Nations need sovereignty to solve the food crisis

by M.M. Baker and R. Tennenbaum

As food supplies per capita fall for millions of people in dozens of nations, certain government leaders are beginning to publicly question the supposed merits of allowing "free trade" in food commodities to continue. Faced with worsening food shortages, government officials in many nations are confronted with the fact that the world market, which was—according to arguments made in recent years by the International Monetary Fund (IMF) and related agencies—supposed to provide food "security," has either no stocks available, or no purchase-credit available, or no prices that are affordable. Therefore, the question of whether people will eat, or not, brings forward the principle of national sovereignty.

The world per capita shortages are a matter of record. For example, world "carryover" grain stocks at the end of this crop year may dip to 264 million tons—the same as in 1969. For months, the statistics released on low world harvests by both the U.S. Department of Agriculture and the Rome-based U.N. Food and Agriculture Organization (FAO) have documented how, as of the 1990s, world output of basic grains and other staples is falling *below* average annual utilization of food staples in the 1980s. When it comes down to the national and local level, this means malnutrition and outright starvation.

These shortfalls in annual world output of basic foodstuffs have now reached the stage where even academics and the media are acknowledging the crisis. Typical is the October issue of *Agrarwirtschaft,* a magazine widely read in European university circles, in which Prof. Günther Weinschenk warns of a huge grains deficit: "There is no longer enough food being produced in the world and we had better acknowledge this fact soon." As Weinschenk, of the University of Hohenheim, put it, "Food scarcity is no longer a problem of distribution, but one of having adequate production capacities." Estimates of the international agriculture research institutions show clearly, "that if current trends of population growth and production continue, in the year 2025, there will be a 700-million-ton grain shortfall per year." This is more than one-third of today's annual world grain production.

Exporters announce cutbacks

In response to short food supplies, many nations that are the "export source nations" from which the cartel food companies obtain commodities for world trade, have announced cutbacks and restrictions. These nations are the United States, Canada, Australia, New Zealand, members of the European Union, Argentina, and South Africa.

This spring, the United States announced that it would cut by half the grains donated annually to the World Food Program for humanitarian aid, down from over 4.5 million tons, to around 2 million. For the first time since World War II, the United States has no grains or surplus commodities in storage. There is now pressure on President Clinton to open up the Strategic Wheat Reserve of 4 million tons, to make good on even the lowered grain donation commitments.

In July, the European Union suspended grains exports. Then, in October, the EU Commission placed a tax on future EU exports of wheat "to prevent the outflow of wheat to the world market." Taxes on rye exports are also expected. These measures are to ensure supplies for the EU internal market. The commission stated that the grain-trading companies will have to shift from their customary practice of asking the EU to subsidize their wheat export deals, to asking the EU instead to levy the minimum export tax on their proposed shipments. The commission declined all export demands except to developing countries in Africa, the Caribbean, and the Pacific, with which the EU has special relations.

As of November, the European grain and fertilizer trade association, the Getreideverband, announced that grain export volume from the EU will be so limited this accounting year, that only 16-20 million tons will be exported, despite the fact that the rules of the General Agreement on Tariffs and Trade (GATT) would allow 30 million to be exported. So-called EU "intervention" stocks are down to 4 million tons, from 17 million tons a few years ago. From country to country, the grain isn't to be had. For example, in Spain, there are 8 million tons of grain lacking. France, for the first time since following the war, has next to no grain reserves.

The impact on food-importing nations is catastrophic. Over 100 nations are now grain import dependent. Over the past 25 years of "free-trade" campaigning, private commodities interests—connected mostly with London-based financial circles—moved through IMF and U.N. networks, to force nations to provide more and more of their annual food supplies from imports, and to open their economies up to international trading and processing companies. At the same time, the World Bank and IMF circles denied these countries the financing to upgrade their agriculture infrastructure. Thus, Mexico, a grains-exporting nation in the 1960s, is now 25% import dependent for grains. And there are no grains stocks to be had.

What is the response of the U.N. and the international community? At the Oct. 16 U.N. 50th anniversary of the FAO in Quebec City, officials praised 50 years of increase in global food tonnages, but attributed the malnutrition of an estimated 800 million people to "poverty." The U.N. called for "poverty alleviation."

This cant is a coverup for the commodities cartel companies' campaign for still more "free-trade" rights and profits. In World Bank argot, the focus today is on "HVCs" or "high value commodities," as distinct from bulk commodities, like grain.

The bull's-eye cartel target for the HVCs free-trade campaign is the Pacific Rim—seen as still a lucrative market, while whole nations elsewhere, in Africa and South America, are written off. This fall, former President George Bush, and various congressmen connected to the London-based food companies, have been on junkets to Pacific Rim countries. The companies involved include the Nebraska-based IBP (on the board are Wendy Gramm, wife of Texas Sen. Phil Gramm, and Bush's former campaign treasurer); the London-based Grand Metropolitan (owner of Pillsbury's); Philip Morris (owner of Kraft Foods); Unilever; and Nestlés.

At the annual stockholders' meeting this fall, Archer Daniels Midland Chairman of the Board Dwayne Andreas bragged about how ADM was moving in on the action all over the Pacific Rim. ADM, along with Cargill, Inc., the London-based Tate & Lyle, and CPC, is already under antitrust grand jury investigation for price-rigging and monopoly domination of international food products.

National sovereignty asserted

In response to these thug tactics, officials in China, India, Russia, and elsewhere have begun re-asserting food self-sufficiency. The November meeting on Asia-Pacific Economic Cooperation (APEC) concluded by stating that member nations would only "voluntarily" open their food and agriculture markets to foreign free trade.

The agriculture minister of China, at a food conference in Beijing this fall, with George Bush in attendance, reiterated China's intention to remain food self-sufficient.

Russian Agriculture Minister Aleksandr Nazarchuk, at a Prague press conference in mid-November, said outright, "Russia will not turn over its internal market to foreign companies." He said that while costs of production were higher in Russia than in the West, nevertheless, it was in the interests of the nation to subsidize agriculture. Nazarchuk rejected plans of the "reformers," which, according to IMF design, would shut down "unprofitable" farms, and orient the country to foreign food companies instead. He said that this would be decisive for Russia's independence. He made clear that, in contrast to other eastern European countries, Russia will not give back land to the former owners nor their heirs. He said that the nation must not allow agricultural land to be freely bought and sold, lest it be bought up by people and companies that just want to speculate, and have no interest in producing food—since it is unprofitable to do so.

For the immediate situation, there is an urgent need for food relief in Russia. Speaking at the "World Food '95" exhibition in Moscow in mid-November, Russian Economics Ministry Agriculture Director Anatoli Lifanchikov said the government has to import 6-7 million tons of grain "very soon." Production in Russia decreased by one-fourth within the past five years, while imports have been rising constantly. Twenty percent of the meat, 15% of milk and milk products, and 50% of the sugar consumed in the country is being imported. Moscow is 70% dependent on imported food.

U.S. Ambassador to Russia Thomas Pickering spoke at the same Moscow food fair, expressing hope for the United States "to triple food exports to Russia by 1999." But he also expressed concern that Russia allow western food companies (the London cartel interests) the right to invest and own parts of the Russian food industry.

In India, technically there are 37 million tons of grains in stock, but this has been achieved only at the expense of deficient per capita consumption. Harvests have risen, but more infrastructure is needed for transport, processing, and future output gains. The *Hindustan Times* reported, as of October, that 40% of the population is too poor to cover their basic dietary needs. "Sadly, even the eating habit in these homes is such that 90% of the calorie supply comes from cereals, starchy roots, sugar, and pulses. An average Indian receives less than 49 gms. of protein as compared to 100 gms. in developed countries." Every second schoolchild is suffering from malnutrition, and every third infant is underweight.