Can food be used as political weapon?

This is the 10th in a series of 15 articles exploring "Food and People." In the article, reporter Dan Morgan of the Washington Post assesses our current policies regarding food exports and the use of food as a weapon. This series was written for Courses by Newspaper, a program of University Extension, University of California, San Diego, with funding from the National Endowment for the Humantities.

• 1982 by the Regents of the University of California.

By Dan Morgan special writer

OCRATES ALLEGEDLY said that "no man is qualified to become a statesman who is ignorant of the problems of wheat."

American policy makers nowadays do well to heed this ancient advice, for

do well to heed this ancient advice, for grain has become intertwined in politics in the last decade as never before. How much grain the United States sells abroad, and at what price, affects the balance of payments, the health of the dollar, domestic food prices and the applications as well as our relations.

the dollar, domestic food prices and the environment, as well, as our relations with both adversaries and friends. In one sense, the United States is in an enviable position as the world's unchallenged "grain superpower," supplying about half the wheat, corn, soybeans and rice to the world market-

beans and rice to the world market-place.
But such pre-eminence has left the United States vulnerable to market forces beyond its control, and it has raised some difficult policy questions. For example, is it justifiable, or practical, for the U.S. government to use food as a diplomatic weapon — as President Carter attempted to do when the denied American grain to the Soviet Union in retaliation for the invasion of Afghanistan?
If not, what ends should American grain supplies serve — the require-

grain supplies serve — the require-ments of foreign policy, the interest of farmers and consumers at home, the needs of hungry people abroad, or all of these to some degree?

SUPPLY AND DEMAND

These are new political dilemmas that result mainly from the persistent precarious balance between supply and demand in the world grain market since the early 1970s.
Until then, the politics of grain had been fairly straightforward. After World War II, American farms grew

food and

far more food then war-torn countries in Europe and Asia could afford to purchase. The main concern of the president and Congress was to prop up commodity prices and secure the still-influential "farm vote."

U.S. tapayers underwrote the effort to keep the mountainous food surpluses moving abroad. The government paid subsidies to multinational grain companies so they could sell U.S. wheat in depressed world markets.

And the government financed the shipment of hundreds of millions of tons of food aid abroad through Public Law 480, passed by Congress in 1954 and later nicknamed Food for Peace. The food aid eased famines in India, Bangladesh and Africa's plains region, but it also was intended to win friends and influence people, and on occasion to gain specific concessions such as millitary bases in the Portuguese Azores.

IN THE EARLY 1970s, however, the United States found tiself in a seller's market for grain. Prosperity in industrialized Europe, Asia and the Soviet Linon had created demands for more varied, richer diets. Japanese were ealing more wheat; Germans and Russians wanted grain-feel pork, broilers and beef; the demand for wheat, corn and soybeans soared.

New industries grew up around corn, making it nearly as vital to the econo-my as oil. Corn was refined into effi-cient animal feeds, into oils for marga-rine and mayonnaise, into sweeteners

These developments tied American farmers more closely to world grain markets than ever before. In 1950 the crops from only one acre out of five were exported; in 1980 it was one out of three. Corn exports rose from 17.8 mil-

Dan Morgan has been a reporter with the Washington Post since 1963, serving with the metropolitan news bureau, as foreign correspondent, and with the national news correspondent, and with the national news bureau. A prize-winning journalist, he has recently been concentrating on internation-al resource issues and he covered the World Food Conference in Rome in 1974. He world Food Conterence in Home in 1974. He is the author of "Merchants of Grain" and of articles in such magazines as Saturday Review and Atlantic.



The benefits to the United States are evident. The nation no longer has to rely on government giveaway pro-grams to market its annual harvest.

grams to market its annual narvest. Agricultural exports, amounting to more than \$40 billion a year, offset some of the cost of oil imports.

As this money is passed back to railroads, barge lines, banks, and the farm implement and fertilizer industries, the whole economy benefits along with the farmer.

FOOD AS A WEAPON

Increasingly, these exports have been seen in Washington as a valuable tool of diplomacy and foreign policy. By 1990, American could be supplying about 15 percent of the rest of the world's food. Advocates of the "food weapon" note that the oil cartel has been able to work its will when its pe-troleum accounts for a similar percent-age of total world energy output.

There are, however, strong arguments against the food weapon First, it might be impractical. The grain trade now is operated by private companies (such as Cargill, Continental, Louis Dreylus and Bunge). For the food weapon to work with maximum efficiency, the government would have to take over the grain trade, as the governments of the Middle East oil states did in the case of petroleum.

ernments of the Middle East oil states did in the case of petroleum. More important, except in a few instances such as the recent embargo against the Soviets, many Americans view the use of U.S. crops for purpose other than feeding hungry people with considerable distaste, if not moral outrage.

HIDDEN COST

Quite apart from the food weapon is sue, there are other legitimate reasons for asking whether the current grain trade system serves the nation's best interests in the 1980s.

interests in the 1880s.

Along with political and economic benefits, the grain export boom has some hidden political and economic costs, as well as posing long-term dangers to the environment.

The more grain that is exported, the less that is left behind. When supplies become tight at home, the domestic livestock industry has to compete with foreign markets for corn and soybeans, which was the supplies that the supplies that the supplies that the supplies that the supplies the supplies that the supplies the supplies the supplies the supplies the supplies the supplies at home, and in 1974 and 1975 President Ford took similar action in the grain market.

ilar action in the grain markets. In each instance, farmers reacted

In each instance, farmers reacted angrily, while consumers criticized the president for not acting fast enough to prevent food-price inflation. The soy-bean embargo stimulated competition, for example in Brazil, and it also alienated the Japanese, close allies who depend on U.S. beans.

ANOTHER HIDDEN cost in grain

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outrage.

marketing is the federal subsidies paid to maintain the railmoads and water-ways that bring grain to the ports.

An additional concern is the impact of the grain trade on the environment. Western wheat and corn depend on irrigation systems, which are causing the underground water tables supplying these systems to fall, in some escritteally. The loss of topsoil due to overuse of the land is also of increasing concern.

All these "cost" factors have raised the question whether the United States is really getting a fair price for its grain in the foreign market.

But as the system now works, prices for U.S. grain are established not by the U.S. government on the basis of calculations of the long-term cost, but by a world marketplace that responds to short-term factors. Temporary weather conditions or passing economic and political developments beyond U.S. control send commodity prices up and down.

This leaves the United States vulner

This leaves the United States vulnerable and puts the president in a political hot seat.

If foreign pressures on the American grain supply continue in the 1980s as most experts expect it is likely that presidents will be seeking new methods of stabilizing the grain trade and protecting U.S. interest. That almost certainly will mean more envernment intainly will mean more government in-volvement in the grain markets.

Unfortunately, international efforts to create a system to stabilize the costs of foodstuffs have not been very successful. The United States may therefore have to take action on its own. One possibility is more bilateral agreements, such as those already existing with the Soviet Union, Mexico, Poland and East Germany, that leave grain deals in private hands-but set limits on what countries can buy.

Whatever presidents do in the 1980s, it is certain that they will end up agreeing with Socrates.

The views expressed in Courses by Newspaper are those of the authors only and do not necessarily reflect those of the University of California, the National Endowment for the Humaniles, or the participating newspapers and colleges. Next Week: Marvin Cornblath of the National Institute of Child Health and Human Development and Norman Kretchmer of the University of California discuss the effects of nutrition on human development.

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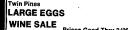
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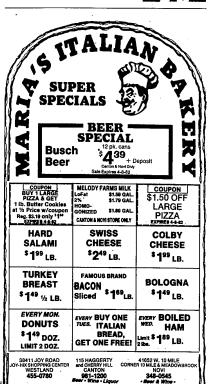
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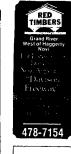
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