lowest price" the way in which you, sitting, now, or tomorrow, broken and ruined, measured those supposedly self-interested steps by which you led yourself to that ruin? View the lunatic fad known as "consumerism" as typifying the way we seem to contribute, as if habitually, to destroying our own nation and ourselves besides. Can you not say to yourself, looking at all this ruin about you, "There had to have been a better way"?

There is a better way. It is called "sanity." It is time for a large dose of sane political action, to bring our nation and its people back to their senses. Starting with the case of the former debate over "parity farm prices," between farmers and some misguided trade-unionists, let us examine the way in which bringing core constituencies, such as farmers and trade-unionists, together, may point out the road back to political sanity for many of our Party's Franklin Roosevelt tradition of core constituencies. This could bring back sanity to our nation as a whole.

3.1 The issue of farm-parity price

One of the most saddening examples of the sheer insanity spread by "consumerist" ideology, is the form of that childish conflict between some farmer and trade-union constituencies which became reactivated during the 1970s, conflicts in which trade-unionists earned neither material gains nor honor, and out of which effective farmer organizing in the U.S. was virtually obliterated. I reference this as an appropriate clinical example of how, exactly, *not* to deal with relations among the Democratic Party's core constituencies.

Think back to the 1977-1981 years of the short-lived Carter Administration. 1977 had been a year in which the combination of prior doses of Professor Milton Friedman's, Arthur Burns', and Henry Kissinger's monetarist snake-oil potions, administered to the Richard Nixon Administration—the after-effects of Nixon's Burns-influenced economic and monetary follies of 1970-1972, and the mid-1970s oil-price hoax, which had been orchestrated by Secretary of State Henry A. Kissinger—added up to a disaster for the once-splendid American agricultural system. The desperate farmers roared their tractors into Washington, demanding justice from President Carter—without success. That alone did not cause the November 1980 defeat of President Carter's reelection campaign; but it was one of a series of developments which later swept Carter out of the White House.

During these same years, what emerged as my 1979-1980 campaign for the Democratic Party's 1980 Presidential nomination, became a significant feature in the continuing, "anti-Trilateral Commission" alliances, which had developed among leading groups of farmers, trade-unionists, and others since the mid-1970s. Although echoes of those 1977-1980 developments persisted through the late 1980s, and, to some degree, beyond, the involvement of farmer and labor organizations in such efforts, were in retreat at the beginning of 1981, and had been essentially ended by the middle of that year. The American Agricultural Movement (AAM), for example, which had been a significant ally of my 1980 campaign for the Democratic Presidential nomination, collapsed—all but dead—very early during 1981; by Spring 1983, it had virtually joined what, during 1977-1980, had been its enemy's forces, and was sending signals to me, as to others, all to the effect that it was overdue for a decent, and very quiet, political burial.

This sorry outcome was not what the honest farmers or trade-unionists on either side had intended. They were simply manipulated by spooky varieties of political and financial interests pulling strings from behind the curtains on both sides, including some very nasty, post-1980-election political threats against farmers, from what were then the White House circles close to the special interests of Vice-President George Bush and James Baker III. A key part of the problem then, was that Democratic Party circle, the so-called "Boll-Weevil faction," which, in 1980-1981, was already in the process of jumping into the kept far-far-right corner of the Republican Party's George Bush camp. That much said on background, I limit our discussion of this matter here, to two points of relevance for today: 1) the way in which the manipulation worked; and, 2) what the Democratic Party should have done, and did not.

Look at the issue as it was posed from the side of the farmer organizations. Just as the National Farmers Organization (NFO) was created in reaction to the capitulation to monetarism by the Farm Bureau, so, the AAM had been created to fill in the political vacuum caused by a crippling, politically motivated legal scam, run with aid from governmental corruption, in the interest of financial institutions, against the core of the NFO leadership.

The U.S. farmer, best typified by those running a relatively high-technology intra-family or family farming operation of 200-400 acres, or a comparable economic scale of cattle ranching, was the hardest working entrepreneur in any field, excepting some exceptionally dedicated machine-tool entrepreneurs. That farmer was a leader in technology of both product and its production, and highly educated in productive skills and in the physical side of agricultural management. Most of the national and local leaders of all of the leading farmer organizations which I met, and I met a fair representation of all of them, were, despite what I found as an often downright embarrassing bent for horse-trader's slyness among my friends and others in this stratum, exceptionally intelligent citizens, and competent in what they did as farmers.

The leading currents among farmers, as typified by those I knew, or knew of, in the leadership of all of the leading farmer organizations, were all of such relatively outstanding qualities, including a deep-rooted morality about producing a good-quality output, come Hell, frost, disease, pestilence, drought, or high-water. Their work-ethic was legendary; it had to be, under the aversive economic conditions to which our Federal government and financier interests combined efforts to subject American agriculture in general. Typically, they did not walk away from getting the job done, if there was any spunk, or a drop of energy remaining in them to do just that: get that job done.

During the 1970s and 1980s, American agriculture and its farmers were threatened constantly by three circumstances. First, the typical American farm was, both economically and politically, a small-business operation, fighting to survive within markets which were controlled by some of the world's most powerful, most ruthless financier syndicates. Second, the farmer was faced with corruption in government, at both the state and Federal levels. All too often, as the biography of Minnesotans such as aviator Charles Lindbergh and his heroic father, or the biographies of former Vice-President Mondale and his father attest, the elected representative from the farm state was frequently herded into a position, in which he were more likely to represent the interests of that side of agriculture represented by those financier interests, than the producing farmer. The same financial interests, this time represented by Wall Street's controlled assets in the Federal Executive and Congress, were usually the farmer's enemy. Third, since the days of the Corn Laws repeal in England, the all-too-typical financier parasite's perceived self-interest in promoting cheap industrial labor, had honed its political skills to the purpose of using the issue of cheap food, at the farmer's expense, as a trick for duping labor, organized or otherwise, to ally itself with financier interests against the farmer. The latter factor, is where the post-1965 role of the consumerist fad comes in.

The related issues of North American agricultural policy occupy many pages in a long history, dating back to the roots of the later American System of political-economy, in the mid-Seventeenth-Century Massachusetts Bay Colony. It is sufficient here to trace the leading features of the development of a notion of farm-price parity since the election of President Abraham Lincoln. For that purpose, it is sufficient to emphasize that all of the leading elements of this niche in U.S. political-economic and social history, since prior to the founding of our republic, center upon a conflict between the axiomatically protectionist American System of political-economy, and its leading adversary, the British monarchy's financier-oligarchical, or so-called "free trade" interest. Sometimes, the U.S. government was patriotic, and took the side of the farmer's—*and the U.S.A.'s own*—legitimate interest; most of the time, the U.S. government was not exactly patriotic, and too often took the side, against the American farmer's vital interests, of London, and also of a Wall Street which was often more an outpost of the British monarchy than a piece of the territory of the U.S.A.

The dividing-line between the patriots and the compradores, on farm issues, was always what has been known, during most of the Twentieth Century, as the issue of *farm-price parity*. Boiled down to essentials, *the national strategic purpose* of a farm-parity price is fulfilled to the degree it meets three general requirements.

1. That the quality and quantity of food supplies and related agricultural output of the nation must meet the combined domestic and foreign strategic requirements, both qualitative and quantitative, of agricultural output and per-capita and per-square-kilometer agricultural productivity.

2. That the price paid to the farm sector for this purpose shall slightly exceed, by a fair margin of estimated average operating profit, the combined direct and indirect costs actually incurred by the agricultural sector, to fulfill these requirements.

3. That this calculation shall be based not merely on current, but also estimated future requirements, taking into account the capital improvements which must be invested by the farmers and governmental agencies today, to realize those combined present and future objectives.

It is fair to say, that when all relevant strategic considerations are taken into account, including the number of required farmers and acreage required for these purposes, what is called and calculated as a "parity price," has been a currently fair estimate of what the price paid to the *average* farmer should be. That is, when the average running price over several successive years, drops below 90% of parity, it is fair to say, that the physical capital of production of some of those farmers needed to meet our properly calculated national strategic requirements, is being eroded by sub-standard prices.

When the level is dropped to 60-70% of parity, successive years running, it is fair to say, that our government is permitting, or even encouraging the stealing of the productive capital and life savings from a group constituting the majority of farmers. For that reason, I have long regarded George Bush supporters among farmers, as Bush league farmers, and supporters of fugitive "Boll Weevil" Phil Gramm as Bush league politicians. If we permit the prices to drop substantially lower than that, over a sufficient number of successive years, we are destroying the level of available food-supplies in the future pipeline, irreversibly, to the degree that we are in fact murdering a growing number of the prospective food-eaters somewhere in the world, including a significant number in the U.S.A. itself.

Those are fair estimates of where the bottom line lies on our nation's food-supply policy, overall. Summarily, the prehistory of the parity-price conception in North America is a follows.

The development of a farm-parity price in the U.S.A. had its roots in the transformation of the stubborn North American

A Virginia farmer grinds corn to feed his calves, since drought has dried up pasture-land. "The dividing-line between the patriots and the compradores, on farm issues, was always what has been known, during most of the Twentieth Century, as the issue of farm-price parity."

wilderness into a fertile territory for its habitants, beginning with the Seventeenth-Century establishment of the mini-republic of the Commonwealth of Massachusetts. The policies of the Winthrops and Mathers, during the Seventeenth and Eighteenth Centuries, are exemplary. By the early Eighteenth Century, the leading idea of the colonists, was to move westward, to transform the entire continent as the basis for a new republic based upon political economic principles such as those associated with Cotton Mather and the Mather-influenced young Benjamin Franklin. Highways and waterways bridging the Appalachian chain, breaking through to the western lands, were both the economic and national-security policies for the self-governments of the colonies during the first half of the Eighteenth Century, when Benjamin Franklin, and, later, George Washington, were emerging as the successors to the Winthrops, Mathers, James Logan, Hunter, and Spotswood.

During the Seventeenth, Eighteenth, and Nineteenth Centuries, until contrary policies were introduced under rabidly Anglophile President Teddy Roosevelt, the westward expansion of navigable waterways, roads, and railroads, in tandem with the spread of agricultural development along the pathways opened up by these means, was the cornerstone of the combined military, national-security and economic policies of our young nation.

Infrastructural development blended with technological progress. This continuing policy assumed an enriched form under such predecessors of and guides for the future President Lincoln as the Presidents James Monroe and John Quincy Adams and key collaborators such as Mathew Carey, Henry Clay, and the German-American Friedrich List.[28] The development of that great engineering school known as U.S. West Point Military Academy under Commandant Sylvanus Thayer, was part of this. Friedrich List's role in shaping the early railway development of both the U.S.A. and of the European continent, was part of this. Later, technologies such as the McCormick reaper and the influence of Justus Liebig's chemistry, led into the interrelated founding of the land-grant college system, the U.S. Department of Agriculture, the successful, Philadelphia-based linking of Atlantic to Pacific through transcontinental railroads, and the agriculture which expanded westward with the railroads.

Out of this experience, it became clearly understood by our leading patriots, that the costs represented, aggregately, by the development and maintenance of such types of public improvements in basic economic infrastructure, the costs of turning wilderness into fertile farmland, and the costs of the technological progress needed to make all this work, including the costs of public education and rising standard of household consumption, of the producers of a technologically constantly improved quantity and quality of product, represented the combined true incurred costs of agricultural product. The

28. It should not be overlooked that Lincoln's first leading role in the Federal government was, as in the instance of the "Spot resolution," a then-prominent opponent of President Polk's London-orchestrated war with Mexico, the war which established the cockpit for what became later the Civil War. There, in the fight against scoundrel Polk, Lincoln was an ally of the faction of then-Congressman John Quincy Adams, Whig leader Henry Clay, and the son of Mathew Carey, Henry C. Carey, who emerged as a key molder of Lincoln's economic policies as President.

Franklin Roosevelt era's rural electrification program, like the development of the role of the U.S. Corps of Engineers' role in water management earlier, expressed this understanding of the nature of true cost of food incurred. It was understood, that the cost of food was not the sum-total of the costs of individual farms and ranches, but, rather, the cost of developing and maintaining the entire land-area of the United States as a whole, as a fertile, technologically progressive area upon which our strategic requirement of food-supply depended.

This reality was reflected in the present century's development of the issues of farm-price parity. The military and related requirements of two World Wars during this now-waning century, supplied the impetus for such a notion of the Federal government's view of a farm-price-parity policy, as as essential to our national security in the world at large, as the maintenance and development of our armed forces. This, incidentally, was well understood by our best West Point-trained military professionals, but is not understood, perhaps never will be, by such foolish bunglers as the present Principals Committee's Defense Secretary Cohen, General Henry H. Shelton, and Secretary Madeleine Albright, or Vice-President Al Gore today.

Only a pathetically illiterate or morally deranged person could present a rational case for the claim that any consumer was ever cheated by being obliged to pay the "high prices" which were allegedly caused by nearly 100%, or even less, of parity settings, for the household market-basket.

Take as an index, not the price of the loaf of bread or sack of potatoes from the 1930s Depression, but the standard household income, measured in physical market-basket (not price) terms, of industrial operatives at a point such as 1966-1967. Take the cost of food (at nominal price) for that household as a percentile of the nominal cost (in price) of total market basket. Compare the farmer's payment for that agricultural product consumed by the operative's household, with the price which the operative's household pays for the same agricultural product at the store.

Then, make another comparison, of the quality of the physical content of the food consumption by the same household. Putting aside issues such as unhealthful excesses of certain types of fats, and so forth, in the consumer's dietary habits, what were the relative changes in household consumption of foodstuffs?

Now study the gap between price paid to farmers, and the sale price paid by the industrial operative's household at the store where the food is purchased. Examine the structure of the costs in between. Look at these components of costs and prices from the retailer's side of the picture: measure this in linear running foot of store shelf-space, and the costs and expenses to the store operator of that linear foot of shelf-space. Where does the difference lie, between the price paid to the farmer, and the price paid by the consumer?

Make these comparisons, first, for the interval 1946-1967.

Then consider certain unpleasant changes of the post-1967 periods. Include the impact of President Nixon's and Arthur Burns' financial and monetary follies of 1971, the impact of Secretary of State Henry Kissinger's orchestration of London's mid-1970s oil-price hoax, and, then, the financial and monetary follies of the Carter Administration, and of President Reagan's foolish decision, in Spring 1981, to continue Carter's backing for U.S. Federal Reserve Chairman Paul Volcker and Volcker's lunatic, Trilateral Commission interest-rate policies.

Studies of trends in levels of indebtedness of the nations of Central and South America, during the 1970s, and later, illustrate most simply the same kinds of problems which devastated U.S. agriculture during the 1971-1981 interval.

1. Compare the sum-total of the debt of all nations of Central and South America, plus all added actual transfers, by loans, to those nations combined. Add to that sum the interest-payments due from only those debts which had been incurred in this way, during any chosen interval of the 1971-1988 period. Then subtract from that total amount the sum-total of principal-repayments and interest payments by these nations during that chosen interval. By those calculations, the nations of South and Central America, combined, owe, aggregately, far, far less than nothing to their foreign creditors, on debt-accounts today. *Yet, today's foreign debt of these nations is vastly greater that what those nations owed at the beginning of the 1970s!* Eureka! Behold the great IMF debt swindle of 1971-1998! [**Figure 2.**] It was all done with "mirrors," through the way in which the IMF's floating-exchange system, launched by Nixon's August 1971 folly, has been managed. Similar things were done to the American farmer, in a way related to the actions of such financier cronies of President George Bush and Vice-President Al Gore as George Soros, or his like, have run the Russia debt-swindle of 1990-1998.

2. During his concluding years as U.S. Secretary of State, Henry A. Kissinger, who subsequently bragged publicly that he had often acted in British Foreign Office interest, behind the back of the Presidents he nominally served, acted in the interest of the London "Seven Sisters"—the petroleum cartel—to contribute a key part in orchestrating a stunning oil-price hoax. This zooming price of energy, served as the take-off point for the explosive growth of the loan-debt-spirals of non-oil-exporting and also some oil-exporting nations.

Those two cases bring our attention back to the situation which hit the U.S. farmer during 1975-1991.

FIGURE 2A
Ibero-America: bankers' arithmetic
(billions $)

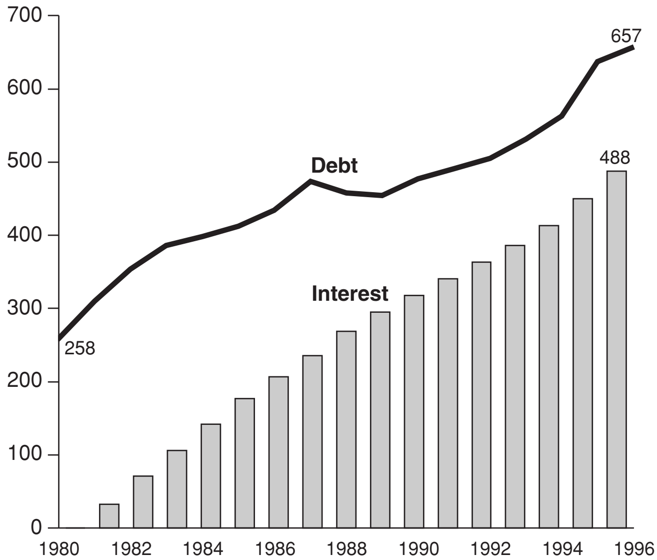
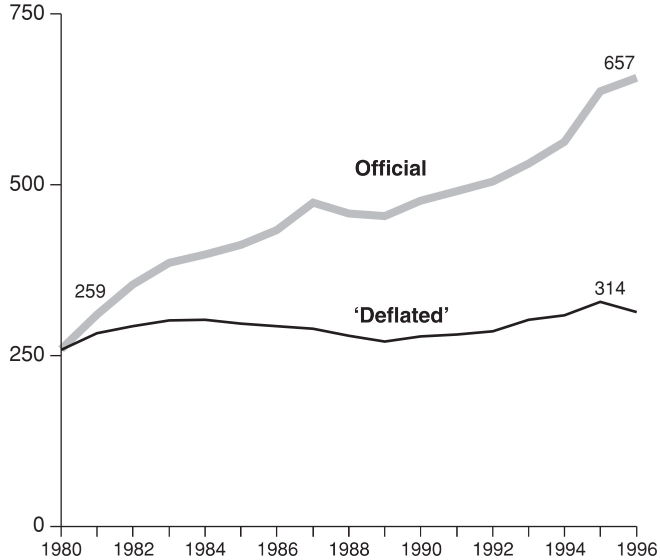


FIGURE 2B
Ibero-America: foreign debt
(billions $)



Over the period 1980-96, the nations of Ibero-America shelled out $488 billion in cumulative interest payments on their foreign debt. Despite this, the official foreign debt rose *from $259 billion in 1980, to $657 billion in 1996. Although this graphic abstracts from both amortization payments and new loans to the region, when these are taken into account (***Figure 2B***), the debt owed in 1996 would have to be "deflated" from $657 billion down to $314 billion.*

For a fully "deflated" calculation of the region's legitimate foreign debt, one would also have to factor in the deterioration of Ibero-America's terms of trade (falling prices of its exports, rising prices of its imports), illegal capital flight, and the impact of forced devaluations of the region's currencies—which, combined, would bring the total legitimate debt to less than zero.

Put aside all non-farm charges buried within food prices; the spectacular technological improvements in U.S. agricultural productivity during the post-war period, into the middle 1970s, all at a lowered net real cost of agriculture to the U.S. consumer, had depended upon many factors. Most critical of these factors, on capital account, were the factors of rapid increase in capital-intensity and power-intensity of agricultural production. Masses of steel, for example, poured into American farms and ranches, in such forms as steel pipe and agricultural machinery. The consumption of energy for agricultural (and other) production spiralled. High rates of growth of capital-intensity, made agriculture very sensitive to costs of loans. Power-density made agriculture even much more sensitive to rises in energy-costs. Like the savings and loan industry, the U.S. farmer was never allowed to recover, to this day, from the still reverberating hammer-blows of zooming energy prices and the Carter Administration's launching of Federal Reserve Chairman Paul Volcker's arbitrary, skyrocketting, and lunatic interest-rates.

Just to make certain that the farmer would have no chance to recover, the farmer came under heavy attack from another Trilateral Commission wrecking-job, the chain-reaction effects of the Carter Administration's deregulation binge, and matching attacks on the farm-parity-price system. There was no relief under President Reagan; although Reagan won the 1980 Republican nomination against what had seemed the sure-fire front-runner George Bush, by running against the Trilateral Commission, and beat Carter in the general election on the same issues, there were many more Trilateral Commission moles, including George Bush, in the Reagan Administrations than there had been in Carter's. The Garn-St Germain Bill effectively turned the Volcker-ruined savings and loan industry over for looting by Vice-President Bush's cronies among the junk-bond buzzards. The Kemp-Roth legislation turned the permanent debt-crisis, which had been launched by the Carter Administration, into a Wall Street-fed monster which threatened to consume the Federal government itself.

So by 1982-1983, the American farmers' movement was effectively dead as a political movement. It was a death my friends and I worked to prevent, which could have been prevented had we found a more favorable response from organized labor, and some other constituencies, too. This experience is part of the background which must studied now, to