State Department lets Africa starve, supports global IMF food control

by Carol Cleary and Marcia Merry

Deliberate inaction by the United States concerning emergency food aid to Africa is creating the conditions for the IMF to act as a central agency for world food control to developing countries.

On Oct. 19, the United Nations Food and Agricultural Organization (FAO) held an emergency session of 57 nations in Rome to deal with the catastrophic shortage of food in Africa. Edouard Saouma, director general of the organization, requested of participating donor nations a 700,000-ton increase in annual shipments of cereals to Africa plus an additional $76 million for combating animal diseases and agricultural rehabilitation. A significant number of the 150 million Africans in 22 nations are threatened by starvation under the current drought and poverty conditions. Over the past 10 years, the food supply per capita has decreased in absolute terms for the continent of Africa. The crisis results from decades of anti-development IMF and World Bank imposed loan conditionalities which prohibited agriculture improvements and other needed infrastructure projects.

The United States was represented at the Rome emergency session, not by a representative of the U.S. Department of Agriculture (USDA), but by Julia Chang Bloch, assistant administrator for the Food for Peace program of the State Department's Agency for International Development—an open opponent of population and food growth. The U.S. Secretary of Agriculture, John Block, will be chairing the general FAO session opening in early November in Rome. His press office took one and a half hours on October 19 to determine how to respond to *EIR*'s question on what the United States will do about starvation in Africa. He said guardedly that the emergency FAO session of 57 nations was only considering "recommendations . . . just discussions of ways to assist the African nations."
zation plan being formulated.

An estimated 4.5 million tons of grain is needed annually in Africa from both commercially imported and food aid sources, just to maintain minimum subsistence existence. But at this time, much less is forthcoming. Last year the U.S. Food for Peace Program, administered by the State Department in conjunction with the Agriculture Department, shipped a reported 1.43 million tons—the largest amount supplied from any one nation. This year the State Department has no plans to send more and may actually reduce the shipments to Africa because more is being sent to Bolivia, Peru, and the new emergency food shortage areas of Ibero-America.

A director of the Food for Peace program justified this "triage" approach by saying that the "theoretical and hypothetical need level does not necessarily correspond with what is realistic or productive in delivering a food aid response." In mid-October, the *Neue Zürcher Zeitung*—the Swiss newspaper which speaks for the world food trade companies, most of which are Swiss-based, and for other transnational commodities cartels—editorialized that the FAO plea for food for Africa should be ignored. They charged that food is a matter of "purchasing power," and those countries with debt must not get food aid.

Conditionalities

The USDA and the State Department have thus helped create the preconditions for making the International Monetary Fund (IMF) the enforcer, doling out food aid to desperate developing nations who meet the specified IMF conditionalities which include drastic population reduction. Next month, Resources for the Future, a New York based, bank-linked think tank, is releasing a report promoting the role of the International Monetary Fund as the instrument of world food control. The core of this plan is already in operation.

The author, a former economist for the U.S. Department of Agriculture, said, "Food is great leverage, although I don't want to be called draconian or cruel. . . . If the economic crisis deepens in the debtor countries, this will be an important political lever for international institutions like the IMF. . . ."

The WCIF

Advocates of the IMF explicitly propose ending national sovereignty over the issue of food. The International Food Policy Research Institute—another outfit funded by the Rockefeller and Ford Foundations, the World Bank, and the United Nations—said in a 1982 report, "Creation of the IMF Cereal Facility," that "in terms of global food availability, most developing countries do not need to build up large national stocks as a hedge against bad years. Instead . . . these countries could, with adequate institutional arrangements (such as the IMF Cereal Facility, and improved food aid commitments), rely on the international market to provide much of their short crop food needs at lower long-run costs than those associated with domestic needs."

In 1981 the IMF created the World Cereals Import Facility to handle loans to member nations earmarked for food supplies. The facility functions in an ex post facto fashion. A member nation short of food is supposed to contract for a food purchase (wheat, rice, or some specified coarse grain) with a private company in the "free market"—meaning gill, Continental, Bunge, Dreyfus, André, or one of the few other world food cartel corporations—in official collaboration with the IMF. Then the IMF, if it approves the transaction, will pay the bill from the member nation's special drawing rights. The Fund is of course most likely to approve of requests from nations that have met its conditionalities involving voluntary population reduction. It will also dictate the internal farm parity prices, industrialization, and other policies of that nation. If the nation refuses to meet all the conditionalities, the IMF will simply deny the financial request, and the country's food import plans would collapse, leaving the threat of massive starvation.

The Resources for the Future report stresses that "we must use whatever leverage we can to force reduction in population growth and quickly." The debt crisis and oil shocks, the report continues, "have once and for all times ended the talk of the development of new food superpowers such as Argentina, Brazil, and Indonesia. There will be no new food superpowers and the old ones—the United States, Canada, Australia will not grow as fast as had been expected. This will mean that the global market will remain under the same political control as before. This was an important question in North-South relations. It means that the South will have less leverage, since they will not be able to rely on their own countries to supply food to them, especially the poorer nations, in times of severe shortage. If the economic crisis deepens in the debtor countries, this will be an important political lever for international institutions such as the IMF."

According to the IMF, the limiting factor thus far is *only* loan money, which is limited by the size of the IMF quotas. An IMF spokesman said Oct. 16, "Off the record, given what is going on in Africa, Asia, and Central America in terms of crop failures and food shortages . . . the Fund is anticipating increased demands on the facility."

At the top-secret July 12 U.S. agriculture "summit meeting," hosted by John Block and the USDA, Secretary of State George Schultz gave the opening address, insisting that top priority be given to the IMF demand for Congress to approve an additional $8.4 billion increase in the U.S. contribution to the IMF.

Since 1981, $285.9 million in SDRs has been paid out in food compensation payments by the IMF Cereals Import Facility, for food to Malawi, Kenya, Morocco, Bangladesh, and, by special arrangement, Korea. The money paid out may never have gone to the nations at all, but straight to the grain company. Said the IMF spokesman, "We don't monitor that."

Shutting down U.S. farms

According to the advocates of the IMF Cereals Facility, what will clinch the success of IMF food control is eliminating a large number of U.S. family farms, thus making world food supplies even more scarce. The Resources for the Future spokesman complained, "We operate from 1930s perspectives about protecting small farmers. All policy resists concentration in that it continues to protect the family farmers beyond their natural life. This must be changed. . . . We should do away with parity as it is now constituted and place things on a world market basket concept." According to this advocate, "The IMF views it as very positive that the issue of the family farm is finally being forced in the United States. There is far too much credit tied up in unproductive loans to family farmers."

This point of view is already coming true in terms of the growing brankruptcy rate of the U.S. farm sector, and the lack of federal emergency measures to prevent farm foreclosures and provide needed production credits.

There are rearguard actions underway in the courts and in Congress to protect the family farmer from debt collapse, but the State Department and Agriculture Department are stonewalling. On Oct. 17 a Federal District judge in North Dakota, Bruce Van Sickle, announced plans to decide on enjoining the Farmers Home Administration from forclosing on farm mortages. This will affect as estimated 230,000 farmers nationwide. Earlier in October, Rep. Kika de la Garza (D-Texas), chairman of the House Agriculture Commmittee, officially requested Secretary Block to activate an already-authorized program of government Economic Emergency loans to hard-pressed farmers. But Block has refused.

Overall agricultural output declined 20 percent in the United States during the last year because of the combined effects of the huge payment-in-kind acreage reduction program of the USDA, the drought, and the debt crisis. This cutback in U.S. production represents a 25 percent drop in world corn output, a 20 percent drop in world soybean output, and so forth. Block plans to continue the payment-in-kind program to reduce wheat acreage in 1984, in an attempt to create similar shortages next year.

This will help fulfill the drastic prophesies of the political allies of the IMF and the food cartel companies, who seek to create and manipulate food scarcities. At the annual meeting of the Malthusian Club of Rome in Budapest this October, the American representative, Ed Pasarini, predicted, "The grain fountains of Texas and Iowa are going to be dried up . . . by the year 2000, the United States will become a net food importer."