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The Mismanaged Soybean Embargo

Doubts about who is minding the store come into sharp focus in the flap over imposing an export embargo on soybeans and cottonseed and the oil produced from them. Intended to try to insure against food shortages here at home, the consequences in world markets and the blow to the already battered American dollar seem scarcely to have been considered.

The decision was made by President Nixon. Reports out of San Clemente have it that he passed on the order to Gen. Alexander Haig who replaced H. R. Haldeman. Having spent his life in the military service, Haig's knowledge of the economy is, to say the least, limited.

He is said to have consulted Melvin R. Laird, now personal adviser to the President, who was out of the country at the time. When Haig read the proposed embargo order, Laird reportedly replied that he could see nothing wrong with it.

The embargo produced a furious outcry in Western Europe and Japan where, in recent years, dependence has grown on imports of American soybeans and feed grains. This had the look of a deliberate blow at the very time Washington was trying to work out an understanding with the European Common Market on agricultural prices. In France and Germany the peasant farmer stoutly resists any interference from the outside with the high price structure of European agriculture.

Eight days after the embargo was announced, it was relaxed with the approval of limited shipments of soybeans and soybean products. Still later export controls were ordered on 41 more farm products in the category of livestock feed and edible oils. It would be hard to imagine any course more likely to cause confusion and uncertainty at home and abroad.

What makes the whole business seem more self-defeating is the way it went contrary to the prime necessity if the trade imbalance is to be righted. That is the export of America's agricultural produce: With a maximum of efficiency and at remarkably low labor costs, this is far and away the best bet. Soybeans, feed grains and allied products are in increasing demand for cattle as the developed world puts more beefsteak on the table.

Food shortages in this country are imminent if one can accept the reports from commodity markets around the country. But exports have comparatively little to do with this threat. The huge grain sale to the Soviet Union last year did, it is true, run down surpluses.

But the real threat grows out of the interim price ceiling. With no ceiling on raw agricultural produce, processors are screaming to high heaven that they cannot accept prices fixed as of June 13 while their raw material continues to climb. Young chicks are

being dumped. Tomatoes are likely to disappear from the super-markets. In short, the confusion in the store, whether in San Clemente or in Washington, is compounded as pressures mount to end this uncertain interval and move up to Phase IV across-the-board price controls. Haig's new role as domestic storekeeper is at striking variance with his previous government service. As deputy to Henry A. Kissinger, the president's adviser on national security, he did yeoman service. After President Nguyen Van Thieu came to an open break with Kissinger over Vietnam peace terms, Haig several times made emergency flights to Saigon to face the Vietnamese tiger in his lair.

While he knew about the bugging Kissinger had ordered of one or more of his staff, Haig nevertheless went out to Los Angeles to testify for the prosecution in the Pentagon Papers trial of Daniel Ellsberg. His foreknowledge was apparently his only involvement in the Watergate mess.

Having been named Deputy Chief of Staff of the Army before the Watergate crash, Haig gets marks for his willingness to surrender this post and put his military career to one side. Nevertheless, the question of his capacity in such a wide-ranging domestic assignment remains. And the way the soybean quadrille was mismanaged adds a touch to that doubt.