

Our key objectives are to ensure the steady development of agricultural areas, raise the quality of rural life, and achieve substantially increased efficiency of the APK, and competitiveness of our agricultural production. That means protecting ourselves from world market fluctuations.

Our policy must guarantee access to food and stable prices, for the population, while creating incentives for efficient agrarian production.

I would like to mention the following key points.

First. We must substantially increase production of the main types of agricultural production. Above all this concerns meat, milk, and grain. And grain needs the most attention, since it is the main raw material for all of agriculture.

In world practice, production of one ton of grain per capita is considered optimal. We have increased our grain production and already have an export capability which is not bad. But, to reach that world level, we need not only to increase the area under cultivation, but also to work seriously on raising yields and efficiencies in grain production.

Second. Technological re-equipping of the sector. For this purpose, we should develop effective leasing schemes and expand the use of long-term credit.

Third. It is important for us to achieve price stability for the main types of resources used in the APK. I am not saying anything new here: This means, above all, motor lubricants and fertilizer. To achieve this we need to improve the effectiveness of anti-monopoly regulation and subsidies.

Fourth. A modern risk-management system. The State Program provides for developing agricultural insurance.

Fifth. We need modern market techniques for reacting to conjunctural changes that affect the main types of agricultural products. This requires a system for constant monitoring. And if prices exceed established limits, there should be automatic measures, and I mean purchasing interventions, and regulation using import and export tariffs. This array of instruments exists and is in use, but unsystematically, and often very late, unfortunately.

Under rapidly changing conjunctural conditions and rising prices on world food markets, the Ministry of Economic Development and the Ministry of Industry and Trade must make an inventory of all of our foreign trade agreements in the agroindustrial area and, jointly with the Ministry of Agriculture, present specific proposals to improve our foreign economic policy in this area. Being guided, of course, exclusively by the interests of our domestic producers and consumers.

In this connection, we need to update our regulatory base for production and sale of food products, and adopt modern technical regulations.

Lastly, steady development of the APK and the food market require that we shape an effective trade policy, one which allows us to reduce costs along the pathway a product takes from the producer to the consumer.

We shall formulate the relevant orders, based on the results of today's meeting.

Egypt's Mubarak Will Take Biofoolery to FAO

Speaking at the World Economic Forum in Sharm el-Sheikh, Egypt on May 18, Egyptian President Hosni Mubarak said the burning of food in the current global food emergency must end, and he promised to take up the issue at the June 3 meeting of the UN Food and Agriculture Organization (FAO) in Rome. Mubarak's call to arms against bio-fuels has been almost completely blacked out of the Western press, in favor of reporting the ranting speech, at the same conference, of President George Bush, lecturing the Arabs on "democracy."



Agência Brasil

Hosni Mubarak

The following are excerpts from Mubarak's speech, translated from Arabic by EIR:

The Davos conference is returning to Sharm El-Sheikh, as the Middle East and the world are facing a crossroads, amid difficult regional and international conditions. The world is facing an acute economic crisis that started with the collapse of the U.S. mortgage credit market, together with which the expectations for the rates of growth of the world economy declined. Severe inflationary currents are sweeping the world, where we are witnessing unprecedented record hikes in prices of energy, basic foodstuffs, and raw materials. These are throwing the greater part of their impact and consequences on poor nations, and the people of least income within each nation...

Ensuring food security for the poor is an essential challenge. It is a great responsibility towards the poor and those of lower income, including those in the rich, developed nations. And this target must not become a subject for speculation that raises the price of food, or other tendencies that use the food of human beings as fuel in car motors. Is it reasonable that some would go ahead with the production of biofuels, with support from the governments for its producers? Is it reasonable or even acceptable that agricultural crops are used for the production of ethanol, making the crisis of food prices worse?

The international community is in need of reassessing the

real cost of the production of biofuels, including all the social and environmental effects, and the consequences for the food security of humans. The need for an international dialogue is becoming urgent, where the exporters and importers of energy and food from developing and industrial nations meet around one table: a dialogue which would present solutions ensuring the meeting of the needs of the world population for food, and would provide, at the same time, the necessary supplies of energy internationally. A dialogue which will result in solutions that we all agree on and commit ourselves to. . . . We are facing a vicious cycle, imposed by the correlation between food supplies and energy, whereby each of the two factors becomes both a cause and an effect, simultaneously, for the current crisis of the world economy. The two are threatening to turn the crisis into a permanent one, unless we move swiftly to contain them.

I will carry this call for dialogue on this important international issue to the coming meeting of the FAO in Rome next month. And I am looking forward to seeing this meeting place both the developing and industrial nations on the right track.

Kirchner: Argentina Could Feed 500 Million People

Below are excerpted remarks by Argentinian President Cristina Fernández de Kirchner, speaking May 16 at the “Poverty, Inequality, and Inclusion” panel of the Fifth European Union-Latin American Summit, held in Lima, Peru, May 16-17, 2008. The speech was translated from Spanish for EIR.

...What we have called neoliberal policies, which were showcased in our region over the previous decade, . . . caused the virtual disappearance of the State, and in the particular case of my country, pushed us to a 22-23% unemployment rate, . . . a 54% poverty rate, and 28% indigence rate. . . . I also think that many times the particular processes that occurred in the region led us to conceive of the State . . . not as the omnipresent State of earlier times . . . but a State that intervenes to balance out the imbalances that the market can't address. I think that we've learned the tough lesson: that both the State and the market have to coexist, but that it's the State that definitely has to do



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Cristina Fernández de Kirchner

those things the market can't. This is essential. . . .

We've already warned that neoliberal policies, otherwise known as the Washington Consensus, were a dismal failure throughout the region, leaving an unprecedented social tragedy in their wake, which now presents us with a new challenge in this 21st Century. . . .

The day I took office, I asserted that the problems of the 21st Century would be energy and food. . . .

And, if the food crisis weren't bad enough, on top of that we've had to deal with the issue of financial speculation, which unleashed additional problems we hadn't faced before. Isn't it strange—that we've had an international order that valued the protection and autonomy of our central banks, with a rigorous oversight of everything that is the formal international financial system. Yet despite that, a system of [private] funds developed right next to—or parallel to—that system, and while nobody knew where they were, or how they were used, they created one of the biggest crises in memory. Now it turns out that for the longest time, that capital was involved purely in financial speculation, operating inside financial entities. But now, they've shifted into the domain of food, because obviously that's where the higher profits are. Since it's difficult to know, or know with certainty, what the status is of each financial entity, [these funds] find it easier to take refuge in fixed or tangible assets, such as commodities, etc.

We now see that the causes of the food crisis are the same ones behind [the growth of] poverty and indigence: [prioritizing] speculation above production, and profit above productive labor. Since [the speculators] are no longer getting results in the financial arena, they've moved into food, without governments or multilateral lending agencies offering any clear or specific policies—and *they* were supposed to be monitoring this. This isn't just a matter of feeding the hungry. If we don't deal with the causes that led to this situation, we're only going to be able to offer palliatives. I think that one of the keys to approaching the problem of indigence and poverty is to see them as phenomena caused by bad economic and financial policies—apart from the responsibility that each government may or may not have had in the deepening or exacerbation of these crises. . . .

I think what's important now is for us to determine how we got into this situation, not just to place blame, but to be able to find the tools and policies to reverse it. . . .

More than 100 years ago, my country was a raw materials producer, and in that capacity became the seventh largest economy in the world. But this isn't the position we wish for ourselves today, because we know that the producer only of raw materials operates only in very short economic cycles. We know that the key for our countries is to have a lot of value added, so as to be able to generate jobs and internal [income] distribution, to make this process sustainable. . . .

Today, as a commodities producer, we find ourselves in a privileged position, and I think this is an opportunity both for us and for you: for you, because you can't produce food on the