Example Economics

Inaction on Food Crisis Is Leading to Genocide

by Marcia Merry Baker

Thirty days after the June 3-5 Rome food crisis conference held by the United Nations Food and Agriculture Organization ("High Level Conference on Food Security and the Challenges of Climate Change and Bio-Energy"), the response has been dismal. There is high-profile talk about food aid, and there is lip-service to improving farming in poor countries, but there is conspicuous *non-action* to end those globalization policies that created world food scarcity and hyperinflation in the first place: free trade, speculation, cartelization, and food-for-biofuels.

Meanwhile, George Soros and other operatives for London-centered private financial interests are capitalizing off the government inaction, by buying up key links in the world food chain. For example, the U.S. grains and agrocommodities merchandising unit of cartel giant ConAgra, was bought out in June by a Soros-connected consortium of major hedge funds and banks.

The World Trade Organization (WTO) itself is in disarray, fitting the textbook definition of a zombie—a walking deadman. But its practices and "thinking" still dominate most government policies and foreign relations.

This puts the spotlight on the necessity of furthering the pre-FAO conference initiatives begun by Lyndon and Helga Zepp-LaRouche, to "kill the World Trade Organization," and launch programs to double world food production in the shortest possible time. The Group of Eight at its July heads of state meeting, has on its agenda the formation of a Food Task Force, marking the first time ever that the food supply is an "issue." There are also appeals for the UN to convene an emergency food conference, which is all to the good. But none of this will help, unless there are changes made in the underlying policies. To spell out what needs to be done, the LaRouche Political Action Committee (LPAC) is issuing a mass-circulation pamphlet version of its policy memorandum, "Kill the WTO; Double Food Production."

Mobilize Food Aid

Emergency food relief, meanwhile, is absolutely vital, though it is no policy solution. The FAO's own surveys and

warning systems indicate the scale of today's emergency needs (**Figure 1**). These 36 nations are part of the world total of an estimated 2 billion people who are experiencing hunger. The nation-by-nation particulars are provided on the FAO website.

FAO Director-General Jacques Diouf said on July 3 that there were 50 million more people added to the world ranks of those lacking reliable food over the past year, mostly because of galloping food prices. Speaking in Brussels at a European Parliament gathering, Diouf repeated his view that world food production should be doubled—but his time frame is a far-off goal of 2050.

The two immediate causes of the increasing food crises are obvious, coming as they do, atop decades of underproduction of food because of globalization. First, there are weather disasters in places deprived of contingent arrangements of both food reserves and infrastructure. Somalia and the Horn of Africa are among those locations in desperate need right now.

Second, there is the plight of those nations forced to be heavily food import-dependent, but which now have no means to obtain food, fuel, and other necessities. The dire situation in Haiti makes the point, especially as that nation was able to produce for its own needs up through the 1960s.

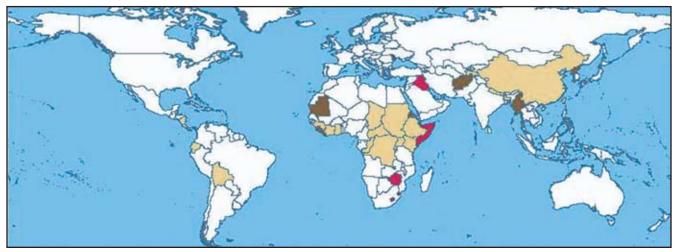
Haiti's desperate crisis deepened at the end of June when the government eliminated fuel subsidies, causing an immediate 80¢ increase per gallon of fuel—something almost no one in the country can afford. The government began to subsidize fuel immediately after the April food riots, but can't afford to continue with the policy.

So food prices continue to rise, including that of rice, a basic staple that Haiti President Rene Preval had said he would subsidize. Importers who go to the capital of Port au Prince from outlying areas seeking rice, return empty-handed. In the slum of Carrefour-feuilles, on a hill facing the capital, residents report: "We've changed our eating habits. We eat once a day instead of three." Thousands are fleeing to the Dominican Republic seeking food, only to be forcibly returned. It is hell.

"We need to do more, and urgently," said Joel Boutroue,

22 Economics EIR July 11, 2008

FIGURE 1
36 Countries Requiring Food Aid, July 2008



Source: FAO Global Information and Early Warning System, July 2008. www.fao.org/GIEWS/english/hotspots/index.htm.

The UN Food and Agriculture Organization shows nations that require "external assistance": 21 in Africa; 10 in Asia; 4 in Ibero-America; and 1 in Europe. There are three broad categories of need: those facing "exceptional shortfalls" in aggregate supplies (darkest tone); those whose people have a widespread lack of access to food (medium tone); and those with localized severe crises (lightest tone).

permanent coordinator of the United Nations System in Haiti, speaking at the end of June.

Food for Tables, Not Tanks

Meeting the volume of urgent food relief needs the world over, calls the question on biofuels, for anyone capable of morality and straight thinking on economics. Stopping the worldwide use of grain, cane, and root vegetables for ethanol and oil crops for biodiesel, would free up food for some 400 millions of people—equivalent to almost half of the 850 million people now estimated by the FAO to be in acute need of food. The redeploying of the agriculture effort involved in producing for bioenergy, back into producing for the food chain, would lead the redirection of the entire agro-industrial economy back into action again, along with gearing up for nuclear power, advanced coal energy, and other essential high-technology projects.

Any apparent bottleneck of processing, transportation, or other aspect of the ending of biofuels, can be overcome with wartime-type ingenuity. For example, naysayers point to the challenge of how to process field corn—"freed up" from bioenergy—for human consumption. But there is plenty of expertise on how to mill corn-soy cereals products, with supplements, for decent food aid rations on a massive scale.

Apart from this, much of the scarce world corn supplies are needed for livestock feed, to supply animal protein to the human food supply. Dairymen, cattlemen, poultry growers, and hog producers are in crisis over hyperinflated feed prices, on top of soaring prices for fuel, chemicals, and other costs. Yet at present, up to 30% of this year's U.S. corn harvest—which itself will be limited by huge damage from the "Flood of 2008" in the Upper Mississippi Basin—is destined for eth-

anol. Allowing this to continue is a crime against humanity.

There are now increasing calls, even in the United States, to cut back on the use of corn and soy for biofuels. A letter was sent to the Bush Administration June 30 by 51 Congressional Republicans, demanding a cut to mandated ethanol production levels. The letter, initiated by Rep. Bob Goodlatte (R-Va.), who is the ranking member on the House Agriculture Committee, stated that the Renewable Fuel Standard (RFS) is a key factor in "the increased cost of commodities which is causing severe economic harm for low-income Americans and livestock producers." "Severe flooding in the Midwest and drought in the South have already produced devastating losses in this year's corn crop," the letter said. Goodlatte's press statement, noting the "record corn prices," admitted that "many factors" had pushed up the price, but pointed to the RFS as the one factor "we can control."

Democratic Party, EU Still Pushing Gore

The U.S. Democratic Party is the more indecent on continuing to back biofuels—no matter who lives or dies—reflecting years of subversive influence by Al Gore, George Soros, Joe Lieberman, and the whole gang deployed to peddle malarkey about reducing carbon emissions, renewable fuels, and so on. Gore, as well as Soros, is deeply financially invested in biofuels, including in Africa. Their employers are the Anglo-Dutch financial circles associated with the World Wildlife Fund and other fronts, glad to see world depopulation, in the name of saving scarce "resources" for the elites.

So far, nothing at all on stopping biofuels has come from the Democratic Senators from the biggest U.S. corn states, which are now the worst hit by flooding—Sens. Tom Harkin (Iowa), chairman of the Senate Agriculture Committee;

July 11, 2008 EIR Economics 23

Barack Obama (Ill.), Presidential candidate; and Dick Durbin (Ill.)

If the initiative were started in Iowa and Illinois for the suspension of corn-for-fuel; if a floor price were placed on corn for farmers (a "parity price," as traditionally used); if speculation were banned, the biofuels craze could be stopped. The U.S. cornbelt, Brazilian cane, and European grain and oilcrops, are the biggest biofuels operations in the world today. Yet, in Paris, a July 3-5 meeting of European Union energy ministers maintained the group's commitment to getting 10% of its transport needs from renewable sources by 2020.

Key Initiatives

In opposition to this institutional madness, a number of key initiatives have been taken by individual countries, to make bilateral food supply commitments, and to move toward restoring food self-sufficiency.

In May, Russia announced a major agricultural development program. (See presentation by Russian Agriculture Minister Alexei Gordeyev, *EIR*, June 6, 2008.)

India has selectively imposed grain export controls, making pledges to certain trading partners in the Persian Gulf and Africa, to continue to supply rice.

On July 3, the Chinese government approved a plan to increase grain production, toward a goal of being 95% self-sufficient by 2020. For the world's most populous nation, this will mean producing 540 million metric tons of grain a year. (Compare to present-day total world grain output in the range of 2.1 billion mmt.) China is already basically food self-sufficient, but at a lower level of diet than desirable. It has produced bumper grain crops over the past five years, with over 500 million tons in 2007. However, this is 15 million tons less than total demand, and that gap must be closed. China also needs to maintain grain reserves; it currently has some 150 million tons in reserve, including 40-50 million tons of rice.

Chinese Prime Minister Wen Jiabao said that the government will be "relentless" in its commitment to maintaining a minimum of 120 million hectares of arable land, as well as improving vital water supplies, and other agriculture infrastructure. The government is also committed to ensuring rising incomes for farmers.

Jilin province, in the northwest, which is already a big grain producer (including corn), is to increase its grain production by over 5 million tons over the next five years. The national and provincial government will invest 26 billion yuan (\$3.72 billion) in water diversion and irrigation projects, as well as improve mechanization, and overall education of Jilin's farmers in advanced techniques. The program will given Jilin another 200,000 hectares of arable land, and upgrade the productive capacity of over 3 million hectares (7.4 million acres) of Jilin's current 5.3 million hectares (13 million acres) of farmland.

In the Western Hemisphere, a call has gone up from hard-hit Central American nations, for the UN to hold a special session on the world food crisis. Honduras, Nicaragua, and other nations are being hit by impossibly high food import prices, at the same time that they are being pressured to go along with producing bio-energy crops for export. Speaking in Villahermosa, Mexico on June 28, the President of El Salvador, Elías Antonio Saca, announced that UN Secretary General Ban Ki-Moon intends to convene an emergency session on the global food and fuel crisis, as proposed at the FAO conference in Rome. Saca said that the United Nations "is looking at a date. It could be before the [General Assembly] session, but hopefully it won't be too late, before the price of a barrel of oil reaches \$200." The President of the Dominican Republic, Leonel Fernández, made the proposal on behalf of the Central American Integration System (SICA). SICA had met in El Salvador June 27-29, and discussed an emergency plan to increase production of basic grains. Immediately, this plan envisions providing seeds and fertilizer to farmers, strengthening technical assistance (both public and private), creating cheap credit programs, and leasing of land. Also discussed were establishing purchasing agreements, joint purchase of fertilizers, and providing silos for storage.

Schiller Institute

Danish Parliament Probes Food Crisis

by Feride Istogu Gillesberg and Michelle Rasmussen

The Danish Parliament's Foreign Affairs Committee held a hearing on June 23 on the international food crisis. Among those participating was the Danish branch of the Schiller Institute (SI), whose international founder is Helga Zepp-LaRouche. On May 22, the SI had testified before the same committee, about its campaign to put doubling world food production on the agenda of the UN Food and Agriculture Organization's conference in Rome in June. Foreign Affairs Committee Chairman Gitte Seeberg (Independent), who attended the FAO meeting, took the initiative to hold the latest hearing, and chaired it.

The hearing was attended by approximately 100 people, including parliamentarians, representatives of food-related institutions, humanitarian organizations, private persons, and the Schiller Institute. Four experts presented their views, and the participants were encouraged to join the debate.

Henrik Hansen, professor and head of the Institute for Food and Resource Economics of Copenhagen University, spoke first. He began with sheer academic sophistry, saying that he was talking from the standpoint of an economist, and would not make any ethical evaluations. He claimed that press

24 Economics EIR July 11, 2008