

How Shultz and the WTO Destroyed The Philippines Green Revolution

by Mike Billington

The people of the Philippines have faced increasing rates of hunger for the past several years. Now, as one of the world's largest importers of rice, the country is facing famine, due to the global rice shortage, coupled with the hyperinflationary speculation in food on the commodity markets. A state of panic is setting in. Hundreds of rice distribution centers have been set up across Manila and other Philippine cities, where huge lines form before dawn to get the subsidized, imported rice at about half the market price—a program the government is now moving to shut down, unable to sustain the mounting subsidy costs.

The Philippines needs to import more than a million tons of rice each year to meet the minimum needs of its citizens, but due to the crisis, it is trying to acquire 2 million tons this year. As has been widely reported internationally, every Philippine tender for rice purchases over the past month has failed to obtain the needed quantities, and what they can purchase is at triple the price of 2007. The last tender, on May 5, called for 675,000 tons—they obtained not one grain, at any price.

And yet 25 years ago, the nation was self-sufficient in rice production, the result of a Green Revolution, carried out under the Presidency of Ferdinand Marcos, coordinated with the international Green Revolution implemented by the institutions set up by Franklin Roosevelt and his Vice President Henry Wallace (see below), under the direction of the famous Norman Borlaug. The collapse of that program in the Philippines can be blamed directly on then-U.S. Secretary of State George Shultz and his deputy Paul Wolfowitz, who ran the coup against the Marcos Administration between 1983 and 1986. That “regime change” by the neoconservatives Shultz and Wolfowitz, with the foolish Democrats in the U.S. Congress cheering them on, destroyed the Philippines nuclear program, its industrial aspirations, and its Green Revolution for food self-sufficiency—exactly as intended.

An effort to revive the technologically vectored Green Revolution was attempted, with some success, in 2002-04. A significant fight was carried out, together with other developing countries (including especially China and India), against the dictates of the World Trade Organization (WTO), which was demanding that developing nations give up protective tariffs on agricultural imports, and depend instead on the “in-

ternational markets” and “globalization” to assure their food supply. But the WTO and its British imperial model remain in force, placing the entire world on a course for famine and social upheaval, with the Philippines high on the target list.

Still, the model of the Green Revolution under Marcos, and the similar effort in 2002-04, show that emergency measures can be successful, if implemented by nations committed to the general welfare. Although the current Philippine government of President Gloria Macapagal Arroyo enjoys little popular support, in April, she committed the country to a crash program to regain rice self-sufficiency within three years, and has recently gained the support of the International Rice Research Institute (IRRI, which is international in scope, but happens to be located in the Philippines), which has pledged full cooperation in that effort. Millions of lives are at stake.

Masagana 99 vs. NSSM 200

In May 1973, the Philippine Green Revolution was launched by President Marcos and his wife Imelda, under the name of Masagana 99. Masagana means “bountiful” in the Tagalog language, while 99 represented the goal of producing 99 sacks of rice (almost 5 tons) per hectare, which was necessary to make the Philippines self-sufficient in rice production. Working with the FDR-inspired IRRI in the Philippines, Marcos built irrigation systems, provided fertilizer, pesticides, and cheap agricultural credits which were 85% guaranteed by the government, as well as a network of agriculture extension stations across the country, while introducing high-yield varieties of seed. Mechanization became widespread, replacing carabaos (water buffaloes). He also passed laws forbidding rice land from being converted to any other uses (as China has recently also done). By 1975, more than 500,000 farmers were participating in the program. Fertilizer usage doubled, irrigation use tripled to one-half of the arable land, and 81% of the rice planted was so-called “miracle rice”—up from zero in the 1960s.

Productivity doubled, and by 1977, the Philippines was self-sufficient in rice for the first time in its modern history. Similar government support made the country self-sufficient in corn, and one of the world's leading coconut oil producers.



Noel Celis

Food lines in Manila, April 2008. With the country unable to buy rice at any price, a social explosion is greatly to be feared.



Noel Celis



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But in the late 1970s, the British counterattack against such American-sponsored development dramatically escalated. In 1974, Henry Kissinger, who essentially ran the Nixon Administration, issued National Security Study Memorandum 200 (NSSM 200), titled “Implications of Worldwide Population Growth for US Security and Overseas Interests.”¹ The report, adopted as official U.S. policy, argued that population growth in certain less-developed countries was a threat to U.S. security, because a growing population would more rapidly use up the resources which were needed in the advanced-sector nations. NSSM 200 proposed limiting food

production by force: “Mandatory programs may be needed and we should be considering these possibilities now,” the document said. It added: “Since population growth is a major determinant of increases in food demand, allocation of scarce PL 480 resources [the U.S. food aid program] should take account of what steps a country is taking in population control as well as food production. In these sensitive relations, however, it is important in style as well as substance to avoid the appearance of coercion.” Kissinger never shied from acknowledging his allegiance to the British over the American

1. Excerpts from NSSM 200 can be found in “The Genocidal Roots of Bush’s ‘New World Order,’” EIR Special Report, 1992, p. 53 ff.

system, famously telling London's Chatham House in 1982 that he favored Winston Churchill's colonial policy over Franklin Roosevelt's intent to end colonialism after World War II.² The Philippines was one of the 13 "key countries" targeted by Kissinger's genocidal NSSM 200 policy. These colonial policies continue today.

Marcos had also implemented policies for energy independence, launching oil exploration which revealed significant oil resources offshore, extensive hydropower and geothermal development, and full support for the ongoing 620 MW nuclear project at Bataan. The Third World debt crisis of the late 1970s and early 1980s, brought on by the manipulated leap in oil prices by the Anglo-Dutch cartels, together with skyrocketing interest rates imposed by the U.S. Federal Reserve under Paul Volcker, sent the Philippines into a financial crisis, forcing Marcos to sign deals with the World Bank and the IMF to meet debt payments. The "conditionalities" of these agreements forced the Philippines to lift their protective tariffs on food and other goods by one-third, and lift import restrictions on thousands of items.

The Masagana 99 Green Revolution was undermined under the cover of the global financial crisis. In the early 1980s, fertilizer usage fell by 15%, acreage in rice fell by 2.4% annually, irrigation projects were abandoned, and the credit flow to farmers collapsed. Marcos was deposed in 1986 under the direction of Shultz and his agents in the Philippines. Immediately, the nuclear facility, which was ready to turn on, was scrapped, as was the Green Revolution. In its place was "globalization," which replaced a production orientation with dependence upon trade for food supplies. The protective tariffs were further removed, as federal support for infrastructure was slashed. Agricultural production shifted to export crops, while importing cheap rice from abroad for national consumption. Production, by 1996, had fallen to 1960s levels in many parts of the country. The Philippines has never recovered from the U.S. "regime change" against President Marcos.

War on the WTO

The WTO officially came into existence on Jan. 1, 1995, with the intent of forcing the full globalization of agriculture. This meant ending sovereignty over food—no self-sufficiency, no stockpiling, no subsidies, no protective tariffs—in favor of totally unregulated "free markets"—at least for the weak developing nations that couldn't refuse the demands of the Western powers. But the developing sector nations did not completely capitulate to the WTO dictatorship. The WTO biennial conferences became a battleground between the advanced and the developing nations. In the 2003 WTO conference in Cancun, Mexico, a group of 16 developing nations, led by China and India, and including the Philippines, essen-

tially shut down the conference, primarily in opposition to the insistence by the United States and the European Union that protective tariffs be eliminated altogether.

The Philippines played a significant role in that fight. The then-Secretary of Agriculture Luis "Cito" Lorenzo was one of the leaders of the Philippine delegation. He told *EIR* in a recent interview why the Cancun meeting had collapsed: "It was more the European countries, the U.K., wanting things to be done their way—free market, open access, the same old things. Everyone kept telling them: 'That's not the case. When there is anything that is perceived to be threatening to your countries, you stop it, you create a reason.' So India and China got on with us, and with that, it ended—we all went home. It's like this—why agree to something?—we'd rather bring back nothing. That fellow Pascal Lamy, the Frenchman, who is now head of the WTO, was the French representative. The WTO's relevance is really questionable, because the countries themselves, when they want something done, they talk to the other countries. There's a lot more bilateral discussion, and smaller groups. If you leave your markets open, what do you get for it? You get 'more favored-nation' status. Oh, thank you very much, for nothing! Lots of form, but the substance is lacking."

Asked if there were any benefit, for anybody, coming out of the WTO, Lorenzo responded, after a long pause: "It's hard to see if there is any. You see, the world does function without it. And it's an expense, a very large expense, for our countries."

As Agriculture Minister (2002-04), Lorenzo applied the proven policies of the Green Revolution of the 1970s. According to his assistant Ado Paglinawan, in his brief term of 19 months, he "increased the agricultural productivity to 8.5% from the historical average of 2.9%,... achieving 97% sufficiency in rice, 78% sufficiency in corn, and net export capacity in tilapia." Lorenzo worked not only with the IRRI, but also with the renowned Chinese agronomist Yuan Longping, who developed some of the earliest and most productive hybrid rice seeds beginning in the 1970s, and whose hybrids were widely applied in the Philippines. Lorenzo looked to promote the general welfare of the rice farmers and fishermen of the Philippines, not only because their product was crucial for the nation, but because they were the poorest and most oppressed within the social structure of the society.

Lorenzo addressed the 2004 World Food Prize International Symposium in Sacramento, with over 100 secretaries of agriculture in attendance, as well as agronomist giants



Former Philippine Secretary of Agriculture Luis "Cito" Lorenzo.

2. See "Confessions of a British agent," by Scott Thompson, *EIR*, Sept. 22, 1995.



IRRI

International Rice Research Institute (IRRI) director general Robert Zeigler (left), with Philippine President Gloria Macapagal Arroyo (right). The IRRI has agreed to support the Philippine government's declared emergency effort to reverse the past four years of dependence on trade over production.

Borlaug and Yuan Longping. Even then, in 2004, Lorenzo was warning of the looming disaster of dependence on the WTO's globalization policies for the nation's food supply, and for the need to "protect the population from dependence on imported commodities whose supply is more often unreliable and whose prices are quite volatile." He described his strategy: "Raise the productivity and incomes of the marginalized farmers and fisherfolk in the rural areas; second, to achieve food security for our large population by achieving a higher self-sufficiency in the most basic food commodities; and third, to sell and actualize hope in the rural sector [citizens], who were becoming reticent in accepting a highly competitive environment they could not cope with."

Such concern for the poor and for the general welfare, and such unwillingness to bow to the WTO, were not destined to survive for long in the Philippines, where national sovereignty was never fully regained after the 1986 coup against Marcos. Lorenzo's aide Paglinawan reported in an April 11 article in the Philippine *Inquirer* that Lorenzo "resigned in protest" when leading individuals, including the President's husband, Michael Arroyo, "systematically fleeced 3 billion pesos [about \$60 million] of agricultural funds in order to steal the 2004 presidential elections."

Whatever the truth of this story, known as the "fertilizer

funds scandal," it is certainly the case that investments in agriculture over the past four years fell drastically, except for investments in the wasteful and destructive pursuit of biofuels production at the expense of food crops.

A New Green Revolution?

The severe crisis in the Philippines has forced the government to adopt emergency measures, including a \$1 billion program whose stated aim is to achieve rice self-sufficiency within three years. While a noble and necessary goal, many knowledgeable sources within Philippine policy circles are skeptical that it is more than just talk, in an administration beset by both economic breakdown and perpetual political crisis.

On May 3, however, the government received a serious commitment for direct cooperation from the IRRI, through its director Dr. Robert Zeigler, to provide the Philippines with new high-yield seeds and hybrids, and to provide training for new agricultural scientists and extension workers for the national project. With this support, the best international scientific capacities can be brought to bear on the crisis.

Dr. Zeigler gave a press conference in early May with the heads of two fellow agencies of the CGIAR (Consultative Group on International Agricultural Research) network, Dr. Joachim von Braun of the International Food Research Institute in Washington, and Dr. Carlos Sere of the International Livestock Research Institute in Kenya, to decry the collapse of funding for fundamental research, just as the food crisis is becoming apparent globally. Zeigler had travelled to Washington in December 2006, to warn of the rice crisis which he foresaw as inevitable even then, due to the degrading of production per capita under the WTO regime, the collapse of stockpiles, the gutting of funding for basic research, and rising grain prices. *EIR* was alone in reporting his dire warning, in an interview published in its March 2, 2007 issue.

To drive home the point that only action to dramatically increase production can avert the food disaster now descending on the world, the IRRI issued a nine-point global emergency program in April on "The Rice Crisis: What Needs to be Done?" (see box).

The food crisis is forcing the world to face the reality asserted by Lyndon LaRouche for many years—that economics is a science of the transformation of the physical universe through discovery and the application of discoveries—not a matter of money and monetary policy. Globalization has created a world of famine and war. The Philippines, as a nation uniquely reflecting both the European and the Asian cultural traditions, is now at ground zero of the global food crisis. It can and must play a leading role in bringing about a global solution—a rejection of the WTO policies of globalized genocide, and a return to the traditions of the Bretton Woods system of Franklin Roosevelt, based on production, and the supremacy of the sovereign individual citizen of each sovereign nation state over the new British Empire.