

# Back Russia with 'Food for Peace' assistance

by Marcia Merry Baker

On Oct. 29, Russian Agriculture Minister Viktor Semyonov gave a press briefing in Moscow on the scope of emergency food needs in the nation, acceptable terms of food and agricultural assistance, and plans to revive Russia's farm sector. Russia's grain harvest this year is, at best, *half* of last year's, and the potato crop is also down sharply because of rot and blight.

This severe harvest disaster hits at a time when food reserves and margins have been depleted, along with agricultural output capacity over the 1990s; and, when the nation is in the throes of dealing with its situation amidst the unresolved worldwide financial disintegration. Since Moscow's Aug. 17 announcement of emergency financial measures, food import flows have all but stopped.

The International Red Cross and the Red Crescent Society are appealing for food and medical aid for targeted groups totalling more than 1.5 million people, especially pensioners and those with large families, in 12 regions. The Red Cross estimates that 70 million are in danger from lack of food in Russia, Ukraine, Moldova, and Belarus, and starvation is a real threat.

On Oct. 27, U.S. officials from the Departments of Agriculture and State were dispatched to Moscow to meet with Russian leaders on the food situation.

The key points of Semyonov's briefing on short-term relief measures, and for a national agriculture build-up, are given below. Official Russian statistics project a shortfall of staples during the 1998-99 agricultural year in the range of at least 8.3 million tons of grains and grain products. Plans for best-use of grain carryover stocks from 1997, and other measures, are under way.

At the same time that Russia is short of food, grain surpluses in U.S. farm states, for which "markets" have collapsed because of the global financial breakdown, are sitting in piles on the ground. Prices to the farmer are at 40-year lows. Whole states face ruin. More than 100 million bushels of wheat, corn, and other grains are in make-shift storage in Kansas, Iowa, Minnesota, the Dakotas, and Washington, for want of sales; elevators are crammed to overflowing from carryover of the unsold 1997 crop.

In the corn/hogs/cattle state of Iowa, farm income has dropped by half since 1996. Already, in South Dakota, farm income dropped 98% from 1996 to 1997, and now is next to nil. In North Dakota, 48% of farmers this year are shutting down or being "restructured."

## Nation-saving thinking is needed

These crises—in Russia, the U.S. farmbelt, and elsewhere—are not "concidences." Rather, they are part of the physical economic collapse paralleling the worldwide financial breakdown. Emergency *nation-saving thinking* is urgently needed. This kind of thinking is embodied in the traditional "Food for Peace" approach of the 1940s wartime and postwar periods: Get food to the points of need; at the same time, foster farm-sector expansion for the future, both at home and internationally.

In September 1988, in Chicago, the Schiller Institute founded the "Food for Peace" organization, at the instigation of Lyndon and Helga Zepp-LaRouche, to avert the misery we now see.

Specifically, the relevant postwar policy precedent in the United States is "Public Law 480," the "Food for Peace" law; and the "Agricultural Act of 1949," which specified a sliding scale of parity (fair return) commodity prices for the farmer, in the interests of protecting future food security at home and abroad. These measures continued the wartime "Lend-Lease" approach, which was based on the economic policy of producing what was required, and getting it to those who needed it.

For the Russian emergency, what is required is government-to-government arrangements to meet emergency food relief needs, and to assist in agricultural sector aid for the 1999 and future crop seasons (inputs, and logistical and infrastructure aid), which will be to the mutual benefit of Russian people and farmers, and those of the United States and any other nation that is party to this "Food for Peace" approach.

For the U.S. farm emergency, the government aid to Russia must be structured so that the impact of the foreign policy initiative benefits the *public good* domestically in the United States, meaning it benefits the farmer and consumer alike, but not the infamous food cartel companies. The government, under the emergency, must mandate a percent-of-parity price for U.S. farm commodities—both that mustered for aid, and otherwise purchased for domestic or export use.

This traditional approach means dumping the "Agriculture Improvements Reform Act of 1996," which is premised on the radical belief in "market forces." Called "Freedom to Farm," the law has rightly become known as "Freedom to Fail." The law itself states that in the event it is not renewed (or, by implication, declared null and void because of today's economic emergency), then the 1949 standing law of parity prices for farmers goes back into effect. This fall-back provision was instated into the 1996 law at the insistence of Senate Minority leader Tom Daschle (D-S.D.) and other farm state Senators. It is now time to void the 1996 act, and revert to 1949 standing law.

What underscores this point is the results of the Food Aid Initiative announced on July 18 by President Clinton. He said then, that the government would purchase 2.5 million tons of wheat, for donation to designated countries in need (Sudan,

Indonesia, North Korea, others), and that in so doing, he hoped the “markets” would see “forces of supply and demand” drive up the farm wheat price by 10%. In fact, grain prices have *fallen* since July, even though, as of Oct. 27, the U.S. Department of Agriculture announced that it had completed the 2.5 million ton purchase. So much for the myth of markets.

### **End the ‘Bush leg’-acy**

What must be stopped, is continuation in any form, especially under the guise of “aid,” of rigged globalized food and commodities trade, propagandistically called “free markets” trade: the North American Free Trade Agreement, the World Trade Organization, and so on. They were bad from the start; and now are a guaranteed prescription for famine.

In Russia, “Bush legs” (named for George Bush) is the name for foreign cartel dumping of cheap food imports. The reference is to frozen chicken legs dumped on Russia in the millions of tons over the 1990s by the U.S.-based poultry cartel, which displaced Russian poultry and meat production. At the time of the end of the Soviet bloc, food import-dependence, and undermining of Russian agriculture, was deliberately pushed by George Bush and Margaret Thatcher on behalf of London-centered financial/political circles, known as the “Club of the Isles,” whose oligarchical families and money interconnect with the commodities cartels.

For example, Thatcher’s Minister of Agriculture, Lord Peter Walker, presided over the rise of “Mad Cow” disease in the 1980s in Britain, and then, in the 1990s, as a board member of Dalgety, one of the world’s largest livestock companies, he demanded that Russia accept British beef imports. U.S.-based Iowa Beef Processors (IBP), the largest meat processor and exporter in the world, has on its board Bush’s former Presidential campaign manager, and it demands worldwide rights to “free” trade.

The commodities cartels that pushed “free trade” in the first place (beginning especially in 1984 with the General Agreements on Tariff and Trade “Uruguay Round”) include such famous food sector names as, IBP, Tysons, ConAgra, Perdue, Archer Daniels Midland, Cargill, Pillsbury/Grand Met, Kraft/Philip Morris, and Unilever.

The front groups for these very same companies (e.g., the U.S. Grain Export Council) are now demanding that the U.S. government pay them—the cartels—and they will “help” Russia—just like they “helped” the U.S. farmer!

### **Semyonov’s plans**

On Oct. 29, Minister Semyonov began his remarks with a denunciation of foreign food exploitation (the “Bush leg-acy”), then outlined the measures under way for food relief, build-up of reserves, and re-creation of the agriculture sector, especially poultry.

He began, “The mass media recently have been actively publishing material claiming that famine awaits Russia. It

would perhaps, be possible to regard that attention to agricultural problems as a very positive sign, but certainly not the reason for that publicity. It has been becoming clear that the campaign has been launched in the interests of foreign producers of agricultural products, and with all that talk about shortages of foodstuffs, they have been trying to give priority to imports of foreign products to our markets.”

Semyonov reported that the grain crop this year is the smallest in the last 40 years. He said that the drought—which hit the Lower Volga and many other regions, was the worst in meteorological history; and then, some regions (north and northwest), were hit by pelting rains, delivering two to four times the monthly precipitation norm in August and September. The official Oct. 12 report puts this year’s grain harvest at 47 million tons, down from 88 million last year (and far down from the 100 million a year typical of the 1980s). It may be worse.

With an annual use requirement (which is low, because of depleted livestock feed needs) of 79.9 million tons of grain in the 1997-98 agricultural year (which can draw on 20 million tons carryover from 1997); and projected use for 1998-99 of 86.6 million tons (when only 78.3 million tons will be on hand), a shortfall of 8.3 million tons is calculated. It could be much higher.

Semyonov said, “Russia needs an operational food reserve to adequately respond to possible shortages of food in regions. Unfortunately, having entered a free market economy, we have lost much of what we had before in terms of responding to crises.” Of 89 regions, 22 are experiencing grave grain shortages. Hardest hit are the drought regions, and the Far North.

The government has formed two new commissions: One, on food for the winter, is headed by Deputy Prime Minister Gennadi Kulik. Another, on humanitarian aid, is headed by Valentina Matviyenko. The Agriculture Ministry has five business working groups on increasing production, for grain, meat, milk, vegetable oil, and sugar.

Semyonov stressed reviving agriculture. “The crisis demonstrated to the whole of society the importance for a country to have a highly developed agriculture to ensure the country’s food security. . . . What do I have in mind [as priorities]? . . . The sectors that are capable of rapidly producing meat, I mean poultry farming and hog raising, should be given credits to expand production and thus increase food supplies in the country. If we fulfill this program, we will be able, according to our calculations, to offer the market 250-300,000 tons of domestically produced meat and thus supplant imports.”

He stressed low inputs. “We cannot afford such small harvests as this year for two years in succession. . . . As for fertilizers, let me give you just three figures. Last year we used 1.3 million tons of fertilizers. But this year this figure is less than 1 million tons, while agriculture needs 16 million tons. . . . We plan to increase the amount of fertilizers used for the future crop by four or five times.”