

mine whether Russia's existing agricultural trade agreements are in harmony with its national interests (see *Documentation*).

A Question of Morality

It remains an open question, whether the governments of Europe's nations have the intelligence and moral integrity to follow Russia's example, or whether they will allow the negotiations between the WTO and the EU, and the policies of European Commissioner for Agriculture Mariann Fischer-Boel and of British Commissioner of the EU for Trade Peter Mandelson, to cause Europe's farmers to suffer losses which agricultural experts estimate will be on the order of 30 billion euros (\$47.4 billion). The Irish Farmers Association, for one, has announced that it will refuse to accept the WTO agreement. And we can assume that the policies set forth by the EU in these negotiations, will only serve to massively heat up the ferment in favor of a "no" vote against the Lisbon Treaty in Ireland's upcoming referendum.

The battle between the proponents of "British imperial free trade" and the defenders of the general welfare and of food security, is the most important conflict facing us today, because the future of civilization hangs in the balance. On the positive side, we can note resolutions passed by the state House of Representatives in Alabama, and submitted to the Michigan House, which call upon the U.S. Congress to take measures to double food production, to halt production of biofuels, to pay farmers parity prices for food products, and to cause the United States to immediately withdraw from the WTO and NAFTA.

It is furthermore extremely significant that for the first time in the post-war era, Japan has now broken from the "Washington consensus" and is preparing joint measures with a number of African organizations, to set a Green Revolution in agriculture into motion, on the model of what was done in the 1970s.

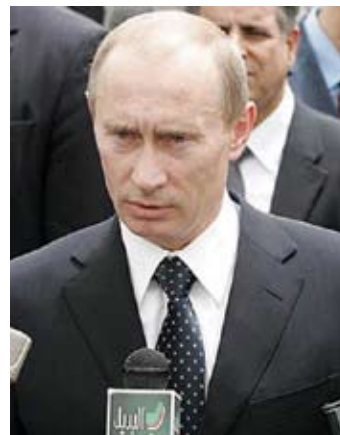
The FAO conference in early June provides us with an excellent opportunity to correct the failures of globalization, and to take up measures aimed at doubling food production as rapidly as possible. For, if the use of food to produce biofuels is a crime against humanity, then speculating on food is doubly so, and must be outlawed with stiff criminal penalties.

The British imperial free-trade system is more bankrupt today, than the Communist system was in 1989-91, and there can only be one answer to it: The New Bretton Woods system which Lyndon LaRouche had the foresight to propose years ago, must be immediately discussed and adopted at an emergency conference of the world's leading nations. The "fictitious capital" must be removed from the system, and the economy must once again become dedicated to securing humanity's long-term existence. One part of the Establishment is beginning to understand this. Therefore, if we are to preserve the world's population from immense suffering, there is no time to lose!

Documentation

Putin Vows, Russia Will Become a Food Exporter

Russian Prime Minister Vladimir Putin made these remarks to a meeting on agriculture on May 19, in the town of Yessentuki, Stavropol Territory. The speech was translated from Russian for EIR. For more on this conference, see article, p. 34.



Vladimir Putin

As agreed, we are going to be dealing with the problems of agriculture and the agroindustrial complex as a top priority, among other questions. Today we are holding the first conference on this topic. You are aware that the steep rise of prices on world food markets has seriously affected the situation in our country, too. Pensioners, families with many children, and other socially vulnerable groups in the population, for whom food is their biggest item in their family budgets, have felt this the most.

Under these conditions, we need to pay close attention to the development of our agroindustrial complex (APK) and to increasing the stability of our domestic food market.

Russia's agrarian potential is truly unique. It makes it possible not only to meet our own needs, but to make our presence known as a major player in world food markets.

A serious basis for this has already been laid, including through implementation of the National Project. Development of the APK has really become a priority for the Federal and regional governments. Many billions of rubles have been invested in the sector.

You know, the Minister of Agriculture and I were recalling just now, how in the late 1990s, ninety percent of the agricultural enterprises in the country were loss-making. 90%! Today there are still quite a few—around 25%. But it was 90%! And the most important thing now, is that the state of mind of people living and working in rural areas has begun to improve.

An important step was the adoption of a Federal Law on the Development of Agriculture, and the five-year State Program.

Our key objectives are to ensure the steady development of agricultural areas, raise the quality of rural life, and achieve substantially increased efficiency of the APK, and competitiveness of our agricultural production. That means protecting ourselves from world market fluctuations.

Our policy must guarantee access to food and stable prices, for the population, while creating incentives for efficient agrarian production.

I would like to mention the following key points.

First. We must substantially increase production of the main types of agricultural production. Above all this concerns meat, milk, and grain. And grain needs the most attention, since it is the main raw material for all of agriculture.

In world practice, production of one ton of grain per capita is considered optimal. We have increased our grain production and already have an export capability which is not bad. But, to reach that world level, we need not only to increase the area under cultivation, but also to work seriously on raising yields and efficiencies in grain production.

Second. Technological re-equipping of the sector. For this purpose, we should develop effective leasing schemes and expand the use of long-term credit.

Third. It is important for us to achieve price stability for the main types of resources used in the APK. I am not saying anything new here: This means, above all, motor lubricants and fertilizer. To achieve this we need to improve the effectiveness of anti-monopoly regulation and subsidies.

Fourth. A modern risk-management system. The State Program provides for developing agricultural insurance.

Fifth. We need modern market techniques for reacting to conjunctural changes that affect the main types of agricultural products. This requires a system for constant monitoring. And if prices exceed established limits, there should be automatic measures, and I mean purchasing interventions, and regulation using import and export tariffs. This array of instruments exists and is in use, but unsystematically, and often very late, unfortunately.

Under rapidly changing conjunctural conditions and rising prices on world food markets, the Ministry of Economic Development and the Ministry of Industry and Trade must make an inventory of all of our foreign trade agreements in the agroindustrial area and, jointly with the Ministry of Agriculture, present specific proposals to improve our foreign economic policy in this area. Being guided, of course, exclusively by the interests of our domestic producers and consumers.

In this connection, we need to update our regulatory base for production and sale of food products, and adopt modern technical regulations.

Lastly, steady development of the APK and the food market require that we shape an effective trade policy, one which allows us to reduce costs along the pathway a product takes from the producer to the consumer.

We shall formulate the relevant orders, based on the results of today's meeting.

Egypt's Mubarak Will Take Biofoolery to FAO

Speaking at the World Economic Forum in Sharm el-Sheikh, Egypt on May 18, Egyptian President Hosni Mubarak said the burning of food in the current global food emergency must end, and he promised to take up the issue at the June 3 meeting of the UN Food and Agriculture Organization (FAO) in Rome. Mubarak's call to arms against bio-fuels has been almost completely blacked out of the Western press, in favor of reporting the ranting speech, at the same conference, of President George Bush, lecturing the Arabs on "democracy."



Agência Brasil

Hosni Mubarak

The following are excerpts from Mubarak's speech, translated from Arabic by EIR:

The Davos conference is returning to Sharm El-Sheikh, as the Middle East and the world are facing a crossroads, amid difficult regional and international conditions. The world is facing an acute economic crisis that started with the collapse of the U.S. mortgage credit market, together with which the expectations for the rates of growth of the world economy declined. Severe inflationary currents are sweeping the world, where we are witnessing unprecedented record hikes in prices of energy, basic foodstuffs, and raw materials. These are throwing the greater part of their impact and consequences on poor nations, and the people of least income within each nation...

Ensuring food security for the poor is an essential challenge. It is a great responsibility towards the poor and those of lower income, including those in the rich, developed nations. And this target must not become a subject for speculation that raises the price of food, or other tendencies that use the food of human beings as fuel in car motors. Is it reasonable that some would go ahead with the production of biofuels, with support from the governments for its producers? Is it reasonable or even acceptable that agricultural crops are used for the production of ethanol, making the crisis of food prices worse?

The international community is in need of reassessing the