

Strategic food crisis marks U.N.'s 50 years of failure

by Marcia Merry Baker

On Oct. 16, in Quebec City, more than 140 agriculture ministers from around the world met to observe the 50th anniversary of the founding of the United Nations Food and Agriculture Organization (FAO) on Oct. 16, 1945, which also took place in Quebec. The stated topic of this year's gathering in Canada, was global food security, which over the past 30 years of FAO history, has worsened to the point of mass hunger and starvation in dozens of nations.

Even as the agriculture ministers fêted the FAO (with a three-day symposium on Oct. 11-13, and an exhibit called "Mastering the Know-How"), negotiations continued in world trading centers by representatives of many food import-dependent nations, to try to line up import sources and financing for basic staples, to meet even next month's food needs.

As of the 1995 northern hemisphere harvest season, global foods stocks for potential exports are at 20-year lows. Prices are spiking up. African and other nations are anxiously placing bids to obtain imports from the European Union and the United States. For example, Tunisia announced the purchase of 225,000 metric tons of wheat during the Quebec conference, and sought an additional 325,000 tons later in the week. Morocco, Lebanon, and other nations are lining up for purchases.

Russian food crisis

Prominent in this process, is the crisis in Russia, where the continuing disintegration of the agricultural system (ratios of fertilizer inputs, mechanization, crop protection chemicals, storage, shipping, and processing facilities) under the western-imposed shock therapy policies, has led to a 30-year low in the grains harvest this season, of only an expected 65 million tons.

Even under the Soviet command economy, with all its breakdown problems, Russia averaged about 100 million

tons of grains production a year; last year there were still 81 million tons produced. The Russian people have turned en masse to potato plots and all manner of garden allotments and special measures, but no such ingenuity can make up for a 65 million-ton harvest.

"A crop failure," is the description of the 1995 Russian grain harvest, in the view of Agriculture Minister Aleksandr Nasartschuk, who gave a press conference in Moscow in early October, to advise that higher bread prices are to come. According to the European weekly farm journal *Agra-Europe* for Oct. 16, Nasartschuk said that grain imports were necessary, even though the Russian budget had no funds for that purpose.

The Russian situation of just the past five years, is indicative of the same process, with changes only in local particulars, that was imposed on many other nations, especially in Africa, over the past 25-30 years. From a condition of relative food self-sufficiency in the late 1960s (albeit at low per capita nutrition rates), dozens of nations became dependent food on imports and the world "market," with no improvements in nutrition levels.

U.N. sister organizations to the FAO, such as the International Monetary Fund and World Bank, contributed to undermining national food self-sufficiency, by blocking the buildup of agricultural infrastructure—electricity production, water management, and transportation, and agricultural inputs (seeds, know-how, chemicals).

In 1986, the U.N. General Agreement on Tariffs and Trade launched the "Uruguay Round" of talks to force further import-dependence on nations, under the official U.N. GATT theme of "One World, One Market." The principle advanced was that nations must *procure* rather than *produce* their own food. After eight years of dissension, the GATT Uruguay Round finally concluded in 1995 with the creation

of the World Trade Organization in Geneva.

The current shortages of food around the globe, relative to need, constitute a catastrophe. Even the official FAO statements from Quebec City show the magnitude of the crisis. U.N. officials reckon there are currently 800 million people worldwide who are chronically malnourished, consuming no more than 2,000 calories per day on average. Of this total, 192 million are children under the age of five, with acute or chronic calorie or protein deficiency. The FAO officials estimate that 65 out of 174 nations that the U.N. designates as "developing," i.e., poor, are now growing less food per capita than they did in 1970.

Can one procure food?

Where is the food to come from, if you can't produce it? On the eve of the Quebec FAO gala, the release on Oct. 11 of the U.S. Department of Agriculture world crop report (World Agricultural Supply and Demand Estimates) underlined the point that the needed volumes of grains, and other staples, for the vaunted "world market" don't exist, even if you have money. And the basic levels of expected end-of-season carryover stocks of wheat, corn, and other types of basic grains are all at or near 1975 levels.

The day after the release of the USDA crop report, prices for corn soared on the Chicago Board of Trade, hitting about \$3.30 a bushel (still under a fair, or parity price to the farmer), setting a new contract high for the second day in a row.

On Oct. 16, the FAO anniversary (also known as the 15th U.N. World Food Day), wheat prices soared to 14-year highs on the Chicago Board of Trade, hitting over \$5 per bushel. This reflected not only the current stocks shortages, but the anticipation that any drop in the next harvest, so-called "new crop wheat," which is harvested next spring, will worsen supply levels. Dry conditions in the U.S. wheat belt states may lead to late sowing of winter wheat, which will show up as losses in yield come next spring.

What has been the western response to the Russian grains crisis in particular? Relatively little so far. In early October, a Russian grain-shopping mission arrived in Washington, and both Prime Minister Viktor Chernomyrdin and Aleksandr Zaveruykha, head of the Russian Federal Food Fund, were in Canada. Reportedly, some amount of grain will be forthcoming from Canada. The terms of trade may include a commodities barter.

But from the United States, Agriculture Secretary Dan Glickman said only that Russia's request for grain will be taken under advisement, given its importance; but the problem is that Russia has no means to pay. In this regard, it is worth noting that while Russia is in dire need of food, it still possesses nuclear weapons.

What the Russian need for grain demonstrates, is the condition of economic emergency that prevails worldwide. A food production mobilization is required, along with short-term international aid provisions, which could only come about if some grouping of governments recognized the eco-

nomics crisis, and took the necessary extraordinary measures to deal with the disintegrating financial system, replacing it with production-based financing.

Instead, we have the current situation, where not only are daily food and other basic needs going unmet for millions, but certain financial and commodities interests, seeing the catastrophe, are grabbing and hoarding scarce food and other commodities stocks, intending to protect themselves or make huge profits off hunger.

In recent years, an average of 225 million tons of grains (of all types) a year have been traded. Whatever the government-to-government deals made, over 90% of this trade is controlled by the cartel of food commodities companies, such as Cargill, Inc., Archer Daniels Midland-Töpler (both of which are under anti-trust investigation by the U.S. Department of Justice), Louis Dreyfus, Continental, Bunge, Pillsbury (Grand Metropolitan).

It has been in the interests of these few cartel companies and related financial networks to perpetuate food scarcity and to dominate trade and supplies. Very few places have any independent food security stocks, with the notable exception of India, where harvest carryover may reach 40 million tons this year.

The role of the U.N. FAO, outside of the occasional instances of genuine humanitarian aid, has been to keep statistics and otherwise serve cartel interests by backing only low-technology and other "alternative" or so-called sustainable agriculture schemes. This theme was prominent in the Quebec City gathering. One of the featured speakers was Lester Brown, head of the Worldwatch Institute, which was created in 1974 by these private commodities interests. Brown lied that the world is overpopulated relative to the ability to expand food production.

FAO Director General Jacques Diouf opened the FAO symposium on Oct. 11, by citing the need for feeding people, but stressing the limitations of the "material, physical and natural resources of land, water, and climate."

The FAO's rotten pedigree

In fact, the overall record of both analyses and policy actions of the U.N. since 1945, and of its predecessor international agriculture and food organizations in the first half of this century, show consistent backing for the financial and political control interests of the private individuals and companies in the ranks of commodities and banking cartels, interconnected mostly through London.

The London connection is epitomized by the principal founder of the FAO, Lord John Boyd Orr of England, whose family and social interests were active in the pre-war international eugenics movement, and worked to set up similar post-war organizations under the cover of concern for food and conservation of resources. For example, Orr was a founder of the Washington, D.C.-based Conservation Foundation in 1946, the host group for the founding of the U.S. wing of the World Wildlife Fund in the 1960s.