

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 oil-crops, 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 give 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

coverage of a food crisis is just “big hype,” and that there is no food supply crisis, only a distribution problem.

Next, a Danish representative of the UN’s World Food Program, Torben Due, discussed the effects rising food prices are having on the world’s poorest people. Malnutrition in children under the age of five has a severe developmental impact on them, he said, and when girls who were undernourished become mothers, they are likely to give birth to underweight children. He pointed out that investment in the farming sector of the poorest countries has been cut in half during recent years.

Are Economists Human Beings?

The floor was then opened for questions and comments. Parliamentarian Lars Barfoed (Conservative) said that he thought the economists were uncritically singing the free-trade tune. “I’m not a liberalist, but a conservative,” he said. He asked whether something fundamental wasn’t missing in the effort to stimulate effective food production in Africa, which he was greatly concerned about.

Committee chairman Seeberg asked Tom Gillesberg, chairman of the SI in Denmark, to take the microphone. His remarks transformed the hearing from that point on, putting the focus on the issue of the free market vs. political intervention to secure the food supply.

Gillesberg described the Institute’s campaign for doubling food production, and then said: “What is missing here, is why food production per person in the world has gone down in the last 20 years. That is a result of a conscious policy. The World Trade Organization (WTO) went in with gunboat diplomacy, to force nations to give up their national food programs. If we are to get out of this situation, we have to go back to the post-war policy, where we actually had progress, where every nation had the right to secure its national food production, which more or less would provide food for the nation, and even produce a little extra. That was banned, because the economists said we can’t have regulated markets.

“This crisis is the writing on the wall. If we can’t react to the current global food crises, and acknowledge that this is the result of the policy of global liberalism, where the markets decide everything, then the world is going to collapse around us. It must be recognized that the economists have been wrong, and that economic liberalism has failed. Politicians have to intervene to secure national food production, and regulate the markets. When we see price increases due to enormous speculation, as we see today, politicians have to intervene and stop speculation. They must declare: ‘Food is something everyone needs. It is too important to let market mechanisms control it. We have a political responsibility to make sure that everyone can get the food they need.’”

Economist Hansen responded testily that he doesn’t believe that the world economy is going under. He put up a diagram showing that food production has been going up; therefore, doubling it doesn’t make sense, in his universe. His sophist nature showed through when he said, on the question

of regulating the markets: “Looking at it from the standpoint of an economist, I would say, ‘absolutely not,’ but as a human being, I would say, ‘yes, of course.’”

Leading off the second round of the hearing was Per Pinstrup-Andersen, a Danish professor of Food, Nutrition and Public Policy at Cornell University, in Ithaca, New York, and World Food Prize Laureate in 2001. He declared that he is not against the free-market economy, because it is not the market’s fault that we have a food crisis, but rather the lack of investment. He said that for the free market to work efficiently, the prerequisites have to be there: Farming districts require transportation infrastructure, communication, health care, educational systems, and scientific research and development. He explained that investing in agricultural production would create a multiplier effect for the economy as a whole. We have to use this so-called hype around the food crisis to finally act and solve it, he concluded.

The last speaker was Morten Emil Hansen, political advisor to the Danish Church Emergency Aid Organization. He started out saying that every five seconds, a child dies of hunger. He told the audience how disappointed he was with the FAO Rome conference, which he had attended. The food crisis is integrated with the international financial crisis, speculation in food prices, rising oil prices, and ethanol production, he said; it is a complex problem which has to be approached as a whole. He stressed that while the financial world came up with \$1 trillion to help ameliorate the credit crunch, only \$8-10 billion has been collected for the FAO. He called for stopping all biofuel production, and ended by saying that access to food is a human right.

When the floor was opened up again for discussion, SI organizer Feride Istogu Gillesberg told the audience that Lyndon LaRouche had launched a “Food for Peace” campaign back in the 1980s, which had the aim of creating a New Deal, or a Marshall Plan for the world. He was not heeded, and instead, we got a globalized financial system. Financial bubbles have been created, which are collapsing now. The new trend is speculation in raw materials. The food crisis crystallizes the fact that we have gone too far with the so-called free-market economy. What do you think about a New Deal for the world? What do you think about doubling food production?

Carlos Brobjerg, a Danish-Argentinian LaRouche activist who had just returned from Argentina, asked the last question. Would the speakers support establishing a New Bretton Woods system—an idea which is supported by Italian Finance Minister Giulio Tremonti, and economist Lyndon LaRouche, which could help fend off the food crises?

Professor Pindstrup-Andersen replied that he didn’t know how you could get nations to double food production. As for the New Bretton Woods, he had not heard about this idea before, but would be very interested to learn more about it.

He and other participants left with copies of the Schiller Institute’s newspaper, headlined “We Must Double Food Production.”