IS IT GENOCIDE?

CRISIS IN FOOD PRICES THREATENS WORLDWIDE STARVATION

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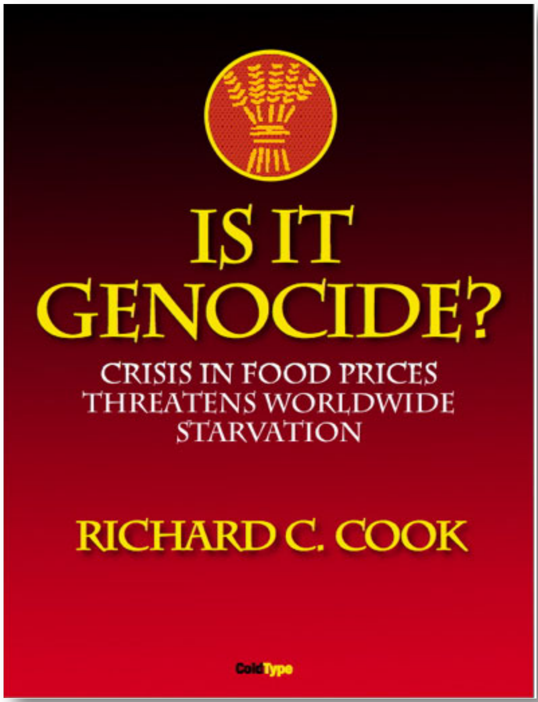

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RISING worldwide food prices are resulting in shortages, riots and protests, promises by governments to expand food aid, expressions of concern by international bodies like the World Bank, and stress on household budgets even in developed countries like the U.S. Did this just "happen" or is there a plan?

Plenty of commentators think they have it figured out and blame such factors as greater demand for high-end protein menus by the increasingly upscale populations of China and India, weather factors relating to global warming such as drought in Australia, and the diversion of animal feed crops such as corn and soybeans to ethanol production. L.H. Teslik of the Council on Foreign Relations speaks of "bubbling inflation and rising oil prices."

There is also the question of whether a role is being played by commodity speculation. The idea is that faced with the global financial crisis and the collapse of mortgage-based securities, investors are flocking to resource-based tangibles as a hedge against recession and the decline of the U.S. dollar. Hence gold is at record levels with oil keeping the same pace. How else to explain, for instance, the doubling of the price of rice in Asian markets in less than two months? Standard Chartered Bank food commodities analyst Abah Ofon says, "Fund money flowing into agriculture has boosted prices. It's fashionable. This is the year of agricultural commodities."

But the idea that speculation is at fault is disputed by no less than *New York Times* columnist Paul Krugman, one of the world's leading monetary economists, who writes:

> "My problem with the speculative stories is that they all depend on something that holds production – or at least potential production — off the market. The key point is that the spot price equalizes the demand and supply of a commodity; speculation can drive up the futures price, but the spot price will only follow if the higher futures prices somehow reduce the quantity available for final consumers. The usual channel for this is an increase in inventories, as investors hoard the stuff in expectation of a higher price down the road. If this doesn't happen – if the spot price doesn't follow the futures price – then futures will presumably come down, as it turns out that buying futures produces losses."

Solid data in this area is hard to come by. Probably the chief common denominator among commentators, especially those advocating a supply and demand or global warming perspective, is that they have so little solid information. Thus it is refreshing to find a study that contains meaningful statistics such as one appearing on the Executive Intelligence Report website entitled, *To Defeat Famine: Kill the WTO*, by Marcia Merry Baker. One particularly telling item is that after global food supplies were boosted through the Green Revolution and related programs lasting into the 1970s, more recently, world food production has actually declined. Baker writes,

> "World per-capita output of grains of all kinds (rice, wheat, corn, and others) has been falling for twenty years. Whereas in 1986 it was 338 kilograms per person, it went down to 303 by 2006. This decline in no way has been made up for by increasing amounts of other staple foodstuffs – tubers, legumes, or oil crops, which likewise are in insufficient supply."
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> "In twelve of the last twenty years, less grain has been produced than utilized that year (for all purposes – direct human consumption, livestock feed, industrial and energy uses, and reserves). Accordingly, the amount of carryover stocks of grain from year to year has been declining to extreme danger levels. The diversion of food crops into biofuels is the nail in the coffin. The latest estimate is that worldwide stockpiles of cereal crops of all kinds are expected to fall to a twenty-five-year low of 405 million tons in 2008. That is down twenty-one million tons, or five percent, from their already reduced level in 2007."

Further, an increasing proportion of food crops is being produced by large multinational corporations whose power and reach has ballooned under the World Trade Organization and spin-offs like NAFTA even as small family-run farms have lost the protection of parity pricing and been priced out of business. But the data suggest that a) the output of agribusiness has failed to match the older, more diversified systems of farming; and b) as nations lose their ability to feed themselves, agricultural pricing becomes more subject to monopolization.

The loss of agricultural self-sufficiency has been exacerbated in much of the developing world by International Monetary Fund lending policies. Under the "Washington consensus," entire nations have been forced to give up agricultural self-sufficiency and convert farmland to export commodities while displaced rural populations migrate to the slums of large cities such as Lagos \, Nigeria. Today those populations are the ones most grievously threatened with starvation.

Then what is really going on?

First of all, let's get rid of the idea that we are seeing "impersonal market forces" at work. "Supply and demand" is not a "law" – it's a policy. If a seller has an article in demand it's a matter of choice whether he charges a premium when he offers it for sale. If he's a decent, honest soul, maybe he won't necessarily charge all the market will bear, particularly if the item is a necessity of life, such as food. Or maybe there will be a responsible public authority around that will prohibit price gouging or else subsidize the purchaser, as often happens in credit markets. Of course public spirited action like this is itself a declining commodity in a world afflicted with the kind of market fundamentalism and rampant privatization that has been the rage since the 1980s Reagan Revolution.

Second, let's ask the question which any competent investigator should pose when starting out on the trail of a possible crime: "Who benefits?" Indeed we may be speaking of a crime on the scale of genocide if the events in question are:

a) avoidable; in which case the crime is one of negligent homicide; or

b) planned, where we obviously have a conspiracy among the contributing parties.

Those who benefit are obviously the ones who finance agricultural operations, those who are charging monopoly prices for the commodities in demand, the various middlemen who bring the products to market after they leave the farm, and the owners or mortgagees of the land, retail space, and other assets required to conduct the production/consumption cycle.

In other words, it's the financial elite of the world who have gained complete control of the most basic necessity of life. This includes not only the international financiers who provide capitalization, including the leveraging of trading in commodity futures up to the 97 percent level, but even organized crime groups which the U.S. Department of Justice says have penetrated world materials markets.

And is all this part of a long-term strategy by international finance to starve much of the world's population in order to seize their land, control their natural resources, and enslave the rest who fear a similar fate? Already millions of people are losing their homes to housing inflation and foreclosure. Is actual or threatened physical starvation the next part of the scenario?

And where are the governmental authorities whose job it is to protect the public welfare both at the national and international levels? These authorities long ago allowed a situation to develop, including in developed nations like the U.S., where people in localities no longer have the simple ability to feed themselves, even in emergencies. And not one of the candidates remaining in the U.S. presidential election – John McCain, Hillary Clinton, nor Barack Obama – has addressed the food pricing issue. Indeed, all three are part of a government that has gone so far as to exclude much of the rising cost of food from measurements of inflation, an innovation that took place on Bill Clinton's watch.

It is now April. Already food has run out in some parts of the world. In a few months winter will come, at least in the Northern Hemisphere. What will happen then? Are you certain food will be on your table?

And suppose you wanted to make a contribution to your own well-being and to that of your family and community by going into farming. In most parts of North America you can look around and see plenty of underutilized land.

But could you do it? Could you buy or lease land and pay taxes on it after the galloping inflation of the real estate bubble? Could you get bank loans for equipment and operating expenses under today's constrained credit conditions? Could you afford fuel for your equipment when petroleum costs over $115 a barrel? Is water readily available from developed supplies and is electricity available at regulated prices? Could you purchase anything other than genetically-modified seed? Would local supermarkets buy your produce when your prices are undercut by massive corporate distributorships importing food from abroad? Does the system even exist in your home town for marketing of local farm products?

And does anyone in power even care?

Well, whether they do or not, “We the People” should care. One of the worst aspects of the consumer society is the separation between the individual and the products of the earth we utilize. We always assume that whatever we need will be there so long as we have money in our bank account or the ability to charge on a credit card and pay later.

Such assumptions are losing their validity. Back in the 1960s people who were starting to understand these things began a modest “back to the land” movement. Today it is time to start one again. Except this time we need to do it right by demanding government policies that support it. This means low-cost credit, price supports, affordable utilities, favorable tax policies, and decisions by government and businesses to “buy local.” Food production cannot safely be left in the hands of agribusiness and international finance capitalism any longer.