

real cost of the production of biofuels, including all the social and environmental effects, and the consequences for the food security of humans. The need for an international dialogue is becoming urgent, where the exporters and importers of energy and food from developing and industrial nations meet around one table: a dialogue which would present solutions ensuring the meeting of the needs of the world population for food, and would provide, at the same time, the necessary supplies of energy internationally. A dialogue which will result in solutions that we all agree on and commit ourselves to. . . . We are facing a vicious cycle, imposed by the correlation between food supplies and energy, whereby each of the two factors becomes both a cause and an effect, simultaneously, for the current crisis of the world economy. The two are threatening to turn the crisis into a permanent one, unless we move swiftly to contain them.

I will carry this call for dialogue on this important international issue to the coming meeting of the FAO in Rome next month. And I am looking forward to seeing this meeting place both the developing and industrial nations on the right track.

Kirchner: Argentina Could Feed 500 Million People

Below are excerpted remarks by Argentinian President Cristina Fernández de Kirchner, speaking May 16 at the “Poverty, Inequality, and Inclusion” panel of the Fifth European Union-Latin American Summit, held in Lima, Peru, May 16-17, 2008. The speech was translated from Spanish for EIR.

...What we have called neoliberal policies, which were showcased in our region over the previous decade, . . . caused the virtual disappearance of the State, and in the particular case of my country, pushed us to a 22-23% unemployment rate, . . . a 54% poverty rate, and 28% indigence rate. . . . I also think that many times the particular processes that occurred in the region led us to conceive of the State . . . not as the omnipresent State of earlier times . . . but a State that intervenes to balance out the imbalances that the market can’t address. I think that we’ve learned the tough lesson: that both the State and the market have to coexist, but that it’s the State that definitely has to do



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those things the market can’t. This is essential. . . .

We’ve already warned that neoliberal policies, otherwise known as the Washington Consensus, were a dismal failure throughout the region, leaving an unprecedented social tragedy in their wake, which now presents us with a new challenge in this 21st Century. . . .

The day I took office, I asserted that the problems of the 21st Century would be energy and food. . . .

And, if the food crisis weren’t bad enough, on top of that we’ve had to deal with the issue of financial speculation, which unleashed additional problems we hadn’t faced before. Isn’t it strange—that we’ve had an international order that valued the protection and autonomy of our central banks, with a rigorous oversight of everything that is the formal international financial system. Yet despite that, a system of [private] funds developed right next to—or parallel to—that system, and while nobody knew where they were, or how they were used, they created one of the biggest crises in memory. Now it turns out that for the longest time, that capital was involved purely in financial speculation, operating inside financial entities. But now, they’ve shifted into the domain of food, because obviously that’s where the higher profits are. Since it’s difficult to know, or know with certainty, what the status is of each financial entity, [these funds] find it easier to take refuge in fixed or tangible assets, such as commodities, etc.

We now see that the causes of the food crisis are the same ones behind [the growth of] poverty and indigence: [prioritizing] speculation above production, and profit above productive labor. Since [the speculators] are no longer getting results in the financial arena, they’ve moved into food, without governments or multilateral lending agencies offering any clear or specific policies—and *they* were supposed to be monitoring this. This isn’t just a matter of feeding the hungry. If we don’t deal with the causes that led to this situation, we’re only going to be able to offer palliatives. I think that one of the keys to approaching the problem of indigence and poverty is to see them as phenomena caused by bad economic and financial policies—apart from the responsibility that each government may or may not have had in the deepening or exacerbation of these crises. . . .

I think what’s important now is for us to determine how we got into this situation, not just to place blame, but to be able to find the tools and policies to reverse it. . . .

More than 100 years ago, my country was a raw materials producer, and in that capacity became the seventh largest economy in the world. But this isn’t the position we wish for ourselves today, because we know that the producer only of raw materials operates only in very short economic cycles. We know that the key for our countries is to have a lot of value added, so as to be able to generate jobs and internal [income] distribution, to make this process sustainable. . . .

Today, as a commodities producer, we find ourselves in a privileged position, and I think this is an opportunity both for us and for you: for you, because you can’t produce food on the

scale that we can, and for us, because we need technology and investment. For example, with its 40 million people, my country has the ability to produce food for 400 or 500 million people. We can't do that only with raw materials, but also with

a lot of value added to become, for example, a food multinational. We are well situated, because of our geographical location, climate diversity, and state-of-the-art technology in agro-industry.

Australia's CEC Issues Call on Food Crisis

The Citizens Electoral Council (CEC), Lyndon LaRouche's co-thinkers in Australia, issued this statement on May 19, titled "Australia Must Act Now To Address Global Food Crisis." It is being circulated as a petition throughout the country, with contact information for all the Federal and state agriculture, fisheries, water, and related ministers.

The world is in the midst of an horrific global food crisis. The UN Food and Agriculture Organization (FAO) lists 82 nations as in "food deficit," 37 of which it classifies as "in crisis," while 850 million people are in dire need and over 2 billion suffer daily hunger. UN Secretary-General Ban Ki-moon has issued an urgent appeal for aid, warning that, "Without these funds, we risk the specter of famine, malnutrition, and unprecedented social uprising." Food riots have already broken out in over 40 countries.

Australia can and must play a big role in addressing this crisis. We are amongst the world's largest exporters of dairy, barley, wheat, beef, and lamb, and, up until recently, rice. A few years ago, we produced enough rice to feed almost 40 million people a meal a day for 365 days, and Australian rice was exported to 72 countries. We are the world's second-largest wheat exporter, with 14% of the global export market, and we export about 20% of the global feed barley trade. We are also the world's second-largest exporter of both beef, and lamb and mutton. Our dairy exports make up 12% of world dairy trade.

Within the next four weeks, almost all broadacre farmers in Australia will make decisions on how much acreage they will sow, and thus, how much food will be harvested not long after. Leaving aside intermediate and longer-term measures, we must commit to the following immediately:

1. The Government must move to purchase existing wheat and other food reserves, to provide immediate food aid to the FAO and the World Food Program.
2. The Government must cease all subsidies for biofuel production, and instead send the equivalent quantity of food/grain overseas to countries in distress.
3. The Government must immediately regulate domes-

tically manufactured fertilizer prices, and subsidise imported fertilizers (relative to world prices), so that farmers pay no more than what they did in January 2006, when the current hyperinflationary spiral really took off.

4. The Government must slash the cost of all petroleum products for the agricultural sector, by suspending the hyperinflated international pricing for domestically produced oil, and by eliminating the fuel excise.

5. The Government must immediately regulate domestically manufactured agricultural chemicals, especially weedicides and herbicides, and subsidise imported agricultural chemicals, to January 2006 prices. These chemical costs have soared, just like the cost of fertilizer and petrol. The hyperinflated costs of these three items, together with the slashing of water allocations in the Murray-Darling Basin, form the immediate chokehold stopping Australian farmers from making a dramatic contribution to the world food crisis.

6. The Government must guarantee a minimum floor price for the resulting harvests.

7. The Government and quasi-governmental agencies must immediately cease all "environmental flows" of water in the Murray-Darling Basin, and cease government purchases of water, which is driving the cost of it to \$1,000 per megalitre or more, this in one of the richest agricultural areas in the entire world, which provides more than 40% of our agricultural production, and over \$20 billion per annum in agricultural exports.

8. The Government must take immediate steps to keep our pig, sheep, and dairy industries alive and producing, by imposing a significant tariff on pork imports, by subsidising hay and other feed grain for our diminishing sheep flock, and by reinstating water allocations to dairy farmers in the Murray-Darling Basin.

There is no excuse for inaction on any of these points. Given that the budget surplus estimate for 2008-09 is \$21.7 billion, the Government has more than adequate funds to implement all of the above. And, if it can create a \$20 billion investment fund largely for the benefit of British mineral cartel giants Rio Tinto and BHP, as it has just done, it can certainly find the resources to feed starving human beings.

We, the undersigned, endorse the above measures and call on the Federal and State Governments to respond immediately.