

## AGRICULTURAL REPORT

### BANKERS PREDICT MASS FORECLOSURES

Oct. 21 (IPS)--A Minnesota banker has told IPS he expects a mass of farm foreclosures by next summer. The banker, a spokesman for Citizen's State Bank in Fulda, Minnesota, bluntly spelled out the alternatives available for farmers: "If we don't get five inches of rain by planting time [considered unlikely due to cyclical drought--Ed.], then all the reserves of water will be used up, making irrigation impossible and therefore wrecking the crops.... If this doesn't occur then the government will drive prices through the floor."

The banker's last comment indicates a deliberate government policy to bankrupt farmers--either by dumping reserves or by halting exports of agricultural products. The recent adoption of formal export controls by the Ford Administration has positioned Rockefeller forces to administer this fatal blow to farmers. Grain farmers--who have withheld as much as 60 per cent of this year's wheat harvest in anticipation of higher prices--are already in a vulnerable position. By doubling the interest charges farmers must pay to store their grain with the Commodity Credit Corporation, the government is forcing farmers to sell their crops just at the point when prices are slackening due to export controls. The government raised its interest charge from 5.5 per cent a year to 7.25 per cent last April, then hiked it again to 9.375 per cent earlier this month. Farmers are finished whether they sell the grain now or store it--either way they will be wiped out.

### NFO Echoes Foreclosure Prediction

A National Farmers' Organization (NFO) spokesman echoed the banker's analysis. In an IPS interview today, a NFO official in Iowa predicted a wave of foreclosures that will surpass the 1930s. He claims that Midwestern banks which lend to farmers are "scared to death." Reporting on a discussion he had with two bankers at a luncheon, the NFO spokesman said they "hope and pray" to get through this year, but they think next year will be hopeless. Indicating that he already is aware of Rockefeller's fascist political "solution" to the crisis, the NFO official added: "We won't come through another 1929 with democratic institutions."

IPS intelligence calls produced further confirmation that the credit noose is tightening around farmers' necks at the same time that second-level banks dependent on farm business forcibly are collapsed:

\*Several Midwestern bankers denied that many foreclosures would occur in the short run because banks will go along with re-financing. The catch, however, was their repeated use of the

phrases "credit worthiness" and "good manager." When asked what plans banks had for the "poor managers," one banker said they would sit the farmer down and advise him to get out of farming, "the sooner the better."

\*A farm source in upstate New York reports that many of the small, farmer-owned Production Credit Associations are calling their own version of a "debt moratorium." The PCA's have permitted some of their more desperate customers to delay repayment of the principal of their loans and pay only the interest this year. Many PCA's simply will be bankrupted as their farmer base is wiped out.

#### CARGILL CALLS FOR FOOD RATIONING, THEN RETRACTS STATEMENT

Oct. 21 (IPS)--IPS inquiries about a special Cargill report calling for food rationing produced hysterical denials from the grain company spokesmen today. Although yesterday's New York Times featured a front-page article quoting directly from the report, Cargill denies that they ever proposed rationing. According to the Times story, written by J. J. Maidenberg, Cargill's report states: "Rationing must occur in both domestic and export consumption." Maidenberg also quotes Cargill as saying that world food shortages "absolutely preclude" consumption levels anywhere close to what they were in the last 12 months. Just to make sure the starvation is spread around more "equitably," Cargill is backing President Ford's export controls 100 per cent and demanding that the same type of controls be applied domestically. Workers should be asked to undergo one meatless or even breadless day each week!

Yet, when questioned by IPS, the Cargill Director of Public Affairs Rob Johnson claimed that Maidenberg merely was "confused." The "report," according to Johnson, is really just a market newsletter put out by a Cargill subsidiary independent of Cargill's views. The word "rationing" was used only in a jargon sense referring to price rationing as opposed to consumption rationing. When pressed as to whether Cargill would have the Times retract its misleading coverage, Johnson said it was "not a retractable statement." Since Cargill's speculative practices are the real cause of food shortages and the starvation deaths of millions, it is understandable that Cargill would shun public exposure of its views.

#### Promotion of "Food Scare" Atmosphere

On the other hand, the Times article should be viewed as part of a major press buildup before the United Nations' World Food Conference in Rome next month. Controlled lock, stock, and barrel by the Rockefeller Foundation, the World Food Conference provides Rockefeller with an international platform for his food control policies. If a food scare atmosphere successfully can be created through the press, workers will accept food control as a necessary