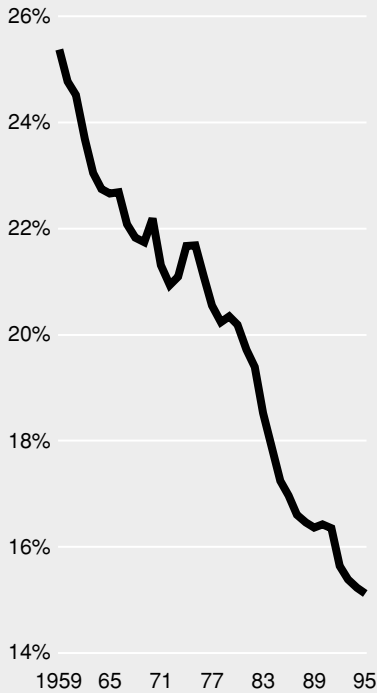


FIGURE 2
Prices farmers pay exceed prices farmers receive
 index 100=1910-14

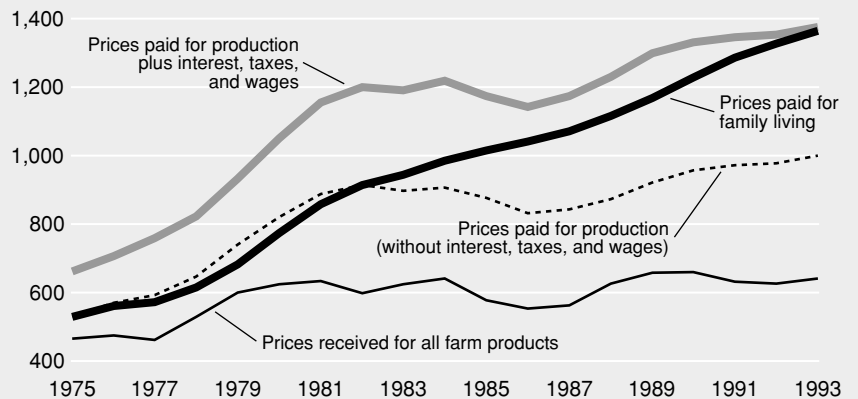


FIGURE 3
Farmers' income doesn't cover production costs
 percentage of 1910-14 parity

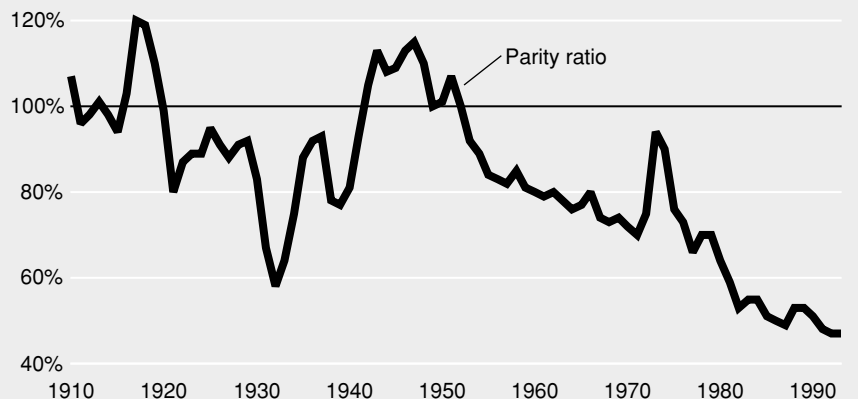
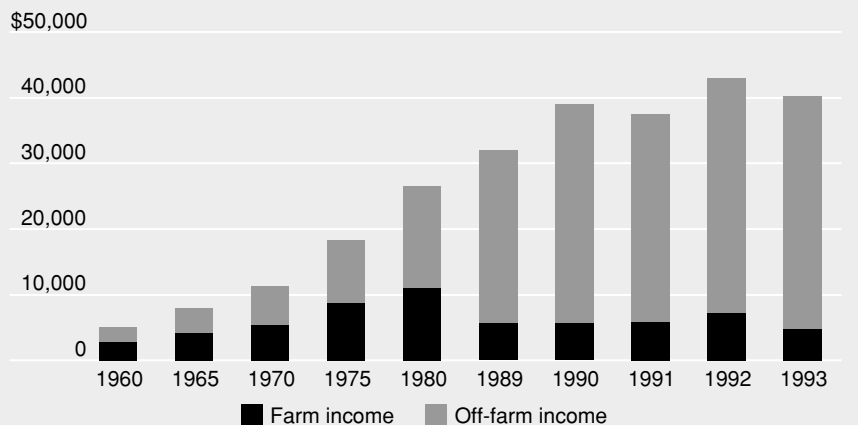


FIGURE 4
Income of the average farm household



Under the cartel "cheap food" policy, consumers have been paying relatively less for food over the years, while farmers have received less than they need to stay in operation, as Mr. Linnertz documents in this interview. At some point, this means food shortages. The graphs shown here are reprinted from Marcia Merry Baker, "Food Market Basket: Your Paycheck Compared to Your 'Grocery Bag,'" EIR, Sept. 27, 1996.

from them, *will not be able to make their payments this year*. Every one. In the Minot region.

EIR: Your own experience goes back a long way. How does this compare?

Linnertz: My mother told me that I started farming when I was five years old. She told me to go out and get the eggs, so we could have breakfast. I am 76 years old, and I've been farming ever since I was 17 years old, with my Dad. And since then, I have refinanced my farm four times, in order to keep farming. Now, that's through crop failures in the '60s, and a crop failure in '82 or '83, and then, I refinanced the farm to buy two quarters of land several years ago.

EIR: Other aspects of the situation? Other commodities?

Linnertz: The milk situation in North Dakota is a disaster right at the present time, because the milk is \$10 a hundred [pounds of milk, received by the farmer for raw milk] on the average; we should be getting \$18.

The farmers are going out of business. We have a new program coming into the state now. The cheese companies are putting in their own dairy facilities. They are doing away with the farmer, who works for nothing.

I made a statement here two years ago, that within eight years, there will be nobody but Spanish-speaking people riding tractors in North Dakota. Labor is being brought in; this is what's running the cheese companies' milk sheds [cow herds] right now. There are two factories in the Towner area, about 40 miles east of Minot. They are hauling in the forage and feed. They buy it cheap from the farmer who's willing to raise cheap hay and silage. So, it's a corporation, a cheese company corporation.

There are four dairy farmers—what you call the 50 or 60 cow herd—who have quit in the Minot area. That is Renville, Ward, McLean counties area. This is the last of the dairy farmers. There is no new blood in the dairy business. When farmers get 65 years old, they disappear.

EIR: In contrast, in the 1960s, in the counties in and around the Minot region, how was it?

Linnertz: You can't really go by Minot, because Minot is a hub. But, still, I would say this is a typical county. We've had two machine dealers leave. And we've had some gas stations shut down. But we have two large hospitals here. and the reason why Minot is going, is because the little towns are leaving, and the people are leaving the farms, and moving into Minot, just to get close to the hospital.

EIR: What about cattle and beef?

Linnertz: There are a lot of beef herds disappearing. Not because the farmers want to shut them down, but because they can't afford to foot the bill anymore. You've got a word for it, it's the "natural" disappearance of people because they are

growing old, and the young people are moving away. And they don't want the hassle. They can go any place and buy a hamburger.

EIR: Yes, you can buy a hamburger *now*, but soon . . . ?

Linnertz: *Yet!* And they're trying to make it seem that NAFTA and GATT are the answer. But any country that goes into free trade, does not last very long, because the international cartels come in, and milk you down.

EIR: In fact, instead of deterioration, there could have been wonderful development, through the infrastructure and other projects planned for this region, but never carried through. The famous upper Missouri system, or the Red River of the North (for example, a floodway to protect Grand Forks, North Dakota), and the upper Mississippi, too. In fact, the City Council of Grand Forks now has on their agenda, building such a floodway, after the heavy toll of damage this year.

Linnertz: I am not that close to it, but I just know that it could have been reconciled, if they would had kept the Garrison Project going, for the simple reason that, then, they could have had all their canals in position to distribute water. And they would have had all of their drainage canals, to divert water, to better manage it. The only thing is, that the people in Grand Forks took it upon themselves to say, we don't need it. They say, "It's costing me money. I'd rather sit on the dollar bill than save my house"!

EIR: Have you heard about the North American Water and Power Alliance, the big continental project going from Canada to the United States to Mexico?

Linnertz: Well, I'm on the board of the North American Trade Corridor, and we have about 70-80 people banded together, to see that we get Highway 83, from the Bay of Alaska all the way to Mexico. We have a lot of backing in Canada to get it through. We're getting organized through North Dakota, all the way down through South Dakota, Nebraska, and Kansas. And we are getting really good "vibes" to get in position to build that highway. It goes down into the eastern side of Mexico. it comes in just west of Brownsville, at McAllen, Texas.

And we're trying to promote manufacturing up and down the line, so we don't have a highway that isn't being used. Route 83 is the breadbasket of the United States, so we have to have access to good roads to produce finished products. For example, there are a lot of pork factories going in. But it isn't farmers putting them in; it's the cartel industry. IBP is one of them. That's the problem.

EIR: What about the social toll, and damage toll from the lack of infrastructure, and looting of the farm economy? In New Zealand and Australia right now, you can measure the economic decline by the rise in suicide rates among young people and farmers.

Linnertz: On death rates, we don't have that problem here. I'd venture to say, maybe three a year, that are connected to the economy. Three's too many. The established press doesn't talk about that; they don't talk about reality. You have the government saying it's good, too—the Federal government, such as your ag agents, and so forth. You never get the real picture from them. You always get the glossy side.

EIR: What has happened to the soils and land, with looting over the years?

Linnertz: We have a Cargill company here that is sponsoring people to farm the land. They do it very gently, because we don't have corporate farming in North Dakota, you know. So they hire a farm manager. They go in and lease three or four big tractors. They hook them up with three or four big cultivators. Now, a tractor is \$20,000 a year to lease; and a combine is \$18,000 a year to lease. So that's the situation you have.

They are going in and renting land for \$50 an acre. They're taking spots out of a township, and they'll offer a farmer, who is probably 60 years old, \$50 an acre. He is not making expenses anyhow, so he takes the \$50 an acre. And they'll do that for three years, until they get all the farmers out of that area—milked away. And then they come back in again, in about three years' time, and they say, "We're only going to give you \$20 an acre." And then the farmer says, "Well, I'm not going to take \$20 an acre," and he runs all over the country trying to find out, "Who's going to farm my farm for me?" And he can't get anybody, because everybody is gone. So he takes the \$20 an acre, and Cargill has cheap food.

This has been happening for about 10 years. It's coming to be really noticeable now, in the last five or six years. We have an area down in Carson, North Dakota, where the farmer went broke. Nobody knew where he was getting the money from; but he was buying land hand over fist, and he got himself a great big area there. And they found out that he was doing nothing but seeding barley; everything he ever seeded on his fields was barley. And then they find out, that his money is coming from Japan. So, he puts all the barley that he raises in there, puts it in the car [railroad], and ships it directly to Japan. That started about 20 years ago. A big bunch of land in the Carson area is linked to Japan.

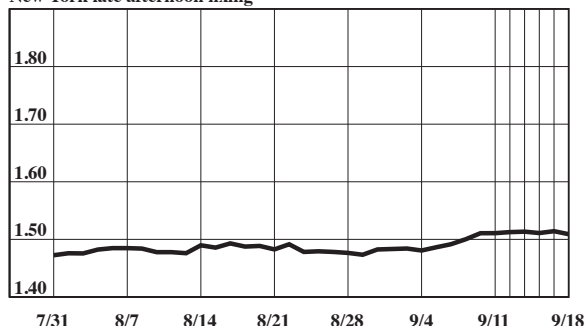
EIR: So instead of the kind of community development you saw in the 19th century, with the railroad coming in, and towns growing up amid family farms, you have a landscape that is characterized by Cargill managing farming, fields committed to Japan, cheese factories with their own factory milk herds, instead of family farm communities.

Linnertz: Right, and it's all due to price. You can't afford to raise wheat for \$3.00 per bushel. Actually, at today's value of money, the farmer who sells grain for \$3.60 a bushel is making less than we got in 1931, in real terms. In 1931, it was 24¢ a bushel, and then, you had it all.

Currency Rates

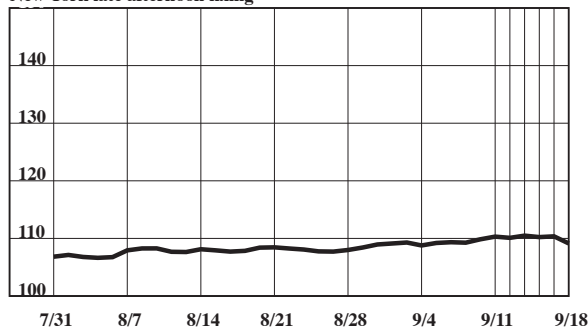
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New York late afternoon fixing



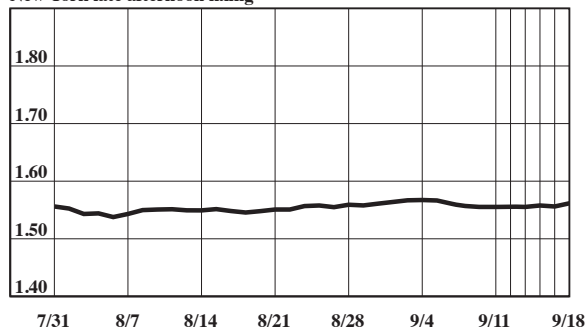
The dollar in yen

New York late afternoon fixing



The British pound in dollars

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The dollar in Swiss francs

New York late afternoon fixing

