



The Phyllis Schlafly Report



VOL. 6, NO. 11, SECTION 1

Box 618, ALTON, ILLINOIS 62002

JUNE, 1973

FOOD FOR FREEDOM -- OR FOLLY?

There is an urgent need for a complete and open examination of U.S. domestic and foreign policy dealing with food. Today's high food prices are the basic issue which affects everyone on the home front. In addition, the failure of agriculture in the non-free Socialist and Communist countries makes food the keystone of our foreign policy negotiations.

If handled properly, food can be our best tool to assure peace and security for ourselves, and to extend freedom to others. If mishandled, our folly and lack of foresight will rank forever with Esau's selling his birthright for a mess of pottage.

Skyrocketing food prices in our supermarkets have made food *the* major domestic issue. A frontpage story in the *New York Times* of May 30, headlined "Surging Grain Prices Alarm Washington," shows why tomorrow's meals will be even more costly than today's: "During the last four weeks, soybean prices have risen more than 45 percent, wheat 22 percent, and corn about 30 percent." These high food prices are directly related to the massive grain transfers to the Communist super-powers which have been going on for the past year and promise to continue at least through the coming harvest.

The grave costs and bright possibilities involved in the issue of food demand immediate public and Congressional attention and thorough study and review. The costs to the American consumer and taxpayer, and the lack of tangible future peace benefits to our nation, bring the whole policy into serious question. It is necessary that a priority Congressional investigation evaluate the entire food problem to determine American requirements, the needs of friendly nations, and the unparalleled opportunities for the freedom of mankind presented by the failure of collectivist agriculture in the non-free Socialist and Communist countries.

The Single-Track Officials

Administration officials who are pursuing peace and trade initiatives with Communist governments are single-tracked in their eagerness to expedite transfers of American food to foreign countries. U.S. agricultural exports to the Soviet Union are estimated at more than \$1 billion during 1972-73, mainly in wheat and feed grains. Our officials appear to lack any appreciation or provision for consequent costs at home and possible goals abroad.

These shipments overseas have virtually eliminated our storage stocks of grain. Only passing consideration is given to the possibility of adverse weather in the

United States, unpredicted crop pestilence, or disruptive non-farm pressures. No allowance is made for the acres upon acres which were damaged by the worst Mississippi River floods in the nearly 200 years of recorded weather history. No attention is given to a need for stockpiles to meet emergencies from such negative developments.

The Administration's policy was made clear in a speech by Carroll G. Brunthaver, Assistant Secretary of Agriculture for International Affairs and Commodity Programs, delivered in Washington, D.C. on February 22, 1973. After pointing out that U.S. wheat exports in this marketing year are equivalent to three-fourths of the 1972 crop, and that soybean exports exceed one-half of last year's crop, Mr. Brunthaver stated:

"Let me emphasize that the decision for an export-oriented agriculture has already been made. It is already being implemented, and has been for some time. The machine is rolling, and we are not going to throw it into reverse."

Mr. Brunthaver is now in Moscow negotiating a new Soviet grain deal. Plans are already in the works to enable Soviet Russia and Red China to take advantage of our P.L. 480 program. This is a grocery-giveaway gimmick which enables foreigners to do what most Americans cannot do, namely, buy food on credit. Most Americans must buy their food on a cash-and-carry basis because grocers have found that is the only way they can stay in business.

But favored foreigners can buy our food under Public Law 480 on terms of up to 20 years at 2 percent interest. Under local currency credit sales, credit can be extended up to 40 years with an additional 10-year extension possible at 3 percent interest.

There is also an additional joker in P.L. 480. Even the local currency we eventually should receive is left in the recipient country to be spent in that country for various economic development projects! This means that we never do get the money at all, and the food is, in fact, *not* a sale, but a gift paid for *and* delivered by the U.S. taxpayers.

Efficiency vs. High Prices

American farmers can and will produce all the food called for by consumer demands at home and a greatly expanded export program. They are the most productive and efficient farmers in the world. Our agriculture is the crowning achievement of the American free enterprise system and the envy of the world.

We are practically the only nation in history which has never had a famine or even a serious shortage of food. The American farmer feeds himself and 58 other people with a high protein diet. The Russian farmer feeds himself and only 7 others with a starchy diet.

Our system gives farmers a healthy freedom in management to produce and market their crops. They have the personal incentive to invest in expensive farm machinery which the ingenuity and inventiveness of others have built. Extensive agricultural education and research make new methods, seeds and fertilizers constantly available. Our transportation system to move foods to market is efficient, economical and fast.

Despite this production efficiency, food prices are climbing at a rate of inflation almost never before experienced in the United States except during fullscale war. Food purchased in shops (excluding restaurant meals) rose a record 13.3 percent from April 1972 to April 1973, and the index for meats, poultry and fish was up by the enormous amount of 23.5 percent. Food increases have been across the board (with few exceptions), and there have been particularly large increases in the prices of grains, coffee, onions, lettuce, bananas and strawberries.

Clearly, the American farmer is not to blame for the increase in food prices. He is not even getting his share of the increase. Because he is the only producer in our economy who must buy at retail and sell at wholesale, inflation hurts the farmer even more than the consumer.

The response of some Government officials to the high meat prices is to tell the consumers to eat fish. However, fish prices have gone as high or higher than meat. In the last decade, flounder and ground fish filets rose from 59c to \$2.15 per pound, scallops leaped from 99c to \$2.89, haddock from 79c to \$1.20, cod from 49c to \$1.69, and lobsters went from \$1.40 to \$3.25.

Food prices have risen even higher in other countries than they have in the United States. As inflation intensifies in Western Europe, Japan and in many developing countries, foreign consumers are paying even higher prices for food out of smaller incomes.

During the calendar year 1972, the sharp increase in food prices in Western Europe ranged from 6.2 percent in West Germany to 8.5 percent in the Netherlands. Meat prices accounted for much of the increase.

In France, consumers are paying some 15 percent more for their beef than a year earlier. In Italy, beef prices rocketed 30 percent during last year. Shortfalls in domestic fruit and vegetable crops have caused prices for some of these to climb as much as 80 percent.

Argentina recorded food price increases of 42 percent, and Brazil and Uruguay about 24 percent. In Chile, the food and beverage group of the official consumer price index rose 243.3 percent in 1972. In Japan, where the world's highest food prices prevail, sliced Kobe beef for sukiyaki has brought \$17.40 per pound.

The Fruits of Collectivist Farming

While American food production and agricultural efficiency increase with each passing year, food production in non-free Socialist and Communist countries has moved from inefficient to poor to disastrous. The reasons cited for Soviet food needs are bad weather and "other" problems, which is a euphemism for the failure of centralized government management to produce enough to feed its own population.

The entire history of Communist governments provides eloquent witness to the fact that collectivized agriculture simply cannot produce as efficiently as free agriculture. Centralized management can neither motivate farmers toward efficient and abundant production, nor can it supply the tractors and other farm equipment which would assist in improving efficiency. Before 1917, Russia was a grain-exporting nation; today Soviet Russia cannot feed itself.

On May 4, *Pravda* announced that all able-bodied persons (not merely men) may be recruited for farm work between May and September to help bring in the harvest and prevent losses. *Pravda* said that the Communist Party's Central Committee and the Soviet Council of Ministers decided to grant such authority to the Council of Ministers in each republic.

Last fall, the food situation was so desperate that hungry Russians queued up in long lines to stock up on potatoes, and 30,000 Moscow students and workers were sent into the countryside to search the soil for "even the smallest potato."

In 1972 Soviet gross agricultural output dropped 4 to 5 percent below 1971. Losses were focused in grains, potatoes, vegetables, and sunflowerseed. Gross grain production in the Soviet Union was 168 million tons in 1972 -- 7 percent less than 1971, and 10 percent less than 1970. The 1973 harvest is expected to be greater than 1972 but to fall well short of the planned increase.

Communist China likewise continues to require imports of food commodities, although China was historically agricultural and, with efficient operation, should be an exporter. This year, China will import at least 22 million bushels of wheat and 26 million bushels of corn from the United States, along with food oils. China, like Russia, is drafting non-farmers into the fields in a desperate effort to produce food and avert famine.

Agriculture Elsewhere

A quick glance at other countries points up the strategic importance of American food in the world picture. Agricultural production in the 18 major producing countries declined sharply in 1972. *Newsweek* Magazine on June 4 proclaimed 1973 "The Year of the Famine," detailing the "looming catastrophe" in India, Bangladesh, Sri Lanka, the Philippines, and Red China. The situation in Africa is "even worse," with the UN Economic Commission predicting that "nearly 6 million people may die."

Canada's agricultural production fell sharply in 1972 due mainly to cutbacks in planted area for important grain and oilseed crops. Dry weather resulted in a sharp reduction in Argentina's early harvests of feed grains and oilseeds. Production of grains and other food crops in Mexico and Central America suffered from extended mid-year drought. Crop production was reduced by unusually wet weather in other important areas including Brazil, Peru and Uruguay. These reductions were reflected in a 5 percent decline in Latin America's 1972 index of per capita food production.

Drought reduced total agricultural production in most countries of the Far East and Oceania during 1972. The rice shortage which emerged in Asia during the summer of 1972 is likely to persist during 1973. World rice output in 1972-73 is provisionally estimated at 281 million tons, 12 million tons below last season, and 18 million below the 1970-71 crop.

Australia's 1972 agricultural output was approximately 7 percent below the 1971 level. A widespread drought curtailed crop output and

damaged pasture. Grain production declined 30 percent and the area harvested by approximately 10 percent. The 1972 wheat crop was only 6.5 million tons -- the smallest since 1959, and 25 percent less than the 1971 crop. Feed grain production in 1972 was down 37 percent, with oats and barley accounting for most of the decline. Rice production decreased 17 percent.

Because of insufficient and erratic rainfall plus bad farm management, India's total agricultural production in 1972 was about 9 percent below the 1971 level and grain must be imported this year. This is despite extensive U.S. aid and many U.S. Government advisers. India's edible oil and grain supplies -- severely reduced by 1972's monsoon failure -- are significantly below normal levels. Because of the short peanut crop, India's edible oil availability dropped by almost 400,000 tons, and oil and oilseed stocks are reduced to almost nothing. India is the world's largest peanut producer.

Need for Congressional Inquiry

The potential market for U.S. food abroad is great now and shows no signs of diminishing in the near future. The free world nations in Western Europe and Asia appear to be substantial and continuing customers for U.S. commodities because their populations are expanding and their economies are prospering. They are shifting to a higher-income diet which includes more red meat. India continues to be a big customer for U.S. food exports. The needs of the non-free Socialist and Communist countries are the most desperate of all because of their floundering economic system. It is a bright picture for the future of exports of U.S. food commodities.

We have a tremendous opportunity to use our abundant food as the key to stabilizing international relationships, lessening the possibilities for devastating military conflicts, and leading nations into constructive relationships which would improve the lot of humanity. Such a U.S. policy objective would be closely joined by our vital interest in increased commerce in order to build a favorable U.S. balance of trade in a dynamic world prosperity. Food is the tool to achieve both objectives.

A full Congressional inquiry which explores all aspects of the food question is essential to achieve these goals. It must be thorough and it must be immediate, so that it can be completed before the 1973 harvest is in and the European political peace summits convened in the fall. Satellite surveillance can expedite the investigation so that it can be completed within a couple of months, and other intelligence assets can be employed with priority.

The first thing a Congressional investigation can establish is how much the 1972 Soviet grain deal cost American consumers in terms of higher bread and meat prices, cost the American taxpayers through loans to the Soviets and export subsidies, and cost the American farmers who were cheated on price by being kept in the dark about the deal.

Such an investigation of the Soviet grain deal should also include a determination of *why* contemporary knowledge of the widespread extent of Soviet purchases was revealed in a series of mysterious telephone calls from London to the Kansas City editorial offices of the *Milling & Baking News*, but effectively concealed from American farmers.

A Congressional inquiry should then proceed to determine how much this year's shipments to Communist countries are costing American citizens in higher prices and in higher taxes to underwrite the deal. Why do we lend the Soviets our tax dollars to buy our grain when they have huge reserves of gold? If

they call on us to stabilize their food supply, why can't we call on them to pay in gold in order to stabilize our dollar?

Food to Extend Freedom

There are many other questions which should be raised in a Congressional examination of our food policy.

Should we consider the political and economic effects of our shipments of U.S. food to free and non-free nations around the world? Should we consider the way people live and want to live?

Should our food commodities be shipped only on an ad hoc materialistic basis, or should they relate to the basic beliefs of Americans in human dignity? Is it shortsighted of us to improve only their quality of food when, with the same shipment and at no extra cost, we can press to improve the quality of their life?

Are we being fair to ourselves, or to others, when we ship American food into the hands of the Communist Party elite which they can use as a political weapon to keep their own people in submission? A Congressional inquiry should examine how our food impacts abroad, and whether it is in fact used by Communist governments to tighten their control over captive peoples and to divert more money into weapons in order to threaten our own security.

We should explore the question of whether or not it is self-defeating to the people of the nations which receive our food, as well as to us, if we merely bail them out of their current agricultural disaster without requiring improved efficiency in their system. If a bank were making a loan to a company in shaky financial straits, the bank might properly demand the right to name a member of the company's board of directors. Deputy Secretary of Defense Packard said at the time of the debate about the loan to Lockheed that he didn't see any use in giving more money to bad managers.

We could require the Communist countries to take good management along with our food. We might develop a "Freedom Food Corps" of highly-skilled farm managers who could go to other countries and teach them how to produce more efficiently. The Soviets would not really welcome this because it would fracture their collectivist system and their iron discipline on their own people; but, after all, it is our food to give or sell on terms we set. If they take our food, we can also pressure them to crack the Iron Curtain to let a little freedom penetrate.

Another possibility is to require that the Soviet Union withdraw its troops from Eastern Europe. The Soviets demonstrated how eager they are for trade deals with the United States when they softened their original position in regard to the emigration of Jews from Russia. It is clear that we can, if we want to, use our food to extend freedom and prosperity to the non-free countries and let them share in some of the freedoms we enjoy. We can use our food to fulfill President Nixon's promise to make 1973 "the year of Europe."

If we fail to adopt sound policy and exercise business judgment in transacting the deals about U.S. commodities, we will be permitting our food to be used to keep captive peoples in continual subjection and to keep bad economic systems alive.

Another hitherto unmentionable question which should be asked in a Congressional inquiry concerns Vietnam. Is it morally justifiable to make U.S. shipments to Soviet bloc countries who in turn are shipping arms and equipment to North Vietnam? Or to ship to Communist governments while refugees from

North Vietnamese aggression need food?

Soviet Fishing and Shipping

Fish is another area in which the Soviets are taking our food supplies, damaging a major U.S. industry, and driving up prices for American consumers. Last year, the Soviet fishing fleet harvested more than 50 percent of the total catch off New England, while American fishermen were limited to only 25 percent of the catch.

Soviet trawlers are overfishing popular species because they are not bound by the same laws imposed on American fishing vessels. Fleets of Soviet trawlers operate like huge vacuum cleaners sucking up our fish. They have reduced the stocks of herring along the Atlantic by 95 percent in two years of intensive fishing, and are endangering our supplies of haddock, yellow tail flounder, cod, mackerel, and scallops.

By invading our coastal waters, Soviet and other foreign fishing fleets are threatening one of our most important natural resources with extinction, destroying our fishing industry, and driving up the cost of fish beyond the pocketbook of the average American family. Although we have the greatest coastline in the world, we now import 70 percent of the fish we consume.

Another aspect of the food shipments to Communist countries which should be examined in detail is its effect on our transportation system. Soviet grain purchases have tied up railroad box cars to such an extent that normal trade is severely restricted. The television news has shown pictures of the glut of railroad cars tied up at Houston, waiting to have their cargoes loaded onto ships for the Soviet Union.

The Soviets are in the process of chartering all the world's vessels suitable for carrying grain. Reports indicate that the Soviets recently obtained time charters for the next 18 to 20 months, giving them the use of vessels capable of carrying an estimated total of 6 million tons of grain on an annual basis. This tonnage is in addition to that to be carried on time charters obtained earlier, as well as that to be carried on U.S. flag and Soviet-flag vessels. These contracts have tremendous consequences on our ability to help other countries in the free world.

We should also investigate reports that the Soviets are investing heavily in the "futures market" through third parties in order to control the price and supply of their future purchases of U.S. grain.

Have we Enough Food?

Another question which Congress should review is whether there is enough food for the free world. With acres of our own farmland under water, with our own stockpiles depleted, and with downturns in other agricultural countries such as Canada and Australia, it seems pertinent to ask *which* nations should have priority in getting our exports: friends or foes? Will we have enough grain to fight worldwide famine if it occurs, as predicted by leading agricultural experts such as Dr. R. A. Gallop of the University of Manitoba?

On the production front, there are also basic questions which our policy makers treat far too lightly. With due credit to our highly skilled farmers and marketing system, no allowance has been made for adverse weather, natural disasters or pestilence. Realism calls for options which we can live with, including reasonable stockpiles for U.S. stability and strength if production should falter for a season.

Perhaps we should also stockpile foods which we import. The United States faces the threat of a serious

sugar shortage this summer because the Soviets have suddenly bought up 1.5 million tons of sugar from Brazil, one of the world's major sugar producers.

Consideration should also be given to the way these greatly expanded exports are pressing most available land resources into full use. This may have a longterm negative effect in losing benefits of sound crop rotation. Have we considered the fact that our economy could be drastically upset by a sudden cancellation of orders from a major customer controlled by a few dictators? Good business planning indicates the need to consider the logical consequences of the current Administration food policy before making additional U.S. commitments.

Our Choice

These are some of the questions which should be explored before our officials commit us totally to their materialistic policy of immediate, largescale shipments to Communist countries. Congress and the public have a right to know how U.S. tax dollars are used to subsidize cheap food prices for the Communists while forcing high food prices for Americans. We need to find out whether the net result of shipping our food abroad is to make Americans go hungry, while the Soviets spend their money on weapons to destroy us.

Twice before, the United States saved the Communist rulers of Russia from overthrow when they suffered massive food shortages. The first time was in 1921-22 when the American Relief Administration fed millions of starving Russians. The second was during World War II when German occupation of the Ukraine made Russia dependent on the American farmer to feed its armies. Let's not make the same mistake again of giving our food to the Soviet bosses without demanding freedom for the captive peoples.

As we approach the 200th Anniversary of the American Republic, we should remember that no other written Constitution in history has ever endured so long. We have no divine charter which guarantees that American freedom will last forever in spite of our sins, our mistakes, and our follies. We do, however, have the God-given abundance of our food, based on a combination of fertile soil and the productiveness of a free system.

Food may be decisive in the 1970s, and it is our option to choose which role it will play. Will we use it to insure our security, and extend freedom and progress to others? Or will we, in an act of unconscionable folly, turn our best tool over to our enemies to use against us and against the cause of freedom? This is the issue which requires urgent attention. Congress must act today -- not tomorrow!

Phyllis Schlafly is the co-author of three books on nuclear strategy, *The Gravediggers* (1964), *Strike From Space* (1965), and *The Betrayers* (1968), and has testified on national security before the Senate Foreign Relations and Armed Services Committees. She is now a commentator on *Spectrum* for CBS radio and television. Her 1972 series of interviews with military and nuclear experts was aired on 70 television and 50 radio stations. Her first book was *A Choice Not An Echo* (1964), and her latest book is a biography entitled *Mindszenty the Man* (1972). An honors graduate of Washington University and member of Phi Beta Kappa, she has a Master's Degree from Harvard University.

The Phyllis Schlafly Report

Box 618, Alton, Illinois 62002

Published monthly by Phyllis Schlafly, Fairmount, Alton, Illinois 62002.

Second Class Postage Paid at Alton, Illinois.

Subscription Price: For donors to the Eagle Trust Fund -- \$5 yearly (included in annual contribution). Extra copies available: 15 cents each; 8 copies \$1; 50 copies \$4; 100 copies \$8.